NONGOVERNMENTAL ORGANIZATIONS IN PUBLIC/PRIVATE PARTNERSHIPS: APPLICATIONS TO NEW INSTITUTIONAL ECONOMICS

by

Alfred Boima Konuwa, Jr.

A Dissertation Presented to the
FACULTY OF THE SCHOOL OF POLICY, PLANNING AND DEVELOPMENT
UNIVERSITY OF SOUTHERN CALIFORNIA
In Partial Fulfillment of the
Requirements for the Degree
DOCTOR OF PUBLIC ADMINISTRATION

December 1999

UMI Number: 9987635

Bell & Howell Information and Learning Company
300 North Zeeb Road
P.O. Box 1346
Ann Arbor, MI 48106-1346

UNIVERSITY OF SOUTHERN CALIFORNIA
SCHOOL OF POLICY, PLANNING, AND DEVELOPMENT
UNIVERSITY PARK
LOS ANGELES, CALIFORNIA 90089

This dissertation, written by

ALFRED BOIMA KONUWA, JR.

*under the direction of h*is *Dissertation Committee, and approved by all its members, has been presented to and accepted by the Faculty of the School of Policy, Planning, and Development, in partial fulfillment of requirements for the degree of*

DOCTOR OF PUBLIC ADMINISTRATION

Dean

Date December 9, 1999

DISSERTATION COMMITTEE

Chester A. Newland
Chairperson

Dedication

This dissertation is dedicated to the memory of my parents,
Alfred B. Konuwa, Sr., and Tonieh Mendemassah Konuwa.
They taught and lived the true meanings of
truth, beauty and good.

Acknowledgments

I wish to acknowledge the following for their support, assistance and contributions towards this research project:

- My wife, Sophie, for her understanding, encouragement and inspiration, and for her patience and dedication to our family's success;
- Our sons, Alfred "Boogie" and Anani, for motivating me through their own achievements and for keeping us laughing over the years;
- The Chancellor's Office of the California State University System for providing the financial support through its Minority Doctoral Incentive Program;
- My dissertation committee chairman, Dr. Chester Newland, for his many thoughtful suggestions and comments, as well as his inspirational words of wisdom which always suggest that anything is possible.

Table of Contents

CHAPTER 2

CHAPTER 3

CHAPTER 4

CHAPTER 5

CHAPTER 6

List of Tables

List of Figures

Dissertation Abstract

NONGOVERNMENTAL ORGANIZATIONS IN PUBLIC/PRIVATE PARTNERSHIPS: APPLICATIONS TO NEW INSTITUTIONAL ECONOMICS

The decades of the 1980s and 1990s witnessed academic and policy debates about the relative merits of public versus private sector efficiencies and effectiveness in processes of economic development in Africa. These discussions came in the wake of failed development approaches to redress symptoms of underdevelopment, including negative economic growth rates, poverty and poor governance structures. Nongovernmental organizations (NGOs) emerged in the 1990s and are being welcomed as panaceas and alternatives for economic development in Africa.

This study investigates the applications of New Institutional Economic (NIE) theory to analyze the activities of NGOs in processes of economic development. The holistic approach of NIE theory emphasizes institutional configurations in development processes, and it transcends the polarization of the public or private sector in economic development approaches.

The methodology employed is a multiple case analysis of the performance of projects by 51 nongovernmental organizations in 16 African countries. The data

collected from observations of these organizations were used to establish statistical relationships between NGO performance and five NIE variables—service delivery, task, structure, participation and environment.

The findings from the study support NIE theory that a certain set of institutional arrangements is conducive to the performance of development projects and economic development. The findings also reveal that NGO performance is salient in the design of these institutional arrangements, and that NGO and government partnerships are effective alternatives to paradigms that foster the polarization of government or the market in the development process.

The study demonstrates that a continuing need exists to re-assess prevailing theories of public administration to develop public policies that address changes in social relationships. The study also demonstrates a need to assess the overall applicability of theories designed in developed countries to Africa and Third World nations. The recommendation of this study is that such an assessment should not be based on a choice among hierarchy of nation-state bureaucracy, markets, and civil participation, but it should emphasize the contributions that these three pillars of institutional development can make to enhance institutional performance.

Dissertation Committee

Professor Chester Newland, Ph.D., Committee Chair
Professor Jeffrey Chapman, Ph.D., Committee Member
Professor Ross Clayton, Ph.D., Committee Member

CHAPTER 1

INTRODUCTION

Background

Nongovernmental organizations (NGOs) have become central in debates about the relative merits of public and private sector efficiencies and effectiveness in processes of economic development. The role of the NGOs in Third World economic development has figured prominently in policy discussions (Bebbington and Farrington 1993; Carroll 1995, 1992; de Janvry and Sadoulet 1995; Edwards and Hume 1996; Patterson 1999; Sandberg 1994), especially in the wake of failed state interventionist practices and market imperfections. Klitgaard (1991) observed that the debate about the relative efficiencies of the public and private sectors has exposed weaknesses and failures in both arenas with respect to their records in economic development, especially in less developed countries (LDCs). In recognizing both market and government failures in development initiatives, Klitgaard has called for an "adjustment to reality" where features of both the market and government sectors are taken into account in the process of economic transformation. Kettl (1995) saw this adjustment and realized that major policy initiatives launched by a developed economy, such as the United States federal government since World War II, have been managed through public-private partnerships involving public governance and private markets. The literature in the new institutional economics (Clague 1993; North 1981; Olson 1993; Ostrom 1990; Williamson 1995) has taken a holistic approach to considerations of economic development by linking public policy analysis to institutions. An examination of the relevance of institutions in economic development considers both private and public perspectives. The success or effectiveness of economic policies may be based on the evolution and impact of institutions rather than the relative merits of public or private sectors.

In Africa, unsuccessful efforts to alleviate poverty have generated interests in NGOs to fill gaps between flawed markets and deficient governmental programs. Donor agencies like the World Bank and the United States Agency for International Development (USAID) have called for NGO involvement in programs that were traditionally implemented by governments. At the same time, African governments have formed partnerships with NGOs, either as an imposed condition in order to receive foreign aid or a retreat from futile attempts to implement economic programs through central planning modalities. However, public-private partnerships between African governments and NGOs have encountered many obstacles that have undermined the effectiveness of this model since it entered the limelight in the decade of the 1980s (Bratton 1989; Carroll 1992; Uphoff 1987).

Purpose of the Study

The purpose of this dissertation is to investigate these obstacles by analyzing two features inherent in institutional economics: beneficiary participation and performance. It studies those institutional features that influence successful performance of NGOs in their relationships with national governments.

Research Questions

The study sets out to respond to the question, "*What features of the new institutional economics provide strategies to overcome obstacles to public-private partnerships involving NGOs?*"

Implied in this basic question are several issues related to topics discussed in the new institutional economics. These issues include the following questions:

- What economic framework can be utilized to analyze specific sectors or problems, including market or non-market failures, which pose obstacles to public-private partnerships in economic development?
- How can obstacles to public-private partnerships be overcome by using economic frameworks, such as institutional theory to develop implementation steps?
- What is the role of nongovernmental organizations in the effectuation of public private-partnerships?
- What interactions exist between institutions and the design of public policies (i.e., what is the relationship between institutional theory and design science)?

- How can indigenous and elite institutions, working through nongovernmental organizations, help to improve economic development through participation, openness and transparency?

- What differences are evident in applications of institutional arrangements in public-private partnerships among selected African countries?

Focus of the Study

To some extent, these questions have been addressed in the literature. However, the focus has not been principally dedicated to studying a group of African countries. Studies have been either oriented towards a single issue in a single country or devoted to multiple issues that included African countries among other countries in less-developed areas. For example, Esman and Uphoff (1984) examined 150 cases from 20 countries in Asia, Latin America and Africa to determine institutional influences on performance. Narayan (1997) studied 121 projects from forty-nine developing countries, also in Asia, Latin America and Africa, to determine the effect of participation on performance. Bebbington and Farrington (1993) used the single issue of agricultural seed and related transaction costs to investigate the role of NGOs in agricultural effectiveness.

This study differs from others in that it concentrates on 51 NGOs involved in multi-issue development processes in Sub-Saharan Africa. This minimizes the problems of comparison and evaluation that usually plague cross continental studies. However, this study is not immune from these problems in its investigation of different countries with similar economic development characteristics.

Motivations for the Study

Overview

Three factors have motivated this study: applications of economics concepts to public policies and management, widespread realization of needs for reforms in developing economies, and globalization of many forces.

Paradigm Shifts

First factor: Recent innovations in public management and development economics represent what Thomas Kuhn (1962) referred to as "paradigm shifts." In public management, the application of market economics to political decision-making has influenced an approach to institutional reform and design using public choice analysis, the new economics of the organization, and models of decentralized governments (Self 1993). Bureaucracy, the role of special interests, and voter decisions have also been analyzed by utilizing a market orientation (Downs 1967; Niskanen 1971; Tullock 1965). This new public management approach has provided a basis for research into the age-old politics/administration dichotomy by providing a theoretical framework through which there can be an integration of politics and administration. It has presented an intellectual opportunity to produce research that considers government outcomes based on accountability and performance measurements, outcomes that evince better governance. This reform movement has generally manifested itself in developed economies through calls for entrepreneurial governments, privatization and public/private partnerships. However, new public management treatises have yet to provide sound answers as to the role of institutions and organization design in creating performance-oriented government entities, economies and public policies (Lynn 1996).

Need for Reform in Developing Economies

The *second factor* motivating this study is the realization of the widespread need for reform in developing economies to sustain economic growth and social welfare (Grindle and Thomas 1991). Here, the challenge has involved the adoption of models that linked economics to political science in a manner that explains conditions under which policy reform occurs. In African countries, policy and institutional innovations were introduced during the 1980s. Development practitioners sought to create a theory of development that generated a framework for understanding political, social and economic relationships from policy making to implementation. Grindle (1980) criticized reform measures that did not account for factors such as leadership, values and technical analysis in attempts to influence policy changes. She argues that, in order to understand reform elements, the behavior of policy elites and constraints on their actions must be studied against the backdrop of the historical, political, and institutional contexts within which they operate. This opens room for choice in the design and implementation of public policy by considering factors that influence these choices.

Since the early 1980s but especially in the 1990s, a paradigm of analysis has attempted to respond to the challenges addressed by Lynn (1996) and others (Behn 1997; Denhardt 1993; Moe 1993) with respect to reform and innovations in developed economies.

This paradigm also underlies works by Grindle (1980) and Grindle and Thomas (1991) with respect to less developed countries. This approach, the New Institutional Economics (NIE), expands economics by relaxing neoclassical assumptions regarding the motivations of, and the information available to, individual decision makers (Clague 1997). It extends the scope of traditional economics by including politics and the evolution of institutions to evaluate policy reforms. By integrating policy and economic institutions, the NIE focuses on the behavior of policy elites and politicians, voters, political parties and interest groups. It provides a modality by which an analysis can be made of the role of leadership, management and institutions in creating democratic and accountable states. The focus of NIE on integrating economics and politics and studying institutions based on social structures and performance-oriented administration has generated a change advocated by some public administration theorists. This involves a reconceptualization of the field away from one of management or analysis to design (Kirlin 1990). Design incorporates management and analysis as well as values which are the mainstay of developing a "civic infrastructure" and includes participation, property rights, citizenship, transparency and accountable leadership (Kirlin 1990; Putnam 1993; Ruttan 1997). It presents the possibility of linking the macro concentration of economic development while addressing issues of microanalysis by incorporating individual and group behavior, information, and the administrative capacity of government. By the same token, it provides a means whereby issues of politics and administration can be studied under the purview of public administration and public management. Finally, using institutional analysis as a basis, such integration establishes a framework for pursuing comparative analyses of policy reforms in both developed and less developed countries.

The use of institutional analysis in development studies, therefore, transcends the problems of polarizing public and private in the development literature; dichotomizing politics and administration in public administration literature; separating politics and economics in the public management literature; and ignoring politics and culture in the pure economic development literature. Institutional analysis, through its holistic approach, attempts to relate policies implemented by government to economic performance. Economic performance is also affected by incentive schemes, contract enforcement, property rights, transaction costs, and participation evidenced in private businesses, government and nongovernmental organizations. The microanalysis of the economics of organizations and other features of public management implied by institutional analysis provides a framework for improving administrative performance in the public sector. This, in essence, forms a basis of economic development. Institutional analysis has modified the assumptions of neoclassical economists, which suggest that rational, self-interested individuals seek to maximize utility with exogenous preferences under well-defined structures of information (Buchanan and Tullock 1962). Development literature—based on an institutional focus—views such well-defined information structures and their attendant coordinated markets as inapplicable to the analysis of developing economies.

Nongovernmental organizations in developing economies present a viable medium for the application of New Institutional Economics. Nongovernmental organizations have in recent times fostered linkages with government agencies that have influenced both civil society and economic development policies (Ngedwa 1996). However, while nongovernmental organizations have become popular development vehicles, analysis of their effectiveness has been generally undertaken in terms of their role in fostering civil societies

(Bratton 1990; Clark 1991; Golub 1978; Ngedwa 1996). Studies on NGOs that have used some facet of NIE as a theory base have tended to pursue an analysis that includes experiences from a wide range of developing countries (Bebbington and Farrington 1993; Narayan, 1997; Wiggins and Cromwell 1995). Studies that have specifically addressed the problems of Africa in the context of NIE have concentrated on a specific type of project like irrigation (Ostrom, Schroeder, and Wynne 1992), information and incentives (Klitgaard 1997), or participation (Bratton 1990). While new institutional economics concepts have been applied in some of these projects (Holdcroft 1978; Korten 1982), they have not been explored in ways that underlie the holistic framework of institutional economics, as will be explained below. This study, then, fills that gap by applying institutional economics concepts to an analysis of public-private partnerships involving governments in 16 African countries and NGOs.

Global Perspective in Public Administration

The *third factor* motivating this study is a response to the need for a global perspective in the discipline of public administration and the attendant research in comparative public administration. Public administration has many of its origins in America, and past theories have been largely confined to development in the United States and other Western industrialized nations (Goodsell 1990). The recent wave of globalization suggests an integration of theories and concepts that could be generalized to less developed areas, given certain caveats. For example, Olson's (1965) theory of collective action was developed using a Western backdrop, but it can be applied to an African setting, controlling for those processes that belie Western-style, interest-group formations discussed by Olson. Goodsell (1990) has noted that directing comparative public administration at studies of the growing interdependency of national government policy actions is a good start for instilling global perspectives in public administration. Kirlin (1990) interpreted a global perspective in public administration to include designing research on institutions that address global issues; such institutions include the United States Agency for International Development (USAID), the World Bank, and the European Economic Community. Fried (1990) has argued for a global theory of comparative public administration by calling for a reorientation of research efforts away from the split between public versus private sectors to a concentration on public-private partnerships that are evident in all sectors.

This dissertation project addresses the need for global research in public administration mentioned by these scholars by: (a) applying theories of public administration to the African setting; (b) analyzing evaluation studies of nongovernmental organizations in Africa, and (c) concentrating on public-private partnerships through government and nongovernmental organization linkages.

Organization of the Remaining Chapters

Chapter Two presents a statement of the problem a review of the relevant literature.

Chapter Three is an examination of nongovernmental organizations and their roles in economic development in Africa.

Chapter Four is a discussion of the case selections and explanation of performance variables used in this study.

Chapter Five is a multiple-case study that investigates features of institutional economics in assessing the performance and beneficiary participation of groups in NGOs.

Chapter Six is a summary and conclusion of the findings and suggestions for future research.

Content of the Following Chapter

The next chapter presents a statement of the problem and a review of the relevant literature in economic development, public administration and organization theory.

CHAPTER 2

STATEMENT OF THE PROBLEM AND REVIEW OF THE LITERATURE

Statement of the Problem: Economic Development Failures in Africa

The nonprofit, private sector has become a central focus in the analysis of development policy in Africa since the 1980s (Salamon and Anheir 1994; Sandberg 1994; World Bank 1996a). The end of the Cold War, fiscal stress in both developed and less developed countries (LDCs) and the failure of economic development programs to produce desired outcomes in these countries have influenced the renewed concentration on the role of nonprofit entities in economic transformation. The implications of civil society organizations in African economic development, including nongovernmental organizations (NGOs), have also featured prominently in policy analyses in this era (Ndegwa 1996; Putnam 1993).

In the pre-1980s, African policies designed to effect free-market strategies of economic development did not succeed in the way the theoretical prescriptions of neoclassical economics (Tool 1993; Tanzi 1994) had anticipated. Policies supporting reductions in government programs, exchange-rate liberalization, and privatization under the aegis of International Monetary Fund (IMF) Structural Adjustment Programs led to poverty, corruption and unemployment (Klitgaard 1994). Market operations were characterized as imperfect with market failures being associated with the functioning of foreign-installed capacities and techniques (Dotta-Chaudhuri 1990).

Sub-Saharan Africa in the 1980s and the first half of the 1990s were mostly in a state of crisis. Today, more than 30 years after independence, development efforts undertaken by state-led initiatives have resulted in economic performance that, in aggregate, make the continent the poorest in the world. The growth rate of gross domestic product was estimated at 1.5 percent in 1998, less than the continent's population growth rate of 3.2 percent (Ramsay 1999, 6). Gross domestic product (GDP) of sub-Saharan Africa in 1987 was about $135 billion, less than that of the country of Belgium which has a population that is thirteen times smaller. The crisis is characterized by weak systems of governance, deficient democratic institutions, low agricultural growth and severe indebtedness. Governments borrowed heavily to offset low levels of investment so that, by the 1990s, expenditures on social services have fallen as African governments spend about a third of their export earnings on debt services (Delancey 1996; World Bank 1989, 1994). High levels of rural to urban migration and attendant unemployment, the marginalization of women in development planning, price controls and large public sectors have also characterized performance in Africa. Corruption has also been commonplace when elite government officials have cooperated with outsiders (Olson 1996).

Several efforts have been undertaken by the World Bank and African regional organizations to design development strategies to reverse these trends. In 1979, the Assembly of African Heads of States adopted the Monrovia Declaration and later the Lagos Plan of

Action. Both programs urged self-reliance in food production, industry and communication. The World Bank's response to Africa's problem, *The Berg Report* (World Bank 1981) urged more reliance on the private sector to fulfill the needs of efficient resource use while calling for efficiency in public sector institutions. It also advocated an export orientation to Africa's primary commodities, mostly cash crops. Follow-up reports by the Bank (World Bank 1986, 1989) also called for sound macroeconomic policies through structural adjustment programs (SAPs), capacity building of governments, and the strengthening of institutional frameworks for development, including an accountable public service and modalities for popular participation through grassroots organizations.

African governments have been extremely critical of SAPs and market-led propositions in World Bank development alternatives, opting instead for economic policies that were designed and managed by the African governments themselves (United Nations Economic Commission for Africa 1989). They emphasized a greater role of the government in terms of subsidies and price controls, especially in the agricultural sector.

The preceding paragraphs point to fundamental issues that have permeated the literature in development economics, organization theory, public administration and public management: the debate about the efficacy and relative efficiency of public versus private sectors.

Review of the Literature: Organization Theory, Public Management and Economics

The Public/Private Debate

A fundamental issue that belies public policy, policy analysis, management and organizations in the modern era concerns the distinction between the public and private sectors. This perceived distinction has generated several studies that have evaluated the debate from the vantage points of diverse levels and issues (Bellone and Goerl 1992; Goodsell 1990; Perry and Kramer 1983; Poister and Harris 1996; Poister and Henry, 1994; Rainey, Backoff, and Levine 1976; Savas 1980, 1982, 1987). This debate has also permeated the economic development literature (Meir 1995), where discussions relate to the most effective modality for transforming less developed countries. For many years, The World Bank (1986, 1996b), for example, used relative efficiency arguments between the public and private sectors to suggest liberalized economies and limited government controls as mainstays to economic growth. It has moderated this perspective considerably in recent years, as demonstrated in its *World Development Report 1997, The State in a Changing World.* For over a decade earlier, such regional economic entities as the Organization for African Unity (1986) used market failure arguments against over reliance on the private sector and to opt for government leadership in designing and facilitating development strategies.

Studies in American public management, aimed at evaluating the differences between public and private organizations, have overall yielded ambiguous conclusions when specific characteristics or variables are considered. For example, Rainey, Panday, and Bozeman (1995) discovered that, while the public and private sectors differed in certain aspects of red tape, perceptions of managers with regard to goal ambiguity were similar in both sectors. Meyer (1977) noted that, when definition problems are overcome, models are more accurately defined and a blurring of distinctions is found. Much earlier, Dahl and Lindblom (1953) suggested that organizations existed along a continuum of public and private control and presented a case for an inherent difficulty in characterizing them as either public or private. Moe (1987) and Bozeman (1987), while agreeing on issues of similarities in the public and private arena, differed about whether or not similarities occur in essential or nonessential elements. Kettl (1995), Waldo (1980), Lorch (1978), and Gayle and Goodrich (1990) all emphasize a specific theme in the controversy: a blurring of the differences between public and private organizations characterized by hybrid forms where private firms are sometimes required to carry out public goals. The growing trend towards privatization since the 1980s, the dependence of private sector productivity on public-sector infrastructural investments and the adoption of private-sector techniques in the public sector have all been advanced to buttress this theme.

A comprehensive review of the literature by Rainey, Backoff and Levine (1976) outlined differences between public and private organizations with a series of propositions based on environmental factors, transactions between the organization and its external environment, and the internal structure and processes within the organization. While this review implied that researchers held generally similar views with respect to public and private differences, Rainey et al. cautioned against generalizing these propositions. They suggested that the propositions could form the basis for further research on the importance and implications of each major point of comparison. Allison (1983) explained the differences between the two sectors based on key points that included time horizons, personnel constraints, role of press and media, and the degree of legislative oversight. He argued that these differences implied that private management practices and skills cannot be transferred directly to public management in a way that produces significant improvements. Murray (1975), like Allison, emphasized similarities rather than differences. For example, there were similarities between the profit motive in the private sector and cost/benefit analysis in the public sector. This suggested that a similar criteria for efficiency was also stressed in public bureaucracies. Principles of control, views of morality and perceptions of planning were similar in both sectors. His conclusion was that there is a blurring of the lines rather than a distinct bifurcation of responsibilities.

Issue of Definitions and Approaches

The definition and approach used by authors have influenced the outcomes of their analyses of public and private. Perry and Rainey (1988) noted that the variety of meanings associated with the concepts have complicated the debate. Blau and Scott (1962) constructed a typology classified on the basis of those benefiting from the organization. Wamsley and Zald (1976) based their definition on the ownership and funding of organizations while Gortner (1981) highlighted differences on the basis of outside interference they face in policy decision-making. While these differences have manifested themselves in the specificity with which authors tend to explore the issues, the background and theoretical orientations of researchers have also contributed to perceptions of the role of public and private entities in public policy and economic development. These are particularly evident in works in organization theory, political science, economics and public management.

The Perception from Organization Theory

Organization theory has presented the most generic approach to the role of entities considered public or private. Motivated mostly by social scientists in sociology and anthropology, its modern beginnings provide an explanation of this generic approach. Organization theorists view all entities as basically alike, although their purposes and functions as public or private institutions may be diametrically dissimilar (Shafritz and Ott 1996). Homans (1950) saw all organizations as a rationalization of tendencies that exist in all human groups, including communication, power processes goal-setting and basic social processes.

Early contributors to organization theory were interested in developing the most efficient means to accomplish specific goals (Smith 1957). This view of the organization precludes social functions and specifies a rationalistic purview. This early view of organizations reflects the times in which they originated. Growing out of the industrial revolution of the 1700s, the main ideas developed by these classical or rational systems thinkers were designed to respond to issues related to increased productivity and profitability. These theories were mostly influenced by engineers, economists and industrialists who developed wholly mechanistic assumptions about individuals and processes. The basic tenets of the classical thinkers, as summarized by Shafritz and Hyde (1992, 3) were thusly:

1. Organizations exist to accomplish production-related and economic goals.

2. There is one best way to organize for production, and that way can be found through systematic, scientific inquiry.

3. Production is maximized through specialization and division of labor.

4. People and organizations act in accordance with rational economic principles.

Goal specificity and formalization were the high points of organizations in this classical perspective. Man was viewed as an economic being ("economic man"), utilized as a passive tool of management and assumed to have full information about conditions of decision choices. Organizations in this prescription operated in an aura of closed systems, where the influence of the outside environment was negated. The basic unit of analysis was functional, related to those processes that alluded to efficiency (Scott 1991). This focus also de-emphasized a concentration on any entity that may be classified as distinctively private or public. Organizations were functionaries of the scientific management assumptions of Frederick Taylor (1911) who used quantitative methods to discover a "one best way" to organization efficiency and goal accomplishment. Scientific management involved the outcomes of these functions and processes, or the extent to which they contributed to goal achievement.

The bureaucratic feature of classical theory stressed organization structure. Max Weber (1947), whose work on bureaucracy is credited as the beginning of modern organization theory, identified six elements that constituted an ideal type of organization:

> a) principle of fixed and official jurisdictional areas which are generally ordered by rules . . . laws or administrative regulations;
>
> b) office hierarchy and levels of graded authority mean a firmly ordered system of super- and subordination in which there is a supervision of the lower offices by the higher ones;
>
> c) the management of the modern office is based upon written documents which are preserved in their original or draught form;
>
> d) office management presupposes expert training;
>
> e) official activity demands the full working capacity of the official;
>
> f) management of the office follows general rules which are stable and can be learned. (330–331)

These principles were buttressed by the description of the personal position of the official, where there is a distinct order of social esteem and rank order compared with the governed. An appointed authority, as opposed to one who is elected, derives authority from above.

Weber's bureaucratic prescriptions were relevant to both public and private entities. In describing the elements of his first principle, he noted that bureaucracy is fully developed in political communities in the modern state and private economies in advanced institutions of capitalism. Structural organization theorists of recent times also prescribe the generic feature of Weber's bureaucracy in terms of division of labor, scalar relationships, and the definition of organizational problems in terms of structural flaws (Bolman and Deal 1991). Other writers in the structuralist tradition have also downplayed the relevance of a distinction in approaches with regard to public and private. Blau and Scott (1962) observed formal or bureaucratic organizations as those possessing elements of administrative machinery for maintaining the organization and coordinating the members. Burns and Stalker (1961) noted that mechanistic structures in all organization forms resulted in the development of stable conditions.

Administrative theorists in the classical tradition were mainly concerned with the design of the organization and discussed principles of management in a generalized framework. Fayol (1949) acknowledged the indispensability of a set of general principles of management, which he universally applied to politics, religion or wherever management functions were found.

The critiques advanced to correct flaws in the thinking of classical theorists were also presented in a generic fashion without recourse to distinctions in public or private formations. While classical theorists concentrated on mechanistic structures and the treatise of the economic man, neo-classical writers challenged the basis of some of their assumptions. Their approach was to identify flaws in classical thinking as they related to the general patterns of complex organizations. Simon (1946, 1948) criticized the assumption of "economic man" and the rationality approach, and saw the conflict inherent in the classical theories. He reasoned that man's ability to carry out decisions is bounded by constraints of information and uncertainty and, as such, it is the "administrative man" that satisfices rather than maximizes. Chester Barnard (1938) also highlighted the role of human systems and cooperative systems of workers in his seminal work *The Functions of the Executive.* Sociologists such as Selznick (1948), Parsons (1960) and Maslow (1954) maintained the prominence of individuals in the organization, following precepts of the human relations movement that started with the Hawthorne studies of the 1920s-1930s. Writers in this tradition of social psychology of organizations did not specify a private or public distinction in their analyses.

Systems theory or a means to integrate the component parts of the organization and to highlight mutual dependency within and without the organization is a salient feature of organization theory. Systems theorists, while influenced by observation in private firms, yielded conclusions that favor generalizations to all types of organization. This approach is defined in the works of Katz and Kahn (1966), Kast, Johnson and Rosenzweig (1972) and Thompson (1967). Thompson attempted to reconcile three perspectives inherent in the works of classical, natural systems and open systems theorists by incorporating three organizational levels proposed by Parsons (1960): technical, managerial and institutional. The technical level is suitable to a rational perspective, where resources are transformed into outputs. The managerial level, involving the human elements of the organization, relates to the natural systems perspectives, while the institutional level that relates the organization to its external environment is suitable to the open systems' perspective. Thompson concluded that all organizations exhibited characteristics of each perspective. The organization must interact and adapt to its external environment if it is to be effective. Managers at the natural systems level must mediate between the technical components of a closed system and the uncertainties of the external, institutional levels. While authors like Simon (1948) and Cyert and March (1963) were critical of rational models for their assumptions about the rationality of human behavior in the organization, Thompson (1967) acknowledged that the structures specified by such models were necessary to achieve the bounded rationality suggested by critics. Thompson suggested a framework that transcends all forms of organizations, whether private or public.

The discussions of organization theorists in rational, natural and open systems analysis have focused on a more general application to entities in the public and private sectors. This general theory of the organization holds no real basis for identifying a distinction between the two sectors. This approach has given rise to the results from organization theorists on the lack of differences in several dimensions of public and private organizations (McKelvey 1982; Pugh et al. 1969).

The need to test the extent of specific theories and assumptions has concerned other authors. Some theorists have concluded that organizations generally exhibit similar behaviors. They suggest that this observation can bring about a general theory of organizations (Golembiewski 1976; Pugh 1971). Gortner et al. (1989) criticize organization theorists for this generic approach in that it does not provide a sufficient basis for the choices and actions of the public manager; they also conclude that findings of basic similarities between bureaus and firms are premature. They also criticize the development of current organization theory as having a blind side, or a heavy concentration on private entities to the exclusion of public organizations. Meyer (1979) contributes to this aspect of the argument in his conclusion that theory building which ignores a broad range of public and private differences is not relevant or complete, especially when one attempts to understand the implications of organizations with hybrid public-private features.

Several motivations have challenged the move away from a purely generic theory of organizations. A diversity of purposes and a multidisciplinary influence on treatises of organizations have given rise to the relevance of a distinction between public and private. These are evident in studies by public administrators, political scientists and economists who have attempted to use conclusions in organization theory to emphasize the relative implications of legal constraints, institutions, and market incentives on organizational forms in the public and private sectors. However, they have also attempted to observe the general transfer of management techniques among sectors and how the use of public purposes can be served through private actions (Kettl 1995; Klitgaard 1991; Savas 1987; Vernon 1988). By the same token, studies have emphasized several functional attributes and their occurrences in public and private organizations, including behavioral attributes of job satisfaction, efficiency, ownership, structure and work roles (Rainey 1991). The studies have usually utilized typologies to differentiate among organization forms. The taxonomy approach is guided by the fact that it provides theorists and practitioners with a means to analyze different organizational forms. However, this system provides a less than adequate means. Works by Warriner (1979) have advocated this methodology which has influenced the move to apply and understand differences among organizations. The most discussed differences have focused on size, publicness (Bozeman 1987) or the degree to which an organization is affected by political authority or the extent to which it is constrained by economic authority. Baron and Bielby (1984) used this methodology to discuss the degree of market power or environmental dominance.

Public Management Perspective

The public management literature attempts to identify distinct differences between the public and private sectors. Gortner, Mahler and Nicholson (1989) have discussed the need to explore "publicness" in organization theory. They argue that any theory that does not account for public-private differences is irrelevant to organizations with hybrid features. They argue that organization theory, as it exists, cannot be called a truly generic pursuit since it does not address the entire range of its subject matter. The distinctiveness of the public sector in terms of certain features is a mainstay of the literature in public management. Perry and Rainey (1988) presented these distinctions in terms of ownership, funding and social control, mostly in response to works by Wamsley and Zald (1976) who concentrated their analysis of public and private in terms of ownership and funding. An organization exists along a continuum between the market and polyarchy (Dahl and Lindblom 1953). In a market regime, it is assumed that the market is controlled by a price system that directs the activities of individuals engaged in economic transactions. Polyarchy, on the other hand, assumes a more pluralistic process with interest groups, government authorities and other participants undertaking exchanges and bargaining with the goal of changing rules by directing legal authority in their favor. Thus in this continuum, the market exhibits funding and ownership from private sources and exerts control through price mechanisms. Public bureaus have public ownership and funding and are controlled by social entities. In between this continuum are organizations that present characteristics of both polyarchies and markets, with a mixture of ownership, funding and control. Thus, an organization could have private ownership, public funding and social control (Musolf and Seidman 1980). Alternatively, an organization such as a government contractor can have private ownership, public funding and a market mode of social control (Bozeman, 1987). This cross-classification of ownership impacts internal organizational processes and systems, including goals, standards for evaluation, performance characteristics, authority relations and incentives (Roberts 1993). The differences in the levels of impact present a basis for analyzing distinctive features of organizations considered public or private.

Rainey (1991) discussed arguments for the distinction between public and private entities with an analysis for the existence of the public bureau. A public bureau exists for economic and political reasons. Following earlier arguments advanced in earlier studies (Downs 1967; Lindblom 1977), Rainey (1991) suggested that the economic rationale for government rests in the limited capacity of markets to handle certain problems for which government action is required. These include public goods and free rider problems, externalities, individual incompetence, monopoly, economic instability and income distribution. Most of these problems are generated by markets, but the means for their solutions are lacking.

The political rationale for the existence of government is prominent in defining a distinct difference of public bureaus from private entities. This distinction is evident in legal differences, accountability, goal ambiguity and their accessibility to external influences (Gortner 1981).

Legal differences relate to the fact that public organizations are bureaus empowered to administer the law, and they are integral parts of the constitutional and legal systems. Those exercising authority do so for publicly sanctioned purposes, and compliance is mandatory. Laws are legitimated by the state.

Accountability in the public sector is external and internal, existing in a system of often-fragmented authority, divided and overlapping, which complicates the public bureau. In the private sector, it is mostly internal and clear (Gortner, Mahler and Nicholson 1989. The power of bureaus is restrained by rules, and management is subjected to these laws (McCurdy 1977). Goals in the public sector are established and circumscribed by law, constricting policy implementation. Managers work in a culture where they pursue goals set outside their purview and in legal structures outside of their control. These constraints have been evident in studies by White, Radnor and Tanski (1975), who reviewed existing literature and observed that decision-making in inter- and intra-organizational relationships have different sets of constraints imposed with respect to whether they are public or private. While decision-making situations occur in all types of these organizations, the outcomes are influenced by constraints imposed from the outside. In the profit-making private sector, decision makers are able to modify their allocation criteria to conform to those of other organizations, while in the non-profit sector, decision makers are more constrained and normally cannot change allocations much since they are accountable for specific criteria (Warriner 1980) under environments where rules and criteria are well defined.

Bruce Buchanan (1975) criticized studies of public and private distinctions because few of them have established an empirical basis for their claims. He assumed that these studies were mostly market tests for the public sector and attempts to justify the study of public administration. Buchanan also stressed rules in the public sector and posited their relevance due to the fact that attention to procedures and administrative due process is a means through which rights are protected. Buchanan found private managers to be more conscious about structure than public counterparts. He summarized the following arguments (pp. 426–427):

a) Profit motives move private managers to invoke sensitivity to structural issues of control; thus coercion is a mainstay of compliance.

b) Public sector managers have greater resources to resist structural constraints on their behavior, e.g. civil service rules.

c) Goals and jobs in the public sector are loosely defined, making it difficult to establish strict accountability.

Morstein (1957) observed that public organizations were driven by attempts to keep authority within bounds and subject to precise accountability. For example, there is congressional oversight in the United States national government, and Congress is keen on procedures to which the bureaucracy must respond. Therefore, incentives for adherence to procedures is high. Yet, goal ambiguity is a common, frustrating accomplishment.

Within and among public organizations themselves, differences in the approach are as great (Osborne and Gaebler 1992), but unique (Bozeman and Bretschneider 1994). Several studies have assessed these differences in terms of the specific outcomes, including the use of information technology. Cats-Baril and Thompson (1995) discovered that inherent differences between the public and private sectors must be taken into account when applying information technology to the public sector. These include goals, leadership and responsibility; the more stringent conditions under which public organizations subsist; the lesser degree of authority given to public officials, meaning that more careful thought is given to the selection of project managers in the public than the private sector.

The perception of public and private managers with respect to red tape and goal ambiguity was similar in a study conducted by Rainey, Pandey and Bozeman (1995).

Table 1 presents a typology of selected studies on the public-private distinction.

Table 1
Typology of Studies on Public-Private Distinctions

AUTHOR	ISSUE	DESCRIPTION
Gayle and Goodrich 1990	Production and Provision	Any political system presents a mix of command and market structures; mutual dependency of public and private sectors. While a case for hybrid structure is evident in developing countries, the private sector performs better than the public sector, according to selected indicators.
Savas 1982, 1987	Efficiency	Empirical evidence of relative efficiency of private versus public production is overwhelming in favor of private production.
Roth 1987	Production	Government has comparative efficiency in providing agreed upon public goods and services, monitoring private sector output, and a legal framework for production and trade.
Niskanen 1971; Tullock 1967; Downs 1967; Borcherding 1977; Miller and Moe 1983; Blais and Dion 1991	Efficiency	Growth of government through budget maximization.
Kettl 1995	Hybrid structure of public and private (shared power)	Irony of competition prescription; govt. must have capacity to manage market; markets are fragmented; risk of private goals above public goals; how to strike the best balance between market and government.
Klitgaard 1991	Hybrid structure of public and private in economic development	No choice between market and government in developing countries; make both work better; concentrate on how and how well; priority to make government work well in developing countries.
World Bank 1995, 1989	Private sector efficiency in economic development	Economic growth through the right macroeconomic policies, encouraging competition through privatization, and good governance (assisting NGOs to channel aid).

Table continues

Table 1. Typology of Studies on Public-Private Distinctions (Continued)

AUTHOR	ISSUE	DESCRIPTION
Rainey, Pandey, and Bozeman 1995	Goal Ambiguity	No difference between public and private with regards to goal ambiguity and red tape; rules and procedures.
Downs 1967; Barton 1980; Dahl and Lindblom 1953	Red Tape	Higher levels of red tape in government than private sector.
Buchanan 1975	Goal ambiguity and red tape	Lower in public organizations.
Baldwin et al., 1990; Bozeman, Reed, and Scott 1992; Lan and Rainey 1991; Rainey, 1983	Rules and procedures; red tape	Higher in public organizations.
Downs and Larkey 1986	Relative Efficiency	Governments are more efficient than private businesses.
Poister and Harris, 1996; Poister and Henry, 1994	Quality of Service	No distinction between the quality of service provided by public and private firms from the perception of recent users.
Bellone and Goerl 1992	Public Entrepreneurship	Autonomy, risk taking, secrecy of entrepreneurship can be compatible with accountability, citizen participation and open policy-making process of democratic principles if it is civic regarding.
Goodsell 1990	Bureaucracy	Public sector exudes more evidence of efficiency than credited for; lack of empirical support for antibureaucratic models.
Allison 1983	Public Management	Public and private management are as different as they are similar. Private management skills cannot be directly transferred to public management in a manner that induces improvement.
Gore 1993; Osborne and Gaebler 1992	Red Tape and Relative Efficiency	Suggests the relative efficiency of the private sector. Management tools of the private sector can be utilized for public sector productivity.

Genesis of Public-Private Distinction in Economic Development Literature

Economic development theory has had an enduring influence on the formation and implementation of public policy since classical economists of the 18^{th} century began formal studies about processes that characterized intersectoral exchanges and growth. Bardhan (1993) has described spillovers from development economics into treatises considered in other fields of general economics and of public administration. These include areas in welfare economics, poverty, comparative and cross-country studies, rent-seeking and public-choice analyses. The pervasive question of the proper role of government in directing economic policy generally belies treatises of economic-development theorists (Rostow 1991; Weimer and Vining 1991).

Economic development is a process whereby an economy's real national income increases over a long period of time (Meir and Baldwin 1982). This process assumes a flexible society which is willing to accept change and innovation (Alpert 1973). Economic development, as a subfield of economics, is focused on the analysis and transformation of sectors, the pace of technological change, and economies of scale accounting for sectoral differences. However, as Meir and Baldwin (1982) have noted, this process has been historically affected by obstacles that included institutional organizations like tradition and religion which, in predevelopment societies, influenced a concentration of feudal systems and the marginalization of the benefits of international trade and comparative advantage in Western Europe. In Africa and Asia, immutable religious and other traditional practices have usually resulted in stagnant or less than desired levels of production.

The context of the theory also provided the foundation for the debates with regard to the efficacy of government or market-led initiatives. Theorists from Adam Smith and David Ricardo to John M. Keynes and W.W. Rostow have postulated development in terms of what government can do to promulgate sector transformations and, in the case of Smith, the wealth of nations.

Public policies have been analyzed against this backdrop of the role of government. In an analysis of the development process, some authors have presented a unifying theme to relate divergent views of development by employing the concept of rationality in firm and individual choices. In this argument, microeconomic principles are applied to analyze problems of resource allocation. In LDCs, for example, where subsistence and non-market activities are commonplace, the firm becomes the nexus for allocative and technical efficiency.

Today, in developing countries, the role of government is being shaped by political attitudes and policies rather than development theories (Rostow 1991, 484). Also, the growth of technology has contributed to a situation where government ownership of production is becoming virtually obsolete.

Several questions arise in observing the development process over time. What policies can be applied in the design, implementation and evaluation of sustainable options of growth (Bates, Haggard and Nelson 1991; Klitgaard 1991)? How can poor nations and sectors duplicate the processes of rich nations (Adelman 1975; Kannapan 1995; Lewis 1958)? Can rich nations sustain development (Arrow 1975)? Why do some nations grow faster than others do (Olson 1982)? Development theories promulgated by Physiocrats, Classical and

Neoclassicists, Keynesians and modern, New Political Economic theorists have presented responses to these questions.

Classical and Neoclassical Influences in Theories of Development: The Public/Private Distinction

Basic to classical theory is the minimal role of government. Growth was at the center of analysis, but economic performances intertwined with the structure of the economy to explain the dynamics of economic growth (North 1994). Inherent in classical analysis of growth was the role of exports in the development process, explanations of structural transformation between agriculture and industry, and the political economy of development policy making (Grabowski and Shields 1989). Their theories also included discussions on the progressive state or rising indicators, trade and development and the roles of the market and the state in these processes. Generally, the causes of economic development and how it takes place were crucial to their analyses (Robbins 1986).

The classical interest in economic development sought to transform production from a closed economy where the size of the non-farm population was a function of the size of the agricultural surplus. Thus, Adam Smith (1776), for example, argued for an open economy where import and export activities produced avenues for growth based on earnings from foreign trade and less on agriculture surplus. This discussion continues today in modern policy treatments of development economists, with a concentration on the relaxation of foreign exchange constraints and emphasis on export-led development.

Economic growth, according to Smith, was channeled by (a) growth in the labor force and the stock of capital (b) improvement in the efficiency of capital to labor through division of labor and (c) technological progress and foreign trade. Smith ascribed a systemic relationship to these three, with capital accumulation as the main engine of growth. The progress of the state depended upon the rate of investment. Investment increased productivity of the labor force and, hence, a faster growth in living standards. Savings further buttress investment, or capital accumulation, since savings represent an addition to capital. Education and the growth of knowledge were also viewed as sources of capital. Smith also advocated productivity theory of trade since it widened the market, encouraged innovation and furthered economic development.

In preserving savings, Smith saw a very small role for the state. He opposed any policy of state involvement in generating savings through taxation. Savings were best accomplished when capital was employed in such a manner as to generate an investment climate where people were free to act according to their self-interest, abhorring the "highest impertinence in kings and ministers . . . the greatest spendthrifts in the society . . . to pretend to watch over the economy of private people" (Smith, 1776, book II, chapter 3).

Ricardo (Dobb 1962) expanded the emphasis on free trade with the idea of comparative cost advantage, a strong argument advanced against The Corn Laws in Great Britain in the 18th Century. Some analysts, including Williamson (1991), have proved the reliability of Ricardo's theory, showing expansive rise in labor supply, exports and the rate of industrialization with the repeal of the Corn Laws. The thrust of Ricardo's theory was trade liberalization through reduced government involvement and deregulation of the international economy.

John Stuart Mill (1848) also argued for this minimal role in government intervention with the view that division of labor, efficiency and market expansion can be augmented through trade according to comparative advantage. However, he argued in favor of supporting infant industries, seeking government protection in those areas where new industries face competition from the outside. He encouraged a "protecting duty" as the least inconvenient mode in which the nation can tax itself for the support of such an experiment.

For these classicists, it was the market, augmented by competition and an invisible hand that determined free trade, savings and capital accumulation. The role of government was marginalized in the process of development policy. Government intervention obstructed this progress to growth; only competition and market forces acted to synchronize the invisible hand to join the individual self-interest with the interest of the public.

Classicists saw mercantilism, the economic policy of the 17th and later 18th centuries, as a hindrance to growth. They believed that people should not be inhibited by government policies that obstructed capital formation and monopoly. Smith (1776), for example, advocated reduced public spending, allowing for government production only in those arenas that could not be provided by the private sector. These included defense, public works, justice, and the operations of public institutions of a nature that could not be undertaken by individuals, even if they provided advantages for society.

Government consumption in Classical Theory was basically seen as unproductive since it tended to have a crowding out effect. The Classicists saw a difference between the interests of public agents and the general public. The interests of the general public were enhanced by private entrepreneurship buttressed by a market-friendly progressive state. Their basic conclusions, therefore, sought to induce radical changes in existing public policies and institutions. The end result was a transformation of the economy through stages of growth that were facilitated by the widening markets, individual freedoms, and investment in agriculture and manufacturing.

The African Approach in the Public/Private Debate

The approach to development in African countries in the 1980s and beyond emphasized strategies based on the polarized debate over the role of the state versus markets. Changes in Africa have been mostly influenced by foreign institutions, many of which devalued government and advocated market-led policies based on neoclassical economics throughout the Thatcher-Reagan Era and into the mid-1990s.

These policies elicit a major critique of the neoclassical perspective as it relates to African development. Neoclassical economics emphasizes rationality and the logic of choice, seeking to respond to questions from a narrow frame of reference. Answers to issues of scarcity are pursued through precise mechanisms under assumptions of perfect information. Meanwhile, the problems of development have become broader and less susceptible to the use of such techniques. Hicks (1950) spoke against this methodology when he suggested that the goal of economics is the study of omniscient, diverse and inconsistent ends whose study cannot be relegated to pure techniques.

Neoclassical economics has also concentrated on the flexibility of price movements and responses, labor mobility and a well functioning market that generates Pareto improvements. It assumes a well-developed market economy, well-established organizational frameworks and a minimal role of government, losing the interconnections between political economy and growth economics explored in earlier treatises by Adam Smith, David Ricardo and John Stuart Mill. However, in African economies, the presence of structural constraints, bottlenecks, lags and asymmetric information undermine the general applicability of assumptions inherent in neoclassical approaches.

African governments proposed changes through internal mechanisms led by the state. These polarized efforts have failed to produce desired outcomes. In addition, the context of development has mainly featured macroeconomic perspectives, where policy variables were inherent in interest and exchange rates as well as general levels of prices, taxes and public investment. The unit of analysis was mainly the government. Design and implementation of strategies were mostly from top down, buttressed by foreign involvement and funding.

Explanations of failures of development efforts have either been pursued in terms of government policies or market policies that have implications in macro policy analyses. Most studies, until recently, have failed to address a micro-analysis of development. In this context, policy reforms were analyzed in terms of normative principles of development economics and lessons from the development experience. Deviations from inward looking policies, policies of deliberate industrialization, urban bias or factor market distortions were bases for determining the success of development efforts (Meir 1984). The design of policies to address the failures of development has also been hindered by biases which Klein (1993), Bush (1993) and Klitgaard (1995) have explained in terms of the following: (a) a bias toward macro-models and plan formulation at the expense of microeconomic aspects of planning; (b) a bias toward the quantitative aspects to the neglect of other development forces and (c) a bias toward concentration on the formulation of development policies without due regard for their implementation. This has generated a "demonstration effect" by appointing intellectuals on planning commissions who divorce economic analysis from the contributions of other social studies. Thus, in Africa, the public sector has remained large in spite of efforts through private-sector mechanisms. The private sector has generated failures in terms of monopolies, unemployment, and corruption in spite of state-led efforts at economic transformation.

Economic theories of development have recently begun to seek a middle ground and more pragmatic arrangements that consider the interplay of government and markets in the development process. In the 1997 World Bank annual report, the issue of good governance and entrepreneurial government has been emphasized. Kettl (1995) observes government sharing power with the private sector, a phenomenon he considers more complex than what is presented on the surface. Osborne and Gaebler (1992) advocate better rather than less government. This, they believe, is the prescription for entrepreneurship in government operations. Other conservative authors opt for moving government from public programs and turning them over to the private sector, including contracting out the production of services provided by government (Bennett and Johnson 1980; Savas 1982). This public/private partnership has been manifested in social programs, environmental cleanup, sewage treatment and job training. Hanke (1987) criticized this public-private tie in that it exposes flaws in both government and its private partners. Government programs have involved waste, fraud and abuse by private partners while government has not designed adequate mechanisms to detect and correct these problems. Williamson (1975) indicated the principal/agency problems inherent in such contracts in the form of shirking, moral hazard and asymmetries. New paradigms in development economics are evolving to consider the mistakes of the past two decades.

New Paradigms of Development

Several new approaches have been advanced in recent years to establish some middle ground in theories of development economics. These approaches have recognized limits of markets, including asymmetric information and incomplete markets. Government intervention in this case is considered to be Pareto improving. The importance of knowledge, individual preferences and institutions are recognized (World Bank 1997a). Treatises have included the role of the political process and the institutional context of policy implementation in African countries (Grindle 1980), perspectives on the New Political Economy (Bates, Haggard, and Nelson 1991), and the applications of institutional economics to development processes (Clague 1997; Streeten 1993; Tool 1993).

Political Process and Policy Implementation

The role of politics has been a central focus when measuring the differences between policy implementation and outcomes (Lowi 1964; Pressman and Wildavsky 1973). Kirlin (1984) has explained politics as one basis of choice making in society. Miller (1984) goes further in establishing the fact that political processes "set, change, and overthrow the rules of the game that are addressed by other social sciences, such as economics and sociology" (14). In assessing the failures of policy outcomes in African countries, Grindle (1980) mentioned that the implementation process is central to politics in Africa. That was also a dominant theme in the United States in the 1970s and 1980s (see Pressman and Wildavsky 1973). Grindle discussed the content of policy and political context of implementation and their role in policy outcomes. The content of policy includes interests affected, types of benefits, extent of change envisioned, site of decision-making and resources committed. The context of implementation includes the institution and regime characteristics, power, interests and strategies of actors involved, and compliance and responsiveness. As a political process, program formulation and outcomes are weighed against both the actors executing policies and those who are the recipients of the policy. The content and context of programs are the nexus between policy goals and outcomes. They include political regimes and the forms of administrative organizations needed to move from policy goals to policy outcomes. They consider the extent to which implementation activities should be decentralized or controlled from the political or bureaucratic center.

The model in Figure 1 demonstrates the political character of implementation. It goes beyond the usual macro focus of development strategies by considering issues of rewards and incentives necessary to secure compliance and responsiveness to program goals. Programs, for example, may fail because they have little control over the rewards necessary to elicit compliance (Grindle 1980, 14). Consideration is also given to a multitude of variables in policy processes, including the structures of political institutions; the type of regime in which the policy is pursued, and interdependencies of nation states. The influences of ideology, culture, political alliances are incorporated; programs are not implemented in isolation from other public policies. Thus, a "one size fits all" approach is eschewed. This model provides a basis for implementing programs with nearly identical contents and different contexts. In such situations, these programs are implemented differently.

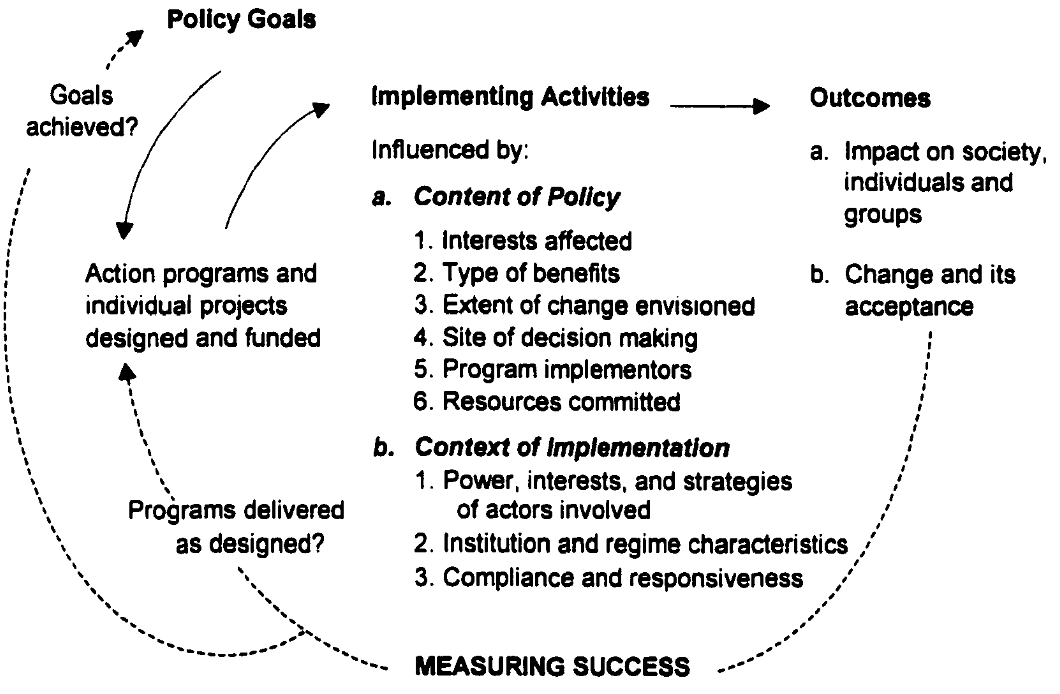

Figure 1. Implementation as a Political and Administrative Process.

Adopted from Grindle 1980.

The model also demonstrates the salient role of institutions in the success and failure of development programs. This model is implied in the work of Pressman and Wildavsky (1973) in their study of implementation processes in Oakland, California; Quick (1980) in a study to show the impact of program content on the choices by bureaucratic leaderships and the context of institutions in Zambia; and institutional writers in development economics (Dia 1997; Frank and Gianakis 1990: Krueger 1992; Narayan 1997; Tanzi and Shome 1993).

Roles of Institutions

Trudi Miller (1984), in a critique of the old methods of natural science, noted the inapplicability of their simplifying assumptions to large-scale political systems. She called for a political design science that includes a rigorous normative method for defining, refining and institutionalizing values such as those found in public finance and decision and management science. She also decried the emphasis of strict empiricism in social science applications because qualitative changes occur in political systems. She encouraged policy makers to consider a broader array of tools when considering measures of reform. The thrust of Miller's analysis was to present an alternative research approach for the study of public management.

Millers's analysis of political systems captures the broader aspects of institutional economics. Putnam (1993), in a study of the civic structure in Italy, observed that the performance of a civic society depends on its institutional setting. The institutions, in turn, depended on the social, economic and cultural surroundings. Institutions were viewed as devices for achieving purposes and were crucial in implementation. For example, societal demands were translated into political interactions, which in turn were channeled through government. Government determined the policy choices upon which implementation is based. North (1981) noted that institutions provide the framework within which human beings interact. However, economists have, in their analyses, endogenized institutions which constrain the individual or group's choice sets.

The academic concentration on the role of institutions has been influenced by contradictions in the applications of standard economic principles and development theory. It relates to the major questions that concern failures of less developed countries to implement policies or, if they do, the failures of these policies to achieve desired results (Clague 1997). Institutionalists seek to identify operational methods and tools by which to improve performance in economies through an analysis of institutions (e.g., how political institutions influence policy formation, the economic institutions of property rights and contract enforcement, and relationships between government and civil society). They bring together economic policies and institutions so that there is a focus on the behaviors of politicians, voters, interest groups, organizations, indigenous entities and the general precepts of governance.

The works of institutionalists are widespread and diverse. They have produced research that has implications in political science, sociology, economics, public administration and anthropology. Institutionalism in public administration has encouraged a refocusing of theoretical analyses from management and analysis to a design of new social systems and organizations. Such new systems and organizations are value laden and useful in the comparisons of institutional arrangements in different societies, levels of governments, organization types and different types of social problems (Ferris and Tang 1993; Ostrom 1990; Williamson 1985). It has attempted to demonstrate how individuals relate to their political systems by treatises that extend from an organizational level of aggregation to the broader society and systems of governance. It has led to an understanding of what Putnam (1991) described as a "civic culture" in political systems, where the promulgation of common values has developed a model of governance that incorporates societal demands into processes of implementation. The study of institutions has also established a foundation upon which social scientists can design institutional arrangements that address governance issues and problems of economic development (North 1990; Ostrom 1990).

While institutionalists agree on institutions as a basis of explaining interactions among individuals and different sets of outcomes, there are disagreements on the definition of institutions and, as such, differences in the approaches used in institutional analysis. Douglas North (1981) defined institutions as the filter between individuals and the capital stock and between the capital stock and outputs of goods and services. Institutions, according to North (1981, 201) "are a set of rules, compliance procedures, and moral and ethical behavioral norms designed to constrain the behavior of individuals." These constraints range from taboos to rules to exhortation. An understanding of institutions from this perspective produces an explanation of changes in the performance of economies over time. Changes in the capital stock of a society induce changes in its institutional setting, through, for example, changes in the relative bargaining positions between principals and agents. In North's definition, the more rapid the changes in variables that define economic change, the more unstable and dynamic the change in the existing system of institutions. These, in turn, change the constraints and rules imposed to shape the interactions among participants in this system.

While North's definition and analysis are based on the structure and change in society, Williamson (1985) views institutions in terms of a governance structure affecting organizations. Institutions are frameworks that are externally created and recognized to carry out work performances and to legitimize the organization. The structures of organizations are not only influenced by their institutional environments but are also constituted by them. Williamson discusses organizations in terms of their technical systems, or those systems that embody the rational structure of the organization, and the institutional system, those that are supported by norms, rules, and belief systems. While the technical environment exercises output controls over organizations, the institutional environment is characterized by rules and requirements to which the individual organization must conform to receive legitimacy and support from the external environment. Institutions themselves also have this feature of duality: a normative system (mores, customs, legal and regulatory frameworks) which shape the organizational form, and a cognitive system which constitutes the organizational forms. Basically, Williamson has developed a framework where economic agents are expected to select governance forms that minimize transaction costs. Others in this organizational perspective of the institution stress a micro-analytic view by focusing on a structural isomorphism within a given institutional environment. For example, they stress rules, meanings and symbols negotiated by participants within the organization (Goffman 1974) as well as frames and paradigms extracted from the global environment (DiMaggio and Powell 1983; Meyer and Rowan 1977).

William Scott (1995) identified three pillars of theories in institutional analyses. They are the regulative, normative, and cognitive pillars. Assumptions pertaining to each pillar shape the explanations for the development of institutions or changes in existing institutions. The regulative pillar involves processes related to rule-setting, monitoring, and sanctioning activities (Williamson 1985). While all institutional scholars engage the regulative pillar in their works, economists have been cited as those most likely to use this feature in their analysis of institutions. The normative pillar involves values and norms, prescribing goals and objectives and defining appropriate ways to achieve them (March and Olsen 1989). The works of normative theorists are inherent in the writings of sociologists (Parsons 1960; Selznick 1949). They seek to explain the stabilizing influence of social beliefs and norms.

Cognitive theorists, mostly anthropologists, psychologists and sociologists (DiMaggio and Powell 1991, 1–38; Meyer and Rowan 1977) explore "the rules that constitute the nature of reality and the frames through which meaning is made" (Scott 1995). The cognitive elements of human existence are emphasized, where the relationships between symbolic systems and shared meanings (e.g., culture, are explored).

Table 2 below shows Scott's varieties of institutions and the repositories or carriers in which they are embedded.

Table 2
Institutional Pillars and Carriers

	Pillar		
Carrier	*Regulative*	*Normative*	*Cognitive*
Cultures	Rules, laws	Values, expectations	Categories, typifications
Social Structures	Governance systems, power systems	Regimes, authority systems	Structural isomorphism, identities
Routines	Protocols, standard procedures	Conformity, performance of duty	Performance programs, scripts

Ostrom (1990, 1993) and Ostrom, Schroeder and Wynne (1992) define institutions in terms of the rules and incentive systems that determine participation among user groups and the performance of government bureaus. They observe, for example, that participation in the design and construction of irrigation systems in developing countries are driven by incentives to shape the institutional construct that affects both officials' career advancement or their chances of benefiting from the irrigation system.

While these differences in definitions may affect the level of analysis pursued by scholars or the perception of the relationships between individuals and institutions, Putnam (1993) has identified two fundamental points of general agreement among the new institutionalists—that institutions shape politics and institutions are shaped by history:

> *Institutions shape politics.* The rules and standard operating procedures that make up institutions leave their imprint on political outcomes by structuring political behavior. Outcomes are not simply reducible to the billiard ball interaction of individuals nor to the intersection of broad social forces. Institutions influence outcomes because they shape actors' identities, power and structure.
>
> *Institutions are shaped by history:* Whatever other factors may affect their form, institutions have inertia and "robustness." History matters because it is "path dependent": what comes first (even if it was in some sense "accidental") conditions what comes later. Individuals may "choose" their institutions, but they do not choose them under circumstances of their own making, and their choice in turn influence the rules within which their successors choose. (7)

The Old and New Institutional Economics

Institutional economists, both those considered old and new Institutionalists, are also in general agreement with Putnam's conclusions. These economists study the influence of the institutional structure on behavior in order to better understand the performance of firms, markets and economies in different settings (Groenewegen, Kerstholt and Nagelkerke 1995). They focus on linking the institutional environment to the individual.

Old Institutional Economics

Old institutional economists focus on the process of institutional change on the individual. They tend to view the dynamics of economic and social changes as complex and interdependent. These changes are explained in evolutionary terms, where the focus is on the role of technology. Institutions, they theorize, are shaped by changes in technology over time. The emergence of these new institutional forms presents conflicts between social values and individual values. These conflicts are solved through the development of rule making by means of democratic procedures (Groenewegen, Kerstholt, and Nagelkerke 1995).

Thorstein Veblen (1898), John Commons (1950) and Wesley Mitchell (1913) were three institutional economists who became influential in this tradition of emphasizing historical change, although there were broad differences in their views. In the resolution of conflicts, which implies political relations, Veblen, for example, observed that habit and convention governed the individual's conduct. He believed that the individual's responses to institutional changes were carried out through the exigencies of big cultural forces. These habits and relations, he believed, are characterized by institutions and they tend to vary as the institutional scene varies (Veblen 1909). Commons (1950), on the other hand, explained conflict resolution in terms of a "transaction," which alludes to a rule of conduct. Over time, this rule of conduct is formed by social institutions which define the limits within which individuals and firms pursue their objectives. Commons believed that institutions represent pragmatic solutions to reconcile past conflicts. These solutions consist of a set of rights and duties, an authority for enforcing them, and an adherence to collective norms of prudent behavior (Van de Ven 1993).

New Institutional Economics

The new institutional economic theories emphasize rules and governance systems that develop to regulate economic exchanges (Scott 1995). The unit of analysis is the individual. As such, economic, legal and historical institutions are explained in terms of the individual. The interests of new institutional economists are diverse. They range from economic historians such as Douglas North (1990) who studied the development and change of economic systems, to industrial economists such as Stigler (1968) who emphasized relations in industry systems. New institutional economists, however, are generally associated with the works dealing with the structure of firms (Williamson 1988) in explanations that undermine some features of neoclassical economic theories. Neoclassical economics place the utility maximizing individual in a given environment; faced with a set of preferences, the individual attempts to choose the plan that best maximizes welfare and produces an efficient outcome. Applied to a firm, Hart (1995) explains that neoclassical theory produces explanations that are only a caricature of the modern firm. He advanced three areas of strength that account for survival of neoclassical theory: (a) the theory lends itself to an elegant and general mathematical formalization; (b) it is useful for analyzing how a firm's production choice responds to exogenous changes in the environment and (c) it is useful for analyzing the consequences of strategic interactions between firms under conditions of imperfect competition. Basic weaknesses of the theory, however, are that "it does not explain how production is organized within a firm, how conflicts of interest between the various constituencies are resolved, or how the goal of profit maximization is achieved" (Hart 1995, 155). New institutional economists have been critical of neoclassical theory because it is silent about the structure of the firm. Organizational goals and incentive structures have replaced the focus on profit as the single most important measure of efficiency. This allows for establishing the basis for analyzing the criteria for efficiency in government, profit and non-profit organizations. It also provides a modality as to when market competition is needed to discipline organizations to perform efficiently (Simon 1991).

New institutional economists have advanced several explanations and theories to address weaknesses in neoclassical theory, especially as it relates to the organization. They include principal-agency theory (Jensen and Mecklin 1976; Ross 1973; Stiglitz 1974), transaction cost economics (Grossman and Hart 1986; Williamson 1979), and property rights (Olson 1982).

Principal-Agency Theory

Principal-agent theory addresses a weakness in a basic assumption of neoclassical theory that posits that the rules of social interaction in a market economy were given under well-defined information structures. This theory introduces asymmetries of information that give rise to conflicts of interest between a principal and an agent. The principal-agent problem is devising compensation schemes that induce an agent to act in the best interest of a principal (Parkin 1996). The classic example of principal-agent relationship involves a landlord, the principal who oversees the activities of a tenant farmer, the agent. It is assumed that the agent may have goals other than the principal's welfare. Under this condition, the principal finds it difficult to implement a profit-maximizing plan directly through a contract, especially when the principal has inadequate information about whether the agent is pursuing the right plan (Hart 1990). Accordingly, the principal attempts to align his objectives with those of the agent by establishing an incentive scheme based on some performance criteria, assigning some ownership to the worker, or establishing long-term contracts. The contract allows for a costless avoidance of friction between the principal and the agent.

Principal-agent theory enriches neoclassical theory by introducing a managerial theory of organizations under conditions of less than perfect information and by presenting a discourse on the optimal incentive scheme in organizational forms (Hart 1990).

Transaction Cost Economics

Ronald Coase (1937) first introduced the idea that firms exist because they are more efficient than markets in some activities because of their ability to eliminate or reduce transaction costs. Coase was interested in investigating why some economic exchanges were done within firms under a governance structure with rules and hierarchies rather than the marketplace. His article, "Nature of the Firm" (1937) suggested that the marketplace imposed costs of negotiating separate contracts for each exchange transaction. Firms, therefore, arise to minimize these transaction costs.

Oliver Williamson (1975, 1985) expanded Coase's work in applications to organization theory. He refined the basic classical assumption of economic analysis to include asset specificity, uncertainty and frequency. He argued that transaction costs tend to increase when two types of paired relationships occur: (a) the individual's bounded rationality is faced with complexity and uncertainty and (b) when individual opportunism is matched by the absence of alternative partners. Williamson observed that transactions that involve greater uncertainty and asset specificity are more likely to be produced rather than purchased by the firm to reduce transaction costs. He maintained that economizing on transaction costs is mainly responsible for the choice of organizational forms of governance—markets, hybrids such as franchising and alliances, and hierarchies.

Transaction cost economics, according to Williamson, is based on the governance of contractual relations (1995). However, because of the bounded rationality of individuals involved in contract negotiations, he argues that contracts are unavoidably incomplete. This phenomenon of incomplete contracts induces a more detailed attention to the design of governance structures to monitor the behaviors of participants in the contract arrangement. Governance structures, in turn, are related to both the institutional environment and the attributes of the economic actors (individuals).

Williamson's three-layer schema in Figure 2 dramatizes the linkage, influenced by transaction cost, that exists between governance forms and the individual. The schema underlies a basic feature of institutional economics, where macro (the institutional environment) and micro (the individual) features are presented to analyze social and economic issues. The governance structure is affected by a locus of shift parameters which affects the comparative governance costs (Williamson 1995, 212–213). Institutional changes in the form of contract laws, norms, property rights and customs can induce a reconfiguration of the governance structure. By the same token, behavioral attributes of individuals can also influence the forms of governance. Human behaviors are assumed to be subjected to bounded rationality and opportunism. Bounded rationality and opportunism require secondary changes ranging from governance to the individual as changes in the institutional environment force revisions of the governance structures. He presents the example of protectionist trade barriers as representative of secondary, "strategic" changes that move from governance to the institutional environment. Individual responses to governance changes are related to the external environment in that "endogenous preferences are the product of social conditioning" (Williamson 1995, 214). Williamson's holistic approach to explaining governance structures evolving from transaction costs shows how institutions and individuals (through their environment) influence the type of governance forms. Secondary effects from these relationships are represented in strategic, instrumental or endogenous preferences.

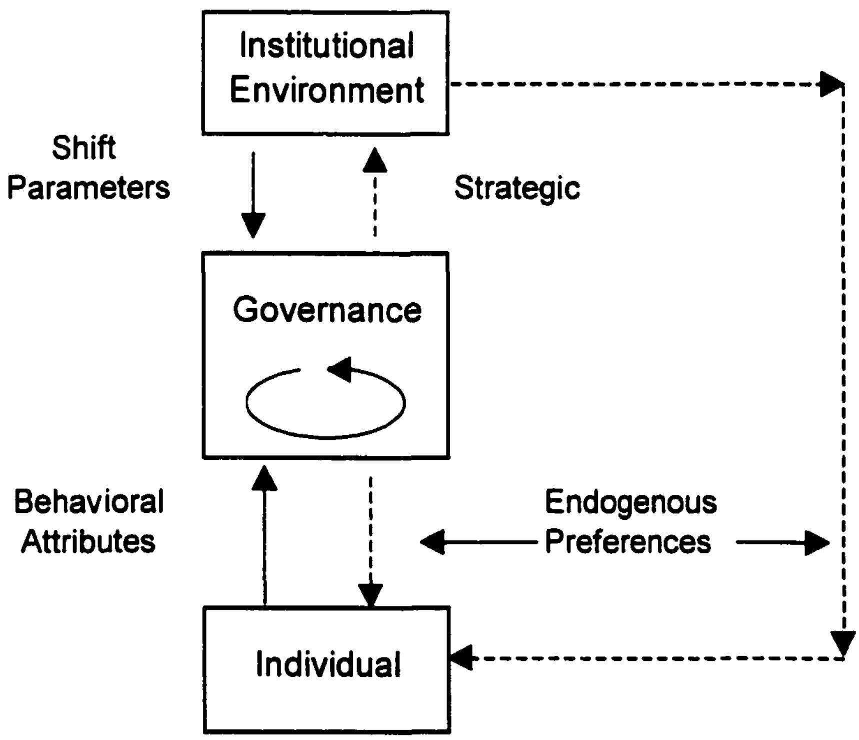

Figure 2. Williamson's Three-Layered Schema.
Adapted from Williamson 1995, fig. 9.1.

New Institutional Economics and Economic Development

Williamson's three-layer schema is salient to the discourse of new institutional economics (NIE), particularly in the explanation of distinctive features of organizational types that belie the public/private distinction in development economics as applied to the African setting. Nongovernmental organizations emerged as alternative institutions in the development process in the 1980s. In many cases they reflect the partnership that evolves between public and private interests to meet specific development needs. Features of NIE are evident in this popularity of nongovernmental organizations, and they can be explained through Williamson's schema. Institutional changes, responding to failures in development practices in Africa, have influenced the establishment of this organizational type. By the same token, individuals, responding to changes in their external environments, have also influenced the creation of nongovernmental organizations, especially in those instances where markets do not seem to work in poverty alleviation and other development problems. Clague (1996) has used this link between governance, participants and the institutional environment to conclude that the process of institutional reform requires a type of sequencing that involves participants' motivations. A country with poor sets of policies and institutions must design political and economic arrangements that consider cultural endowments, norms and a careful understanding of the incentives facing actors in the current situation. Transaction cost economics, as a feature of NIE, however, has not been the principal focus in the analysis of development problems. New institutional economics has recently been applied to the problems of development in an attempt to design new paradigms that diffuse the public/private distinctions associated with the economic development literature of the 1950s. NIE, while adopting a holistic framework for investigating problems of economic development, maintains that economic policies and the quality of institutions determine a country's economic performance. Politics, therefore, is an integral part of policy formation and economic analysis under NIE. The University of Maryland's Institutional Reform and the Informal Sector (IRIS) project has used the principles of NIE as a basis to suggest policy reform in developing economies. It operates under the premise that the basis of transformation in these developing economies is institutions which offer robust incentive structures, encourage economic growth and democratic development and draw an increasing share of the economic activity into the formal economy. Olson (1994) explains that countries that prosper have institutions that secure individual rights, encourage the right to make contracts by individuals and firms, provide a legal framework to encourage invention, and facilitate risk sharing. Government institutions are paramount in this framework since they provide the modality for socially enforceable rights. Institutional reform has, thus, become a viable approach to economic development.

NIE has been applied to development studies using the economics of imperfect information and the principal-agent problem (Klitgaard 1997; Ostrom Schroeder and Wynne 1992; Wade 1990). It has also been used to study the economics of property rights; corruption and bureaucracy; collective action, performance and participation; and cooperation and norms (Olson 1982; Ruttan 1997).

Property Rights

The property rights literature uses the tools of economics to explain the role of the state in defining and enforcing property rights (Alchian 1965; Demseth 1967) and changes in the structures of property rights and their impacts on economic development (Feeny 1988; North 1990). The literature has been applied to development to measure the quality of a country's institutions by analyzing the enforceability of contracts and the existence of effective bureaucracies (DeLong and Summers 1991). Assessments of institutions to determine why some countries achieve higher economic growth than others have also used treatises of the security of property rights. The property rights literature suggests that stable institutions are conducive to secured property rights, which in turn contribute to economic growth and development. The basic conclusion of the property rights literature, as implied in NIE, lies in the explanation of those conditions that facilitate development: secured rights to property, low levels of corruption and incompetence in government bureaucracies and the provision of public infrastructure by government bureaucrats (Clague, Keefer, Knack and Olson 1997).

Imperfect Information

Imperfect information has been used in the institutional literature to explain the nature of principal-agent problems in contractual relations. Stiglitz (1974) has used the concept to analyze contractual arrangements in sharecropping in developing countries. Wiggins and Cromwell (1995) discussed the problems of moral hazards and their effect on transaction costs in analyzing the role of nongovernmental organizations in seed provision.

Klitgaard (1995) noted that a predictable problem in effecting market-based practices in African economies is information. In the wake of information asymmetries, markets in Africa do not perform well and present problems of externalities that must be corrected by government.

Corruption, Bureaucracy and Democracy

Institutional economic theories of development have investigated the impact of types of political institutions on economic growth. Lipset (1959) has argued that a high level of per capita income generates social changes that support democratic institutions. Diamond (1992) and Burkhar and Lewis-Beck (1994) have also used empirical studies to support this conclusion. Others (Clague, Keefer, Knack, and Olson 1995; Olson 1993) have suggested that autocracy can also foster economic growth. They argue that a dictator who expects a short term of office and who wants to maximize his wealth has an incentive to engage in corrupt practices that negatively affect economic growth. By the same token, an autocrat who expects to remain in power has an incentive to establish and respect property rights so that his subjects produce more output that can either be taxed or used to buy political support.

The World Bank (1997a; 1997b) has also used theories of institutional economics to suggest reforms in the governance structure of less developed countries as a basis of economic growth. The Bank has argued that African governments, for example, can sustain economic development only under an atmosphere of political freedom and democracy. This policy reform literature also presents another argument that democracies, because of their inability to restrict the power of vested interests, may not be as equipped as autocracies to implement policy reform (Balcerowicz 1994).

Recent studies in institutional economics have attempted to investigate the role of corruption on economic development (Andvig and Moene 1990; Klitgaard 1995; Meagher 1997; Shleifer and Vishny 1993; Tanzi and Davoodi 1997). Two themes emerging out of this literature are factors that determine corruption and the effect of corruption on economic development. Corruption has been investigated in bribery in investment approval, the judicial system and government procurement as well as the misappropriation of public resources.

Factors that determine corruption have been linked to the types of institutional environment that exists in a society (Clague 1997). In societies that have strong institutions that punish violators for breaking the law, the probability of getting caught and punished for breaking the rules declines as the number of violators increases. This is also reflected in the observation that, when individuals leave a society where corruption is prevalent and move to those where it is rare, they tend to adapt to the new environment where such practices are discouraged (Clague 1997, 30). Government activities that protect property rights and contract enforcement can also limit the prevalence of corruption in a country. On the other hand, if government activity is focused on preventing transactions that private parties deem necessary, this may influence corrupt practices such as prostitution and gambling.

The effect of corruption on development has been analyzed extensively in recent times. Tanzi and Davoodi (1997) conclude that corruption distorts the decision-making process connected with public investment projects. The degree of distortions is dependent upon the institutional structure. Higher levels of corruption, they note, are associated with higher public investment, lower government revenues, and low quality of public infrastructure. Corruption may also increase the dollar value of public investment while reducing its productivity. They maintain that economists must exercise caution in analyzing high public-sector investment in countries with high levels of corruption.

Shleifer and Vishny (1993) have demonstrated that economic growth is negatively affected in societies where the bureaucracy is monopolized from the top. In instances where a monopolist controls the issuance of government permits, bribes are set to maximize the revenue of the government official. The economics of the organization (Moe 1987; Klitgaard 1995; Ostrom, Schroeder and Wynne 1992) has extended this analysis of bureaucracy to include incentives and monitoring systems that contribute to economic development.

Performance, Participation and Collective Action

Institutional economists have also investigated how incentive structures and participation affect economic performance. Transaction cost and asymmetric information plays a role in these discussions. Ostrom, Schroeder and Wynne (1992) utilized theoretical principles of institutional economics to analyze the performance of alternative institutional arrangements in sustaining rural public infrastructures in developing countries. They used performance criteria that included efficiency, fiscal equivalence, redistribution and accountability. They found that greater attention must be paid to a full range of transaction costs and a diverse set of institutional arrangements to ensure high- level performance of rural infrastructures. Ruttan (1975, 1997) discussed the implications of encouraging local institutions in overall economic performance. He argues that, while the strengthening of local governance is often viewed as a threat to political stability in developing countries, local institutions have potentials for reducing the worst features of poverty in rural areas.

Some studies in institutional economics have also used the conclusions from Olson's (1965) seminal work to analyze how participation and collective action can improve accountability and performance in public sector agencies and organizations. Olson's collective action theory explained the process of interest group formation. Groups are more likely to act collectively and to succeed when the number of individuals is small, share common values and beliefs, and communicate frequently with one another. Collective action among large groups occurs only when there are selective incentives for individual members. People in large groups usually do not make significant contributions unless private benefits evolve from their actions. Institutional arrangements can influence the existence of large groups through the provision of private benefits and incentives to the members. Narayan (1997) utilized this collective action thesis to produce findings which suggest that beneficiary participation influences the performance of rural water projects in developing countries by affecting outcomes at each project stage (design, implementation, construction and maintenance).

Institutional economics and the collective action thesis are also inherent in the literature on nongovernmental organizations. Uphoff (1986) analyzed strategies for local institutional development through the formation of community groups or intermediary organizations that provide services usually undertaken by government. The homogeneity of purpose and cultural norms of participants in these groups have been featured prominently as variables in assessing the success of community development projects (Narayan 1997; Ostrom, Schroeder and Wynne 1992). Moreover, the specialized focus of NGOs, both intermediary and advocacy, provides a basis for the processes of small group formations that characterize collective action theories (Bebbington and Farrington 1993; Carroll 1992; Clark 1991; De Janvry and Sadoulet 1995; Korten 1987; Lehman 1990).

NGO performance has also been analyzed in terms of institutional economic features, especially in the wake of increasing involvement of grassroots organizations in development programs. This focus on performance also derives from the divergent views over government and NGO linkages. Some radical economists and NGO activists view the role of NGOs as part of a strategy to enhance the development process and to promote transparency and participation in development programs (Clark 1991; Esman 1994). Others (Hulme 1991, Wilson 1989; World Bank 1995) argue that NGOs play a crucial role in the reduction of inefficient public bureaucracies and the expansion of the private sector. In both cases, there is a high degree of over-optimism towards the assessment of the effectiveness of NGOs, mostly because of what some authors have referred to as "a paucity of empirically grounded assessments of NGO performance" (Bebbington and Farrington 1993, 200). In the wake of trends towards NGO and government relationships as a paradigm for public/private partnerships, a critical look at performance criteria that lend to institutional reform is warranted. Picciotto (1997) has criticized the inability of institutional economists to focus on implementation dysfunction and poor organizational designs that are prevalent in contractual and other NGO-government partnerships. He noted that, although the institutional economic literature has highlighted "difficulties of aligning individual incentives to the common good in large and heterogeneous groups" (347) as reflected in collective action theory, no concerted effort has been undertaken to foster institutional design that reflects a systematic approach among hierarchy, markets, and participation.

Institutional economics, as applied to the economic development process, allows policy analysts to take a holistic view of problems that mitigate against sustainable development. Such an approach presents a basis through which policy analysts can develop strategies for stronger institutional development that eschews traditional economic thinking. Traditional economic thinking explained development processes in terms of resource allocation, technology and preferences under conditions of perfect information. Institutional economics has added a dimension that takes into account norms, culture, group interaction and information asymmetries to explain how institutions play a crucial role in establishing a micro foundation of macro-economic development.

Selection of Study Design and Methodology Based on Previous Research

NIE Model

A salient argument of the NIE is that a certain set of economic arrangements is conducive to the performance of development projects and economic progress. The failure of economic development projects to produce desired outcomes in African countries has caused many governments to search for new institutional arrangements to provide public goods. These include partnerships with both the private sector and the civil society. Partnerships that involve community participation have been encouraged as a means of ensuring the successful performance of development initiatives (Narayan 1997; World Bank 1997). Community participation in project design and implementation is inherent in the NIE literature. It is a basis for voice, collective action and the improvement of organization and societal benefits.

In recent times, donor agencies have recognized nongovernmental organizations as vehicles that can enhance the performance of economic development projects and, in turn, contribute to economic progress in African states. The successful performance of projects, however, depends on many factors, including the nature of the tasks involved, the external environment, internal structure, and the level of beneficiary participation. This can be modeled in the following terms:

$$P = f(Pa, T, Sd, St, E)$$

where,

P is Overall Project Performance;

Pa is Beneficiary Participation;

T is the Tasks involved in the project, including Resource Management and Claim-Making;

Sd is Service Delivery;

S is Internal Structure of the organization implementing the development project.

The direction of the association between Performance and its independent variables (Pa, T, Sd and S) is predicted to be positive. Each of these independent variables is determined by other indicators as shown below:

Service Delivery

- Beneficiary Needs; Efficiency and Effectiveness of Project; Poverty Reach; Linkages with Government and Civil Society.

Environment

- Per Capita Income; Infrastructure; Government Bureaucracy; Corruption; Legal Framework/Constitutional Order; Social Norms; Political Support; Foreign Assistance.

Participation

- Beneficiary Involvement; Decision-Making; Information Dissemination; Percentage of Women; Civic Culture; Resource Mobilization.

Tasks

- Claim-Making; Planning & Goal-Setting; Self-Reliance; Group Creation; Resource Management.

Structure

- Formalization; Accountability; Organization and Leadership; Principal-Agent-Client Relationship; Initiative; Modalities for Incentives and Sanctions.

Successful project performance undertaken by NGOs, as measured by observed changes in human conditions and other social and economic indicators, is assumed to influence changes in institutional design. Such institutional designs may involve alternatives to public provision of services as well as improved quality of public services coming from citizen voice and participation.

This model is applied to an analysis of 51 cases in 16 selected African countries using the methodology described below. The model is discussed and further analyzed in Chapters 4 and 5.

Study Hypotheses

This study employs the following sets of hypotheses:

1. Performance of nongovernmental organizations that contribute to economic progress is influenced by NIE variables, including Structure, Environment, Service Delivery, and Tasks.

2. Development outcomes based on the performance of NGOs are functions of institutional configurations, which include indigenous institutions and organizations.

3. Obstacles to linkages or public/private partnerships involving NGOs and African governments are consequences of the types of institutional structures existing in a country, including rules, constitutional order, institutional arrangements (bureaucracy and corruption, property rights), information, norms and values.

4. NGO and government partnerships are effective alternatives to paradigms that foster polarization of government or market in the development process.

5. The design, implementation and outcome of projects aimed at rural inhabitants are improved through the involvement of appropriate NGOs.

6. The involvement of NGOs throughout a project cycle can allow beneficiaries to influence project decisions and make claims on government that can affect policy decisions and institutional design.

The Performance variables mentioned above (Service Delivery, Participation, Structure, Environment and Tasks) and thirty-six sub-indicators are analyzed to test these hypotheses. Definitions of the terms used in these indicators are also mentioned in Appendix B. A detailed explanation of these indicators and their relevance to Overall Performance of the organization is undertaken in the case studies in Chapters 4 and 5.

Study Methodology

Selection of Multiple Case Study Design

This study employs a multiple case study approach, using a method popularized by Esman and Uphoff (1984) to study performance in local organizations. Thomas Carroll (1992) based his study of intermediary NGOs in Latin America on this method. Narayan also used this method to study participation in irrigation projects in Latin America, Africa and Asia.

This dissertation project uses indicators developed by Carroll (1992) and Esman and Uphoff (1984) to investigate features of NGO performance in linkages with African governments. While Carroll used six major criteria and 20 sub-indicators that reflected Service Delivery, Participation, and Wider Impact, Esman and Uphoff used three major criteria—Task, Structure, and Environment—to study the performance of local organizations.

This study extends their analysis by investigating these variables in terms that reflect institutional economic precepts of collective action, incentives, property rights and contracts, norms and customs, and the design and structure of the organization. The thrust here is to show that institutional reform that leads to economic progress can be achieved in an atmosphere where governments provide conducive environments for voluntary exchanges based on minimized transaction costs and incentives. Such an arrangement diffuses the polarization of public or private sector modalities for economic development. Appendix A shows the relationship between this dissertation project and the studies it attempts to replicate.

Carroll used evaluation reports of 30 intermediary organizations using three sets of criteria (Service Delivery, Participation and Wider Impact) and six performance indicators: Service Effectiveness, Poverty Reach, Accountability, Reinforcing Base Capacity, Innovation, Actual Policy and Potential Policy. Each performance indicator was scored on a scale of one (low) to three (high). A rating system of 20 sub-indicators was used to arrive at cumulative performance score for each of the six criteria.

A similar approach had been developed by Esman and Uphoff (1984), where they studied the performance of local organizations based on their structure, task and environments. Using 150 cases from Africa, Asia and Latin America, they rated each local organization involved in the cases on a five-point scale, with five being the highest. They then proceeded to a simple correlation and multiple regression analysis to determine relationships among Structural, Task and Environmental variables and the relationship between these variables and Performance.

Narayan (1997) also used the method to study 20 projects in Asia, Africa and Latin America. Fifty variables were selected to test the effect of participation through multivariate analysis. Cases in Narayan's study were also coded based on criteria developed for assessing participation.

Data Collection

This dissertation project reviewed 193 evaluation reports of development projects done for the United States Agency for International Development (USAID) and the World Bank and 50 case reports by independent researchers. The reports were reviewed for their relevance to precepts of institutional economics and the involvement of NGOs in the implementation of these projects. All projects were implemented in Africa, with donor funds channeled through indigenous NGOs. Only intermediary NGOs, those that fostered the provision of services rather than advocating particular political or socio-political positions, were considered. Cases that did not reflect the typology of NGOs discussed in Chapter 3, or those that did not present sufficient narratives of data to fit the framework of five performance variables considered in this study, were eliminated.

Data Analysis

The cases were coded using criteria listed in Appendix B and following Esman and Uphoff (1984). All reports were final evaluation documents, allowing for the opportunity to observe projects from their inception to completion. The reports covered a time frame from 1984 to 1997. Of the 193 evaluation reports reviewed, 51 were selected and coded based on the following performance indicators: (a) Service Delivery (b) Participation (c) Structure (d) Environment and (e) Task. These variables were rated using 36 other sub-indicators explained in Appendix B. These variables also reflect the considerations in the New Institutional Economics literature, where one observes a diffusion between public and private and macro/micro concentrations.

The variables considered are qualitative in nature. Thus, subjectivity and value judgments enter the coding process when these qualitative features are transformed to quantitative data. Narayan (1997) used two coders and performed an intercoder reliability test, which he found to be higher than .88 on key variables in his attempt to overcome this problem of subjectivity. Carroll (1992) also used multiple coders who decided the ratings based on the consensus of the coders. Esman and Uphoff (1984) used a principal investigator to do the coding after five research assistants reviewed the cases. In cases where the situation was ambiguous, they attempted no scoring (Esman and Uphoff 1984, 85). The judgmental decision-making in coding is also inherent in this study. Like Esman and Uphoff, this study also avoided coding in ambiguous situations.

The results of this study are mostly descriptive, although parts of the report use standard measures of central tendencies and product moment correlation to determine the direction of the relationship among the five performance variables.

Esman and Uphoff (1984) observed the bias in the literature toward reporting only successful projects and experiences. This bias is reflected in Carroll (1992) who used only successful cases of organizations as determined by the Inter-American Foundation. The cases in this study were selected without recourse to their successes or failures in their project orientations. Rather, their selection was based on whether they presented enough data or information to allow for analysis and coding within the framework of the variables being studied.

Content of the Following Chapter

The next chapter presents an overview of nongovernmental organizations in civil society.

CHAPTER 3

NONGOVERNMENTAL ORGANIZATIONS IN CIVIL SOCIETY

Nongovernmental Organizations Defined

Nongovernmental organizations (NGOs) include a wide variety of associations, societies, foundations and charitable organizations. They are generally characterized by their independence from government, their services to humanitarian, social or cultural interests, and their non-profit, non-commercial operations (World Bank 1996a). In broader terms, NGO is applied to any non-profit organization that is in the civil society and independent of government. Some development specialists prefer to use the term *voluntary organizations* when making reference to NGOs. These are non-commercial organizations that enhance the development of societies by employing mechanisms that are based on shared values (Brown and Korten 1989).

NGOs also have different meanings depending on the cultural settings. In Western Europe, NGO is used to describe nonprofit organizations that are active internationally, while the transitional countries of Europe and the former Soviet Union use the term to describe charitable and nonprofit organizations. In Third World countries of Africa and Latin

America, NGO refers to organizations involved in development activities. Hospitals, charitable organizations, and universities are usually called voluntary or nonprofit organizations rather than NGOs in these countries (Fisher 1998).

Types of NGOs

Several typologies have been developed to describe NGOs. Carroll (1992) distinguishes two types of NGOs: grassroots support organizations (GSOs) and membership support organizations (MSOs). The GSOs and MSOs cover a wide spectrum of NGOs that includes political activists, social service advocacy and economic support groups. GSOs are civic developmental entities that provide services allied to local groups of disadvantaged rural or urban households and individuals. The MSO is also a civic developmental entity, but it is accountable to a base membership. Its base membership may be a local cooperative or labor union. They are composed of groups of individuals who have joined together to further a particular interest, such as producer cooperatives or water user associations.

Fisher (1998) also identifies two types of NGOs, the grassroots support organization (GRSOs) and the grassroots organizations (GROs). The GROs are member-serving organizations based in local communities and involved in sustainable development. The GRSOs are usually staffed by professionals who channel international funds to GROs and help communities other than their own. In addition to these two types of NGOs, there are networks of GROs and GRSOs that link local communities and development organizations to one another (Fisher 1998, 4).

Bebbington, Thiel, Davies, Prager and Riveros (1993) identify NGOs by their functions (production, relief or advocacy) and their geographic scope (local, national and international). This identification distinguishes two major types of NGOs which are commonly used in the development literature. They are operational or intermediary NGOs and advocacy NGOs. Advocacy NGOs seek to promote a specific cause or to influence the policies and procedures of governments, social groups or institutions. Operational or intermediary NGOs work with donor agencies and governments to design and implement development projects. They serve client groups by mediating between GROs, their governments or donors. As explained in the next chapter, advocacy NGOs have had difficulties accomplishing their objectives in the Third World because they are often perceived as having an anti-government bias.

Operational NGOs function as GRSOs, MSOs, and GSOs. When they are based in less developed countries, they are called *Southern* or national NGOs. *Northern* or international NGOs are those based in developed countries and usually serve as the basis for technical and financial support for Third World counterparts.

These definitions are not rigid. NGOs engaged in advocacy functions sometimes simultaneously engage in intermediary activities. For example, it is not uncommon to discover an NGO with a niche in the provision of health services also strongly advocating against traditional practices that support female genital mutilation in Third World nations. Also, the activities of NGOs may include multiple functions. As with several of the cases in this study, NGOs usually undertake diverse activities (agriculture, microenterprise, health) within its sphere of operations.

NGO Comparative Advantage

NGOs have become the preferred medium for channeling development aid since the 1980s. Donor agencies have recognized several advantages. Unlike governments that must respond to a wide range of demands and target groups, NGOs generally concentrate on few activities that relate to the needs of the poor. They usually operate from bases that are close to poverty centers in remote areas often neglected by the government (Caroll 1992; Edwards and Hulme 1996).

Another advantage is the participation that NGOs engender by responding to the needs articulated by rural dwellers. The bottom-up approach to project design and implementation has become a mainstay to the operations of NGOs. NGO activities usually include rural dwellers in project identification or needs assessment. However, the World Bank (1996a) and Tendler (1982) have discussed the need to distinguish between a grassroots approach to development and "participation." Grassroots approach uses a bottom-up means to meet community needs. It may or may not involve beneficiaries in the planning and implementation of development projects. Participation, on the other hand, is similar to the grassroots approach, but it encourages the involvement of stakeholders in the design and implementation of NGO projects.

Their independence from the state allows NGOs to work in the interest of the poor and disadvantaged. Wiggings and Cromwell (1995) argue that this independence provides a unique advantage for NGOs to be unencumbered by the demands for political and financial accountability typical of the public sector. They can, therefore, adopt less bureaucratic and more flexible working methods.

Through their advocacy activities, NGOs are often able to help governments and donors identify problems in the implementation of their programs. They also emphasize protecting vulnerable groups from capricious actions and improper practices of local officials and the elite. They are also able to attract highly motivated and committed individuals who share common beliefs in the social change mission inherent in their work (Clark 1993, 53).

NGOs can also contribute to institutional reforms and governance in Third World countries. For example, the requirement for transparency, accountability and participation in projects implemented by major donor agencies has the potential for building organizational capacity in grassroots organizations that can form the basis for widespread applications in Third World countries.

NGOs and Civil Society

NGO activities have grown in the African civil society for a variety of reasons. Robinson (1992) and Edwards and Hulme (1996) explained this growth in terms of "the new policy agenda." This agenda is characterized by two notions: first, that private markets and private initiative are seen as the most efficient mechanisms for achieving economic growth and providing services to people; and second, that NGOs are seen as vehicles that support processes of democratization and form part of a thriving civil society. The first notion in this policy agenda is subject to debate and the elements of this debate have been highlighted in the previous chapter. This new policy agenda has created a perception of the NGO as either being opposed to the state or as an alternative to the state. However, development practitioners opposed to this new classical approach (Carroll 1992; Cernea 1988; Clark 1991;

Malia 1995) have advanced arguments for a balanced view that advocate support linkages between NGOs and national governments to promote development objectives.

The civil society has thrived in Africa because, in the wake of fiscal constraints, governments have been reducing the role of the central government in the provision of services and turning responsibility over to organizations in the private commercial and non-profit sectors. As explained in Chapter 1, policies by donor organizations such as the World Bank and USAID have also supported political liberalization that have created a basis for civic involvement and democracy.

As part of a civil society, NGOs exist in a continuum between the public and private sectors. Figure 3 adopted from Carroll (1992) demonstrates the position of NGOs in the public/private organizational continuum. Civil society organizations include trade unions, religious institutions, professional associations and academic bodies. The civil society has featured in discussions of good governance because of its ability to mobilize resources and advocate for democratic participation (Sandberg 1994; World Bank 1989, 1997b).

NGOs in the civil society vary in prominence among countries. In some, NGOs are more prominent than other sectors of civil society. In others, the labor movement or religious organizations may be more prominent. The growth of these diverse organizations underlies the increasing strength of the civil society. In Africa, Asia and Latin America, there are approximately 250,000 NGOs (United Nations Development Program. 1996).

Public Sector →		Civil Society	←	Private Sector
Line Agencies	Public-Private Entities	Civic Organizations	Nonprofit "Businesses"	For-Profit Commercial Manufacturing, and Service Organizations
		NGOs PVOs GSOs MSOs		
Elected or Appointed Entities	Parastatals			

Figure 3. Public-Private Organizational Continuum.

By creating vested interests among the poor, NGOs encourage the institutional sustainability of groups that promote income generation, political rights and civil liberties. NGOs were vital in microenterprise development and the democratization movement which led to elections that ended single party rule in 35 African nations in 1994. By focusing on microenterprise development, NGOs are the crux of the relationship between the for-profit and independent or nonprofit sectors of civil society. This provides the basis for contributing to the expansion of capital ownership and business creation (Fisher 1998, 17).

Besides their growth and importance in development, NGOs have also influenced other grassroots organizations through networking activities. In many Third World countries, NGOs have participated with government in development projects through the formation of national umbrella organizations that institutionalized state-NGO-donor contacts and contracts. The successes of these "coordinating councils" have been mixed. Besides restrictions from government, conflict of interest and an overdeveloped inter-organizational network have usually led to the demise of these umbrella organizations. Despite such failures at the national level, NGOs, have formed linkages and networks on smaller scales to influence development outcomes.

Content of the Following Chapter

The next chapter is an in-depth analysis of NIE variables and the basis of case selections.

CHAPTER 4

BASIS OF THE STUDY: CASE SELECTION AND PERFORMANCE VARIABLES

Basis of Case Selections

The bases of this study are 51 organizations selected from a review of 193 reports of intermediary NGOs by the United States Agency for International Development (USAID), the World Bank, and studies in academic journals. The organizations selected for analysis closely reflect elements that are inherent in the NIE literature. These NIE features are (a) an enabling Environment, (b) Participation, (c) Tasks, (d) Organizational Structure, (e) Service Delivery and (f) Institutional Design. Thirty-six other sub-categories associated with these major areas are listed in Appendix B. These elements are discussed in detail below and are analyzed in the cases.

The Rural Focus and Choice of Time Frame

The organizations implemented projects in different sectors in rural areas between 1984 and 1997. Several events significantly affected the economies of Africa during this time period: drought, the debt crisis and the end of the Cold War. These events exacerbated the already severe poverty among Africa's rural poor and highlighted the shortcomings in African approaches to governance and rural development. The drought contributed to a 50% reduction in export earnings in Africa between 1970 and 1987 (World Bank 1994). The end of the Cold War was also accompanied by a reduction in foreign aid from developed nations. These events severely impacted the ability of African governments to meet local demands for poverty reduction and transformation of traditional economies. During the period between the mid 1980s and 1990s, voluntary organizations and NGOs played a significant role in attempts to fill the gaps in the service provision of African governments. This time period also witnessed the redirection of development efforts toward a greater reliance on civil society as an addition to market interactions and bureaucratic structures.

Following an approach by Carroll (1992), urban-based organizations were excluded from the analyses in this dissertation to allow for generalizations about rural-oriented intermediaries in an African setting. The differences in colonial policies in many African countries have resulted in different attributes of their urban settings. Samir Amin (1972) noted that urban development in African countries depended upon whether European colonial powers viewed colonized territories either as "the Africa of the settler community, the mining enclave, or the multi-national enclave" (504). Depending on the focus and the colonial power, the urban areas reflected varying degrees of development. French settler communities in Dakar, Senegal or Abidjan, Cote d'Ivoire were far more developed than the Portuguese multinational haven of Cabinda, Angola. Rural areas in Africa, however, in spite of differences in social structures and natural endowments, encompass more than 70 percent of the population. Government expenditures on technologies that improve the capabilities of producers and infrastructures such as health and educational facilities are usually less evident in rural areas compared with their urban centers. African governments and international donor agencies have emphasized the mobilization of rural resources as an effective strategy for overall economic development. Thus, an assessment of the role of institutional changes in economic development warrants a rural focus. This rural focus in nations around the world has been evident in reforms that emphasize a broad range of participatory mechanisms that include the flow of information, supportive environments and decentralization (Stiglitz 1996; Tanzi 1995). Decentralization suggests that public goods and services should be provided by the lowest level of government that can fully capture the costs and benefits of these activities (World Bank, 1997b). State functions at the rural or local level have been taken over by institutions outside of government, including NGOs and local development associations.

Country Selection

The cases in this project are concentrated on countries in Sub-Sahara Africa, which excludes areas in North Africa. Since this project also considers culture and environment in governance in rural areas, North African countries—Morrocco, Algeria, Tunisia, Libya and Egypt—are excluded from the sample because they share similarities that differentiate them from the rest of Africa. For one thing, North Africa's culture is predominantly Arab-Islamic which do not reflect the animist (traditional African) religions that influence secular activities and governance in rural areas of Sub-Saharan African countries. Their language and religion unite them more with Middle Eastern countries than the rest of Africa. Their politics and governance structures are tied mostly to those of the Middle East rather than with Sub-Saharan Africa.

Secondly, the end of the Cold War during the period (1984 to 1997) covered by this project had effects on Sub-Saharan countries that were more pronounced than those in North African states. The end of the Cold War generated internal pressures in Sub-Saharan countries that precipitated economic, political and institutional changes that generated reforms in some Sub-Saharan African countries. Centralized political structures were replaced by democratically elected governments. In 1989, 35 nations were governed as single party states. By 1994, there were no single party states in these nations, although there were state implosions and civil wars in several other Sub-Saharan countries. Constitutional changes necessary to facilitate an environment for economic reform were evident in a number of these countries. These nations pursued economic reforms that were based on reduction in the size of their governments and public services, as well as the privatization of government services. While Sub-Saharan nations exhibited similar reactions to the end of Super Power involvement in Africa during this period, changes in Northern African countries reflected occurrences that were common to the geo-politics of Middle Eastern affairs.

Thirdly, in spite of political and economic changes, Sub-Saharan African countries have experienced a decline in the effectiveness of the state. This is manifested in weaknesses in the rule of law, poor institutional capabilities, the lack of accountability and transparency, and the absence of proper incentives in the delivery of public services. The World Bank (1997b, 162) observed a withdrawal of the state from areas that are its legitimate functions, presenting an institutional vacuum in many parts of Sub-Saharan Africa. States in Sub-Saharan Africa also face a diminished capacity to provide security, establish a framework to manage economic transactions, and operate a bureaucratic capability that are more severe than economic and governance situations in Northern Africa. While the civil society and the private sector have increased efforts to fill the institutional vacuum in these states, there continues to be an underdeveloped link between the state and civil society. This situation presents an opportunity to investigate the extent to which organizations in the civil society have effectively filled the void in the state's capacity, and how it has developed mechanisms to overcome obstacles to reform. The need for reform in Sub-Sahara Africa also defines the underpinnings of NIE with respect to performance, transparency, accountability and overall sustainable development. The countries represented in the case analysis are those in which indigenous and international NGOs have implemented projects that lend themselves to evaluations based on NIE concepts.

The 16 countries that hosted organizations studied in this dissertation reflect a wide geographic representation and varying levels of economic and political environments in Africa. All the countries had undertaken economic policy reforms during periods of the project implementation. World Bank studies (World Bank 1994) produced a score card on these countries that incorporated variables used in this dissertation for assessing a facilitative environment necessary for rural development. These include per capita income, infrastructure, the extent of the bureaucracy and government control, and transparency. The countries were rated on how well they carried out macro-economic policy during the 1987–1991 period. The countries in this study were rated as shown in Table 3.

Table 3
Score Card on Economic Policy Reform

Country			Score
Ghana Botswana South Africa			FAIR
Burkina Faso Senegal Uganda	Togo Kenya Nigeria	Mali Gambia	ADEQUATE
Niger Zimbabwe Tanzania			POOR
Cameroon	Guinea Bissau		VERY POOR

Features of Organizations in the Study

Table 4 shows the organizations, Overall Performance scores and the emphasis of their projects. They provided a range of services with a primary focus on alleviating poverty. Evaluation reports on these organizations also provided sufficient information that allowed for analysis and explanation of performance.

The organizations are classified by the functions they performed. The functions were categorized according to general areas discussed and assessed in evaluation reports and documents reviewed for this study. These functions were related to general organizational tasks that included planning, resource mobilization, service provision and claim-making on government to determine performance and contributions to institutional design (World Bank 1996).

Eighty-five percent of the organizations were involved in project implementation for USAID or the World Bank. Appendix C presents summaries of selected cases and the sources of the evaluation reports associated with the organizations. Because representation in the study was based on the extent to which organizations exhibited potential for the application of NIE features, a wide, disproportionate array of countries is reflected. They are delineated as follows:

Represented in This Study	
Number of Countries	16
Number of Organizations	51
Functional Breakdown	
Health	11
Agriculture	12
Microenterprise	15
Technical Assistance/	10
Capacity Building	17
International Organizations	19

Table 4
Features of Organizations

Case #	Organization	Country	Score/ Type	Main Focus
1	Aids Action Trust (ACT)	Botswana	3/LR	Health; HIV/AIDS
2	Adventist Development and Relief Agency	Ghana	2/IR	Health, education and agriculture assistance
3	Africare (Tombali Project)	Guinea Bissau	3/IR	Food security and nutrition
4	Amasachina Self-Help Association	Ghana	2/LR	Rural development projects with emphasis on forestry
5	APAC Development Foundation	Uganda	2/L	Assistance to women in agriculture
6	ASDAP	Mali	2/L	Financial and technical training to indigenous organizations
7	**ATI Village Oil Press Project**	**Tanzania**	**3/IR**	Promotion of small scale enterprise through oilseed pressing technology*
8	ATI Zimbabwe Oil Press Project	Zimbabwe	3/IR	Promotion of small scale enterprise through oilseed pressing technology
9	Association of Limania Daruda	Guinea Bissau	2/L	Small-scale enterprise in soap production
10	Catholic Relief Services	Ghana	2/IR	Food Security Programs
11	Community Enterprise Development Project (PADEC and ABACED)	Senegal	3/LR	Strengthen capacity of village organizations in rural development*
12	**Community-Based Delivery Project**	**Nigeria**	**3/L**	Low-cost family planning and health services through volunteers*

Table continues

Table 4
Features of Organizations (Continued)

Case #	Organization	Country	Score/ Type	Main Focus
13	**Collaborative Community Forestry Initiative**	**Ghana**	**3/LR**	Forestry & Agriculture
14	Cameroon River Blindness Program	Cameroon	2/IR	Prevention of river blindness by strengthening the institutional capacity of indigenous health organizations
15	**Daraja Trust**	**Kenya**	**2/LIR**	Employment through business and management training*
16	Gambia Family Planning Association	Gambia	2/LR	Family Planning Services
17	Ghana Rural Reconstruction Movement	Ghana	2/LR	Poverty reduction and health care
18	Ghana Registered Midwives Association	Ghana	3/LR	Family Planning Services*
19	Kenya Management Assistance Program (K-MAP)	Kenya	3/LIR	Institutional capacity building to improve business environment
20	K-Rural Enterprise Project (Jehudi and Chikola Programs)	Kenya	3/LR	Microenterprise credit programs
21	Kenya Women's Finance Trust	Kenya	2/LR	Credit and training for women entrepreneurs
22	Koutiala Child Survival Project	Mali	3/RI	Preventive health care for mothers and infants
23	**L'Association des Puisatiers de la Republique du Niger (APRN)**	**Niger**	**2/L**	Water resources for gardening*

Table continues

Table 4
Features of Organizations (Continued)

Case #	Organization	Country	Score/ Type	Main Focus
24	Luyari Enterprise Development	Kenya	3/L	Microenterprises
25	Madarounfa Wheat Growers	Niger	3/L	Irrigation projects to foster food development
26	National Christian Council	Kenya	3/L	Social work- and business-related assistance
27	Niger Project (Helen Keller International)	Niger	3/RI	Health care through vitamin marketing to rural areas
28	**Opportunities Industrialization Center International**	**Cameroon**	**2/RI**	Job training and placement
29	**Ogbomoso South Child Survival Project**	**Nigeria**	**2/RI**	Community education on health practices*
30	Organization of Rural Associations for Progress (ORAP)	Zimbabwe	2/LR	Rural development services
31	**Paraketo Fisherman Association**	**Uganda**	**1/L**	Fishing, community development
32	Partnership for Productivity	Kenya	3/LRI	Small business management and enterprise growth
33	PVO/NGO Support Project	Senegal	3/RI	Capacity building for indigenous NGOs and community groups
34	Rodale Institute Regenerative Agriculture Resource Centers	Senegal	2/RI	Encourage food production through regenerative techniques
35	Rural Finance Facility	South Africa	3/L	Loans for housing and self-employment

Table continues

Table 4
Features of Organizations (Continued)

Case #	Organization	Country	Score/ Type	Main Focus
36	Savings Development Movement	Zimbabwe	2/L	Women's financial management
37	Salesians of Don Bosco	Kenya	2/L	Community Development; business enterprises
38	Sahel Action	Burkina Faso	2/L	Income-generating loans to villagers
39	SOBCA	Burkina Faso	2/L	Equipment and consumer loans
40	Technoserve	Kenya	3/IR	Organizational upgrading assistance to enterprises
41	**Technoserve**	**Ghana**	**3/IR**	Rural enterprise development and food security*
42	Tototo Home Industries	Kenya	2/L	Community health and business management training
43	**Togo Rural Institutions and Private Sector Project**	**Togo**	**1/IR**	Increase rural incomes by expanding participation of private sector in agriculture and financial markets*
44	Upweoni Project	Kenya	3/L	Community Development
45	Village Education Program	Senegal	2/LR	Financial and management training for villages
46	Voluntary Agencies Development Assistance (VADA)	Kenya	1/LR	Management services and donor agency funding to local NGOs
47	Wongonyi Home	Kenya	3/L	Women's economic empowerment

Table continues

Table 4
Features of Organizations (Continued)

Case #	Organization	Country	Score/ Type	Main Focus
48	World Education Inc.	Kenya	1/IR	Capacity building for development activities in Maseno, Kenya
49	World Vision	Mali	3/IR	Community health
50	YWCA Nursery	Tanzania	2/L	Self-help project to provide child care assistance to self-employed women
51	YWCA Family Planning	Uganda	2/LR	Family Planning and HIV prevention

Legend:
IR—International NGO in regional rural development services.
LR—Local or indigenous NGO with regional focus.
L—Local NGO concentrating on activities in a specific locality; usually a development association.
LRI—A project involving international and local NGOs with a regional focus.
Bold or *—Case included in Case Summaries in Appendix C.

Application of NIE Criteria

Applications of NIE to this study were effected to test several hypotheses that establish the role of institutions in economic development. These include the relationship between beneficiary participation and project performance, democracy and political development augured by beneficiary participation, and cultural factors that influence institutional arrangements. Projects undertaken by both national and international NGOs have presented lessons that show how certain types of institutional arrangements can contribute to government performance. This can, in turn, influence economic progress.

Figure 4 shows the dynamics through which projects undertaken by NGOs in this study have contributed to institutional design. Institutional design originates from mechanisms through which members of society communicate information about their preferences (Evans 1996a, 1996b). In most developed economies, such information is communicated through elections. In Africa, where democratic structures for electoral processes are not fully developed, NGOs have become major sources of expression and voice (Carroll, Schmidt, and Bebbington 1996). Citizens can express their demands for services by forming NGOs or other voluntary associations to function in instances where state capability is weak or the absence of incentives lead to inefficient public services (Campos and Root 1996; Picciotto 1997).

The organizations in this study reflect this expression of voice by engaging in four major functional areas of community demands: health, agriculture, microenterprise development and organizational capacity building. As shown in Figure 4, these organizations carry out these functions through tasks or operations that define the outputs of the organizations. The extent to which these tasks are undertaken affects the performance or effectiveness and efficiency of the organizations. Beneficiary participation, the institutional and organizational structure, and the environment also influence performance.

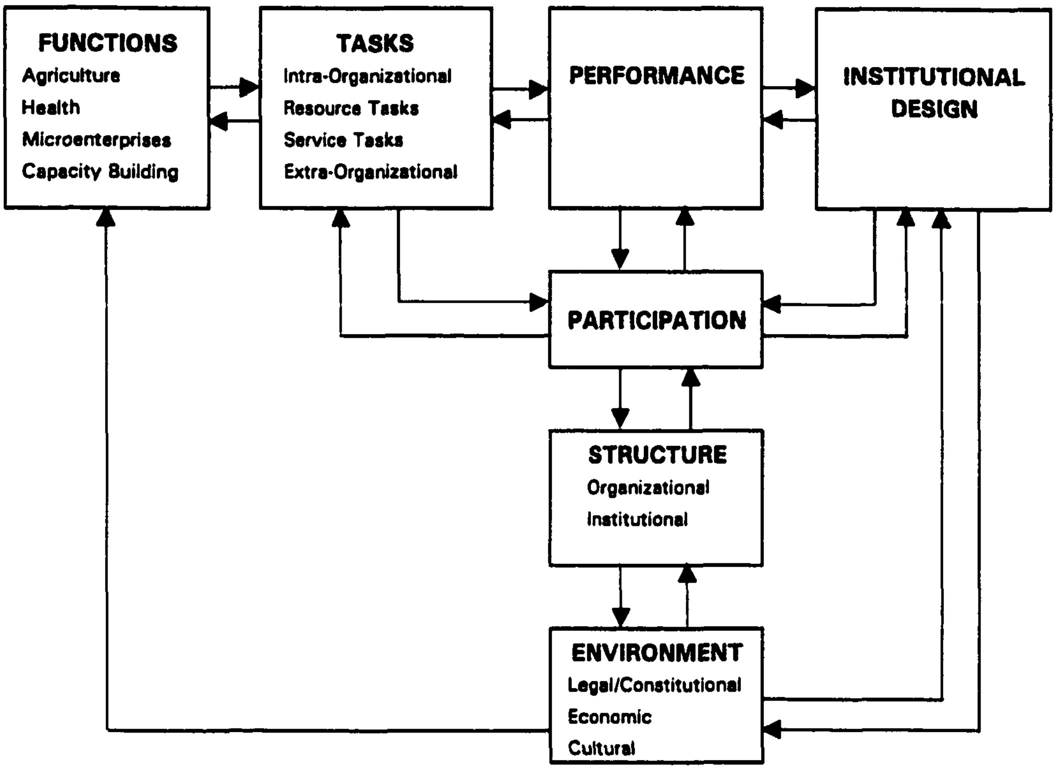

Figure 4. Relationships among Performance Variables and Institutional Design.

Improved government services through the involvement of the civil sector can lead to new initiatives and approaches that generate new institutional settings. The successful performances of the Community Based Health and Planning Project in Nigeria's Oyo State reflect the model above. The project was established to demonstrate community-based delivery (CBD) of rural health and family planning services through trained community volunteers. Government health officials supervised the volunteers. Through the CBD, the use of modern methods of contraception increased from 2 percent to 25 percent during the first year of the project. The effectiveness and successful performance of the CBD model created a new institutional mechanism for providing government health services in Oyo.

Variables Studied

Overview

Five major variables were utilized in this dissertation to show how NIE features are implied in the effectiveness and efficiency of rural economic development projects. These include variables related to the Environment in which the projects are implemented, Beneficiary Participation, Tasks, Structure and Institutional Design. It is also important to understand the organizational landscape of the entities involved in the implementation of rural development projects in Sub-Saharan Africa. One way of doing this is to segment the organizations by functions and determine which functional area registered a relatively higher level of performance in terms of NIE criteria. In this respect, organizations were demarcated into four functional areas defined below.

Environmental Functions

Health

Health functions involved any activity undertaken by the NGOs that related to family planning, immunization, and nutrition. Ten projects in seven countries were related to health (see Table 3). Some projects, like the Africare Food Security Project in Guinea Bissau, integrated food security, which is agricultural in nature, into its nutrition and health component. In such instances, only activities related to health and nutrition were considered in the analysis.

Agriculture

This included any function implemented by an organization in food security and production and forestry services. A major report on economic performance in Africa, *Sub-Sahara Africa, From Crisis to Sustainable Development* (World Bank1984), recognized food security as a salient feature for promoting economic development in Africa. Agricultural activities, for the purpose of this study, also included projects involved with the development of water resources for food production, seed development and gardening. Thirteen projects in five countries focused on agriculture.

Microenterprise

This function included all activities related to entrepreneurial development. The aim of projects in this area is to enhance the business end of household economies and create employment for the rural poor (Carroll 1992). Included in microenterprise activities were the development of finance and equity markets, entrepreneurship and management training, and technical assistance and training to small business owners and other small-scale enterprises. Microenterprises have significant potentials for developing a strong private sector in Sub-Saharan Africa (World Bank 1989). In the 16 countries studied, entrepreneurial skills were very limited, which explains the weak private sector capacity in these countries. Special attention was given to parallel public sector policies that facilitated the development of microenterprises, including government exchange rate policy, tax incentives, price and marketing controls, and general investment policies. Fifteen projects in seven countries were involved in microenterprises. More than 60 percent of these projects were implemented in Kenya, which has one of the highest NGO densities in Africa. As discussed later, the results from the Performance variable show that NGOs and PVOs can serve as alternatives to the provision of government services, depending on the extent to which they are affected by endogenous and exogenous variables. One such exogenous factor is a conducive environment for the development of strong private sectors through microenterprises.

Capacity Building

This involves all activities by NGOs to strengthen the capacity of other organizations and groups to effect rural development projects. These activities also include assistance to increase the administrative and managerial capacity of organizations to deliver integrated rural development projects. Both international and indigenous NGOs were involved in capacity building activities. Several NGO projects, for example in Kenya and Senegal, were implemented under the auspices of USAID's PVO/NGO project where umbrella organizations were selected to enhance the effectiveness of indigenous NGOs. In total, 17 organizations in seven countries were involved in capacity building projects. This function is significant for NIE because it focused on the participatory feature of individuals and groups and it stressed holism in the design of new institutions suggested by this paradigm of economic development theory. Also, capacity building reflects efforts to train people to reduce factors that undermine transparency, improve organization structure, and enhance organization learning. At the national level, poor capacity in government agencies was reflected in the difference between actual and recurrent expenditures by up to 50 percent in Uganda, extra budgetary spending and a lack of knowledge of the costs of policies (World Bank 1997b).

Capacity building lends to an improvement of information systems, coordination of donor assistance and evaluation mechanisms for projects. It also strengthens citizen effort at claim-making on government and the performance of tasks undertaken by organizations. In these respects, capacity building is also a major task of NGOs reviewed in this study.

Tasks

Definition of Categories

Organizations are open systems that are influenced by their external and internal environments (Scott 1992). They initiate tasks to strengthen their internal structures and respond to their external environments to ensure their survival. Tasks can be examined in terms of two major areas that define activities undertaken by all local development organizations, including NGOs. Tasks can be broadly defined as either intra-organizational or extra-organizational, and they include activities that range from planning to making claims on the government.

Intra-Organizational Tasks:	Extra-Organizational Tasks:
Planning and Goal-Setting	Service Delivery
Group Homogeneity	*Beneficiary Needs & Livelihood*
Claim-Making	*Efficiency and Effectiveness*
Self-Reliance	*Poverty Reach*
Conflict Management	*Linkages with Partners*
Resource Management	Institutional Design
Internal Structure	*Sustainability*
Accountability	*Capacity Building*
Modalities for Incentives	*Governance Reform*
Resource Mobilization	*Regional Application*

Intra-Organizational Tasks

Intra-organizational tasks relate to those functions that originate as a result of the internal structure of the organization. They are those functions that are planned and implemented by the organization to respond to its external environment. They include such activities as planning and goal-setting, claim-making on government, the creation and maintenance of a group with homogeneous goals, and conflict management. These intra-organizational tasks were especially relevant in the examination of circumstances related to the evolution and self-sufficiency of indigenous NGOs, a feature that has recently gained the attention of researchers and donor organizations (Howes 1997; World Bank 1996a).

Conflict Management

Conflict management in African NGOs is an important task since actors in these organizations exhibit many features that promote conflict. Narayanan and Nath (1993) have identified these causes of conflict to originate from interdependence among actors, differences in beliefs among actors, and the unequal distribution of power. These features of conflict sometimes arise in efforts to construct strong civil societies in Africa. These include instances where goals may be homogeneous, but processes and social orientations are different. This is especially evident in gender issues. Donor agencies are demanding increased participation of women in externally financed NGO projects. While the goals of poverty alleviation may be endorsed by all, the practice of marginalizing women has undermined the abilities of development plans to achieve their full potentials.

Unresolved conflicts do affect the effectiveness of NGOs, but the presence of conflict is not necessarily a detriment to the organization.

Conflict may also arise from the domination of an elite group in an organization. When these conflicts are unresolved, they do affect the effectiveness of the NGO. In one project, the Paraketo Fisherman Association of Ugandan, sponsored by an Ugandan NGO consortium, the Association for Cooperation and Research Development (ACORD), staffing and membership policies that relied on social networks resulted in a situation in which participation and management were influenced by a relatively more "affluent" class of individuals. The ensuing conflict and disparity of this internal structure led to the eventual failure of the organization.

Conflict management was an important task in relationships between external (foreign) donor organizations and local NGOs. Summary recommendations contained in reports of donor organizations have addressed the role of conflict management in the performance of local organizations. For example, the report of the USAID PVO/NGO Support Project in Senegal was critical of the impact of personality conflicts on the success of partnerships between USAID and local NGOs. The project was aimed at using an umbrella support network to enable local NGOs to plan, design and implement sustainable development activities. After 18 months, an evaluation of the project revealed delays in the project implementation process although a management system was operating satisfactorily. The report blamed poor conflict management procedures in the project implementation as one of the sources of delays. The conflicts evolved from personality differences and misunderstanding or misinterpretation of roles and responsibilities of individuals who implemented projects. Evaluators of this Senegalese project recommended that USAID should make it a priority to adopt procedures to address and resolve personality conflicts.

Although the cases in this dissertation occurred in settings that had potentials for conflict, many of the cases did not elaborate specific incidences.

Claim-Making on Government

This task involves the ability of the organization to present its interests, among many other competing ones, to the government to influence changes in policies and institutional arrangements. This task is effected through grassroots activities, electoral participation and democracy, the improvement of institutional capability through market or non-market activities; and activities that encourage transparency (World Bank 1997b). These activities lead to an opening up of the government to a broader array of needs and interests, improving the effectiveness and accountability of the states.

Claim-making is one of the most difficult tasks for both advocacy and intermediary NGOs. For intermediary NGOs, claim-making may be interpreted by the wealthy and powerful as a threat to their position of monopolizing policy goals and priorities. In Zambia, attempts by NGOs in the civil society to advocate for changes in the election laws in 1996 were rebuffed by the government of President Chibula who viewed their efforts as a challenge to governmental authority (Fisher 1998). Although their grassroots activities remained strong, their effectiveness as partners with government was seriously undermined.

Although a risky proposition, claim-making on governments in Africa has been influenced by several factors. Charlick, Fox, Geller and Robinson (1994) listed these as (a) the right to directly lobby policy makers and government agencies, (b) the right to secure redress in the courts and (c) constitutionally guaranteed rights and freedoms in many countries making transitions to democracy. These pressures have, in some cases, not been fully complimented by government actions. Governments seem to prefer to work with organizations that concentrate on making changes through economic endeavors. They are less inclined to be responsive to those that advocate political or social changes. African governments faced with the pressures of managing ethnically diverse environments feel more of a social responsibility to monitor non-economic NGOs than organizations involved in economic and business activities. In Mali, for example, the government has restrained the activities of advocacy NGOs through selective implementation of tax exempt laws for non-profit organizations. While economic and business NGOs receive the full benefits of these laws, advocacy NGOs are granted only partial benefits, in spite of their lobbying efforts to reverse the situation (Fox 1996). In Zimbabwe, the activities of a community development organization in Matabeleland were restricted because its programs were benefiting ethnic outsiders and rival political groups (Ndegwa 1996).

In Senegal, where economic liberalization and state devolution in the 1990s have been praised in international circles, the business advocacy NGO, UNACOIS, still faced constraints and a weak hold on the productive sector of the economy. Thioub et al. (1998) blamed this on the UNACOIS mobilization strategies which rest on protest and opposition to particular government initiatives.

Intermediary NGOs face similar predicaments. As mentioned in Chapter 3, foreign donors have channeled development funds through NGOs at an increasing rate since the 1980s. In Kenya, which has the largest volume of NGOs among countries in Africa, the government expressed concern about the proliferation of NGO activities. NGO and government relationships, which were relatively stable during the 1970s, deteriorated when the Kenyan parliament passed The NGO Coordination Act of 1990, requiring all NGOs to re-register with the government. The act also created a government agency to regulate, coordinate and legalize the activities of NGOs at a time when the government had adopted a policy of decentralization and privatization. In Ghana, laws created by the military government in the 1970s to forbid the creation of private voluntary organizations are still in existence although NGOs operate with little interference. However, although NGOs in Ghana were given wide discretion in the 1990s, they were encouraged to operate in small communities with minimal public services (Anang 1994). Ghana's less restrictive policies towards NGOs in the 1990s were attributed mainly to the influx of funds that accompanied its World Bank structural adjustment programs (Salamon and Anheier 1994).

Claim-making is even more difficult from the standpoint of the government, which must respond to differing needs in ethnically diverse environments. Governments must balance responses against the reality of scarce resources and the appearance of the extension of ethnic and political patronage. As noted in the *World Development Report, 1997*:

> As the number of ethnic conflicts around the world attests, the belief of certain groups that they are being left behind—in terms of income, assets, or employment—can be a powerful source of frustration. This can spill over into direct conflict if the lagging groups lack adequate means of representing their concerns. Political elites who mirror ethnic differences in competing for power and distributing patronage will add fuel to the fire (World Bank 1997b, 112–113).

The Internal Structure

The internal structure of NGOs reflects all activities that increase both the capacity for coordination and the performance level of the organization. It also includes the organization's bureaucratic mechanisms of rules, regulations and standard operating procedures and how these mechanisms are utilized to increase performance.

Coordination mechanisms can be both vertical and horizontal. When vertical mechanisms are included in the internal structure, they relate to devices such as direct referrals (building consensus or referring problems to a supervisor or expert); plans, schedules and goal-setting; the organization's hierarchy; and vertical information systems Narayan and Nath (1993). Horizontal coordination devices include teams, task forces, liaisons and full-time integrators. Liaisons achieve coordination within the organization or between the organization and its external environment. Full-time integrators are the main agents of coordination within the organization, and they are usually at the head of the hierarchy. They may be the program manager or principal official in the organization.

The internal structure also reflects the design of the organization. This design usually shows the organization's relationship to its external environment, strategies for implementing goals, and the values of top managers or those involved in the formation of the NGOs. In instances where the NGO implements programs for donor organizations, the design of the organization sometimes reflects the mission and objective of the donor institution.

Organizations that employ more vertical and bureaucratic devices tend to be more mechanistic and formal, while those that employ horizontal mechanisms tend to be organic or more informal (Narayan and Nath 1993). NGOs in this study tended to reflect all three coordinating mechanisms in their internal structure. For one thing, the requirement by national governments for registration with a central authority forced these organizations to design formal structures of rules and regulations to meet reporting requirements. Also, partnerships with external funding sources make it necessary for NGOs to develop more formal measures of accountability and management.

Cultural factors and group homogeneity influence the move towards horizontal coordination although some evidences of formal structure are in place. The Wongonyi Home Economics Women's Group in Kenya, for example, was mostly oriented towards horizontal coordination mechanisms. The group showed a high degree of mutual trust and self-confidence in that all its funds were kept at the home of one of the ladies who served as a treasurer. Decisions were made collectively. This loose system of administration was reorganized when the group became a sub-project of the Kenya Rural Enterprise Project (REP), which was being funded by USAID. A project assistant from REP designed formal systems of accountability, including rules and regulations. The group was encouraged to establish a relationship with a bank to ensure financial accountability.

Organizations like the Kenyan Women's Finance Trust (KWFT) and the Ogbomoso South Child Survival Project in Nigeria reflected well defined organization and bureaucratic structures operating alongside traditional modes of leadership that enabled them to perform better than similar organizations.

The internal structure is also important for mobilizing to make claims on government and to manage groups to avoid internal divisions. Besides accountability, the internal structure also addresses NIE features of incentives and efficient resource mobilization. A strong internal structure is related to the self-reliance task of NGOs. Since NGOs mostly depend on foreign sources for sustenance, foreign donors like the World Bank, USAID and OXFAM have included procedures for the sustainability of the development project that they support. A well developed internal structure facilitates this goal in that it establishes (a) the incentive structures necessary to nurture local resources, (b) the modalities for identifying needs for improvement and training necessary for sustainability, (c) the flexibility for responding to local needs, (d) line of authority for decision-making and coordination with government and other agencies, and (e) a capable staff. These features contribute to an effective means of building community ownership even when the project is over, especially in instances where the government is weak or unstable (World Bank 1995).

The internal structure is also a microcosm for what is observed at the institutional level in the public sector. Three essential building blocks for effective public sectors are (a) strong capacity for formulating and coordinating policy; (b) efficient and effective delivery systems; and (c) motivated and capable staff (World Bank 1997b). Since claim-making on government is aimed at enhancing these capacities in the public sector, a strong internal structure in NGOs at the local level may actually contribute to strengthening capacity at the national level.

NGOs are a federation of base groups working at the local level. These organizations working together under an umbrella group, or individually as contractors of a foreign project, have strong potentials to make interventions that are significant to capacity building. The collaboration of an NGO with the government and foreign donor represents a decentralization of the role of the public sector. Technical competencies, adequate staff, sufficient facilities and other factors inherent in sound internal management allow NGOs the opportunity to bring innovations in their project implementation that can be used as models for other development projects at the national level.

A sub-project of the Opportunities Industrialization Center in Cameroon, the Rural Women's Training Unit, developed a model for a Rural Development Council. The Council was comprised of all villages' leaders who have received training from the Cameroon Opportunities Industrialization Council. The Council facilitated the exchange of ideas among women in different villages and served as a market for their products. This model had the potential of unifying an otherwise diverse population at the regional level and increasing participation levels that are necessary for sustainable economic development.

Resource Management

Resource management includes the allocation of labor resources to specific functions, the use and accounting for funds, and the use and maintenance of materials and equipment towards the accomplishment of projects. In all the cases analyzed, *resource management* was very significant in those that reflected a high performance level. For example, the Kenya Women's Trust Fund, a rural microenterprise project that is funded under the auspices of the USAID sponsored Rural Private Enterprise Project, scored higher in performance and participation categories than similar projects in other parts of the country. Prior to opening up their financial resources to make loans to rural dwellers, the women conducted a market research and entrepreneurial assessment of potential clients. They formed a loan review committee that met monthly. A credit coordinator and an extension worker also provided technical assistance to those individuals receiving loans. They also held workshops and training activities for their staff in conjunction with the Kenya Rural Enterprise Training Project. The loan repayment record, a measure of performance for this project, was better than parallel projects in other rural areas. Resource management also correlated highly with other intra-organizational and extra-organizational tasks.

Extra-Organizational Tasks

Relationship between Intra- and Extraorganizational Tasks and Performance

Intra-organizational tasks are complimentary to the extra-organizational ones. Successful accomplishment of intra-organizational tasks also resulted in parallel accomplishments in extra-organizational tasks. Intra-organizational tasks also underscored the ability of the organization to meet other extra-organizational tasks such as poverty links, linkages with partners including government, and sustainability. Together, these tasks contributed to medium to high performance levels by organizations that were able to balance both categories of tasks in the pursuance of their strategic goals.

The relationship between the Task variables and Performance can be defined by this model:

$$P = f(Ta)$$

and

$$Ta = ET + IT$$

where Ta is the sum of Extra-Organizational Tasks (ET) and Intra-Organizational Tasks (IT) and P is the Performance level. A direct relationship exists between Performance and the accomplishment of Tasks. This implies that where the level of Ta was high, the Performance level was also correspondingly high. This was not surprising since Performance variables were defined by indicators that related to these tasks, such as participation and organizational structure.

Extra-Organizational Tasks are also related to Service Delivery and Institutional Design. Service Delivery measured the extent to which the NGO accomplished the needs of project beneficiaries, its efficiency and effectiveness in meeting those needs and utilizing or co-opting external resources, and the segment of the population it was able to reach (poverty reach). Institutional Design relates to the ability of the organization to effect measures of capacity building, program sustainability, regional application of the projects and reforms in governance as a result of their projects. This is a difficult and slow process for NGOs. Institutional Design requires a level of cooperation with government and all other stakeholders. The government perspectives of NGOs vary among countries. The relationship between government and NGOs can sometimes be hostile, especially in those areas where they are viewed as enemies of the state because of their advocacy programs (i.e., democracy, human rights, capacity building).

SERVICE DELIVERY

Difficulties Encountered

NGOs are playing a crucial role in decentralization efforts of governments as they relate to delivery of service. In Africa, budgetary restraints occasioned by poor economic conditions have led to approaches that include contracting out to the private sector, decentralization and utilizing the services of NGOs (Van der Gaag 1995). These efforts are also complimented by the channeling of donor funds through NGOs, as explained in previous pages.

Contracting out services to the private sector is problematic in African countries, especially given the situation where both government and private sectors are weak. The problem is further compounded by the government's inclination to select organizations based on its ideology, specific activities, purposes, or institutional and personal ties (World Bank 1995).

Donor organizations involved in service delivery also face difficulties in attempts to forge relationships between governments and NGOs. Donors have made NGO involvement a criterion for aid to governments. However, there are situations in which the NGO selected by donor agencies has had a conflicting relationship with the government in the past. The government may be unwilling to work with the NGO. The NGO may in turn risk losing its credibility or autonomy by accepting funds that are tied to the government (World Bank 1995).

In spite of these difficulties, the activities of NGOs observed in this dissertation have been largely complimentary to government efforts. International NGOs working with local counterparts as well as major donor organizations have implemented projects that have replaced weak or inoperative government programs. In situations where the government has imposed some restrictions on their activities, NGOs have achieved progress in contributing to sustainable institutional building through collaboration with government counterparts. International NGOs have been especially successful in this manner. In Ghana, Technoserve, an international NGO, established a feature in its operations to train government agents in financial management, marketing, strategic planning and evaluation as a means of building capacity and improving the delivery of food services and credit programs to rural inhabitants.

Service delivery is the most direct and observable function of NGOs (Carroll 1992), and the successes of these organizations is judged by their ability to meet beneficiary needs. Carroll (1992) differentiated between organizations he considered principally oriented towards service delivery and those that were development catalysts and capacity builders. Organizations involved in service delivery make a direct impact on beneficiaries' standard of living. Those that offer training or other forms of skills building were defined as capacity builders while those that implement advocacy tasks are considered development catalysts (Carroll 1992, 42).

All organizations in this dissertation are involved in service delivery functions although some of these functions lie in the realm of capacity building. NGOs use skills and designs in their internal structure to devise strategies for effective service delivery. Strategies, in the main, were consistent with NIE features for facilitating higher levels of performance by these organizations. These included using microenterprises, agricultural extension services, health and family planning activities, and community and rural development programs (employment training and road building).

Strategies in Microenterprises

Service delivery strategies involving microenterprises were aimed at encouraging business development by strengthening institutions that can improve the business environment. Another goal was the generation of employment opportunities for rural inhabitants through microenterprise activities. These were accomplished through establishment of rural credit schemes; business management and entrepreneurship training; setting up accounting systems; and assisting in the design of systems for studying impact. NGO microenterprise strategy is a means through which overextended state institutions can improve development outcomes by providing enabling environments that set the right incentives for efficient economic activity. It also forms the basis for the institutional infrastructure of property rights, peace, law and order and rules that encourage long-term investment in a country (World Bank, 1997b, 31). Microenterprises also facilitate the opportunities for production of services at lower transaction costs by eliminating excessive bureaucratic procedures or fostering competition. For example, in both Ghana and Zambia, market liberalization created opportunities for farmers engaged in cash crop production when centralized, government-operated marketing boards were restructured in favor of providing market-type incentives. These policies encouraged an expansion in the production of agricultural products and job opportunities.

Microenterprises also function to provide goods and services not available through public mechanisms. Cases from Zimbabwe, Togo, Ghana, Kenya, Mali and Guinea Bissau demonstrated varying ranges of microenterprise activities in service delivery. Examples from Ghana and Togo show how microenterprises have featured in service delivery.

Ghana—inventory credit scheme: In the case of Ghana, an international NGO, Technoserve, working with local counterparts, established a credit scheme under which rural farmers were able to create jobs, mobilize rural equity and generate revenues. The program was an "inventory credit" scheme, in which farmers were provided commercial loans through the Ghanaian Agricultural Development Bank against collateral of their own produce. The produce was stored in a cooperatively managed warehouse and used to leverage loans valued at 75 percent of harvest-time market prices. This allowed the farmers to take advantage of price peaks in poor harvests. It also gave them an ability to avoid post-harvest cash flow shortages. This project demonstrated a public/private partnership between the Government's Ministry of Food and Agriculture, the Agriculture Development Bank, an international NGO, and local agricultural oriented NGOs in the country's Brong Ahafo and Eastern Regions. Two such NGOs operating as farmers cooperatives were the Offuman Multipurpose Coop Society and the Nsuta Multipurpose Coop Society.

The Inventory Credit Scheme, while allowing farmers to take advantage of rising prices, provided a situation under which they were able to buy back their produce from the cooperatives, pay back the bank loan and save up to 50 percent since the program made loans available at less than prevailing market rates.

Through this program, the Ghanaian government was able to provide services in food security by giving rural inhabitants access to food and opportunities for generating income. Farmers participating in the project realized net benefits of 41percent on average, achieving incomes that were 20 percent above the average family income in the country.

The program also demonstrated the types of incentives that reduced transaction costs and allowed farmers to increase crop production. Farmers respond to programs where the marginal benefits exceed the marginal cost of their operations. Although farmers face the costs of delays in fund disbursement from the government agencies and the risks of market timing and sudden changes in government policies, the program was extended to more than 1800 farmers during the 1995/1997 operating years from its 1992/1993 peak of 1400.

The program has also contributed to the delivery of rural development services in the Brong Ahafo region. The Nsuta Cooperative, for example, put some of its earnings to rehabilitate a nine kilometer portion of a road to link its village, Offuman, with another village, Techima, along a 21-kilometer stretch. It has also created jobs for women, farm laborers, and small scale and institutional buyers.

The Togo microenterprise development: The Togo Rural Institutions and Private Sector Project (TRIPS) used microenterprise training as a means of service delivery to farmers. TRIPS was a joint project between the government of Togo, Cooperative for American Relief Everywhere (CARE), an international NGO, and local NGOs. The project was financed by USAID. The goal of TRIPS included increasing rural incomes by increasing and diversifying outputs from the agricultural sector. The project was launched in 1988. Although it achieved a target of assisting 250 micro-enterprises by 1991, design flaws undermined the sustainability of some of its successes. For one thing, its project design did not include the participation of villagers in identifying priorities. It also did not limit or define a scope of action that matched those of indigenous NGOs participating in the project.

The Togolese Ministry of Rural Development became the principal government agency charged with creating an enabling environment for private sector initiatives. However, although the Ministry was active in promoting seminars and workshops, crucial issues relating to the regulatory environment that affected small scale enterprises and registration requirements for local organizations were not addressed by the government agency.

Bureaucracy in Service Delivery: NGO/Government Partnerships

Government regulations in public/private partnerships were common in all 51 cases in this study, with a mean score of 2.6 on a three-point scale (see explanation of Government Bureaucracy in Appendix B). This suggests that there was significant influence by the government on the operational environments of NGOs.

While liberalization and privatization have yielded benefits in Third World and former centrally planned economies, arguments for government interventions have included protection of the public against information asymmetries, promoting competition, and influencing private outcomes for public purposes (Galal et al. 1994). However in many cases observed in NGO-government relationships, the regulations have been used to allow governments to continue to exert control over the policy environment. This has become especially necessary when this control is being threatened by the infusion of funds by donors directly to NGOs rather than through government agencies as was done in the past. Maintaining the regulatory environment, even though it inhabits service delivery, has given African governments the means to exercise their authority in environments where the proper role of government in public policy is being questioned. Peters and Pierre (1998) referred to this as "governance without government," which is influenced by several pressures on government. One of these pressures they discussed is the importance of the international community, where the influences of capital markets have affected the abilities of governments to insulate their societies from global strains.

A second pressure is the changes in the relationship between the public and private sectors, where networks such as NGOs and other grassroots organizations are threatening the government's control of the policy arena by their ability to develop structures that de-legitimate governments (Peters and Pierre, 225). This has resulted in situations where, they argue, the government's role has changed from direct control to a capacity for influencing policy. This is evident in instances where public/private partnerships have blended resources of the two sectors (public and private) to form relationships and to co-exist as equals. In such relationships, governments must now bargain with private sector cohorts rather than resort to power if the decision that is made is not what they want (Peters and Pierre, 226).

Structure and Institutional Design

Governance and NGOs—Towards Institutional Design

Government controls that affect service delivery by NGOs reflect the public sector's concentration on processes rather than outcomes. However, decentralization in the public sector that responds to society's interests has resulted in new forms of cooperation between the state and the governed. This cooperation, as is evident in every case involving both indigenous and foreign NGOs, has focused mainly on generating changes within an organizational framework that will imply new institutional settings for the public bureaucracy. This is especially true in states with weak institutions. They must rely on the strength of the private, civil society to improve governing capacity (Stone 1989; World Bank 1997b). Even states with strong institutions like the United States and Great Britain have also embraced the organizational ideals of the private sector to effect public outcomes (Osborne and Gaebler 1992; Peters 1996). These states, however, are similar in their relationships as the African governments observed in this study. They all continue a system of government involvement through deliberation, collaboration, blending public and private values and maintaining virtues of Weberian regulations and rules.

Institutional Design—A Three-Pronged Approach

The capacity to influence the development of new institutional settings in Africa is evident in the activities of the NGOs as explained in Figure 4 above. The proliferation of NGOs in African social and political settings has been referred to as "democratizing development" (Carroll, Schmidt and Bebbington 1996; Fox 1996). This democratization has evolved in environments where strong state interventions have been balanced by grassroots efforts to transform marginal economic indicators that negatively affect the poor.

A three-pronged approach has involved the market orientations of the private sector, the government bureaucracy, and the civil society, especially as represented by the activities of NGOs and other grassroots organizations. Figure 5 shows the interaction among these three layers of society.

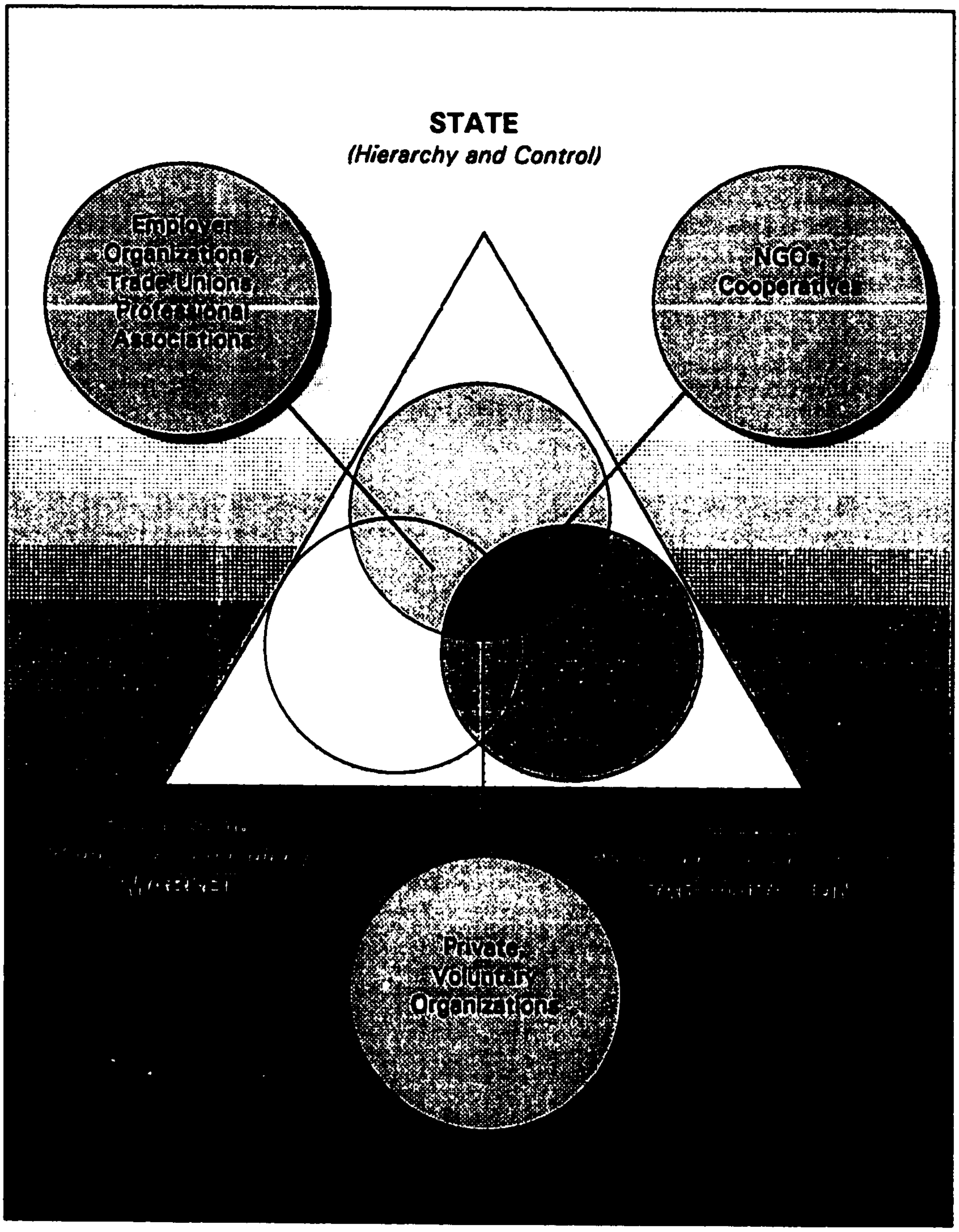

Figure 5. Organizations at the Interface of State, Markets, and Civil Society.

Adapted from Robert Picciotto (1997).

Institutional design is dependent on the responsibilities assigned to the public, private and voluntary sectors. Patterns that have implications for organization design at the micro level and institutional design at the macro level are inherent in these development institutions. The civil society works for the common good by drawing upon the workings of the market and the enabling environment of the state (Keidel 1995). The market depends on the provision of infrastructure (common-pool, toll, and public goods). The state responds to social needs by mixing government and public goods for enforcement and representation of various interests (Picciotto 1997, 356). Relying principally on government or the market may result in the establishment of bureaucratic constraints associated with the state or the rent-seeking behavior associated with private parties, phenomena which tend to undermine the effectiveness of both the state and the market. The civil society, by influencing participation, fills the gaps that result from the failings of both the market sector and the state. This is accomplished by advocacy and intermediary efforts that restrain state actions or augment state functions. These efforts also call attention to the excesses of the free market system (Picciotto 1997).

NGOs operating under this inter-related context can influence the design of new institutions by drawing upon social capital, effecting mechanisms for participation and improving government service.

Social Capital

Social capital includes the "informal, rules, norms and long-term relationships that facilitate coordinated action and enable people to undertake cooperative ventures for mutual advantage" (World Bank 1997b, 114). Social capital reflects the degree of participation in local social organizations, the effectiveness of networks of civic organizations and the involvement of citizens in local affairs. Narayan and Pritchett (1999) relate social capital to associational relationships and social norms of villages in rural Tanzania to show that a village's social capital has an effect on the incomes of the households in that village. Putnam (1993), Narayan (1997) and Ostrom (1992) have discussed the role of social capital on local economic development in Third World countries and have highlighted its significance in building strong civic infrastructures.

The cases reviewed in this dissertation exemplify the role of social capital in influencing the provision of public goods and the performance of public agencies in rural areas. For example, the National Council of Churches of Kenya (NCCK) used a religious network of Christian churches to build capacity in low-income urban and rural neighbors. The organization has worked in areas either marginally served or neglected by government due to fiscal constraints or ineffective management. NCCK's operations have been conducted in five major areas, all heavily dependent upon Christian norms and rules: (a) Christian Outreach and Rural Development, (b) Urban Community Improvement, (c) Family Life Education, (d) Christian Education and Training and (e) Refugee Service Unit. Work under these five areas has included business assistance, entrepreneurship training, housing development and construction of community centers. The work of NCCK has allowed this network of Christians in Kenya to express voice and participation in local development activities. The Kenyan government responded to the rural development efforts of NCCK with a grant to strengthen rural health services, in spite of NCCK's opposition to the government's single party rule in the 1980s. Although one can infer that such grants are a means by which the government can win favor from an organization that is vocally against some of its policies, there is a clear linkage between the social capital developed by the NCCK and the government's emphasis on rural health services.

In Niger, l'Association des Puisatiers de la Republique du Niger (APRN) was formed by a group of well diggers for the purpose of harnessing water resources for gardening in the country. The APRN was the first national NGO to be legally registered by the government of Niger, which had effected a process of political reform that allowed the establishment of NGOs. The APRN and its membership of well diggers established a private business to construct wells for rural inhabitants in this country, which had been perennially affected by drought. As the services of APRN became popular in rural areas, the population in these areas increasingly sought government assistance to help meet the costs of wells.

The activities of APRN and the social capital that influenced them led to an improvement of government services in rural areas. It demonstrated that an organization of people, coordinated under norms and informal rules, can build relationships that contribute to an improvement in government service.

Beneficiary Participation

Mechanisms for Participation

Several mechanisms for participation have been suggested as a means for improving institutional capacity. One suggestion is to include the voice of interest groups in mutually beneficial projects involving the public and private sectors. Such deliberations and consultations between public and private interests tend to reduce transaction costs by reducing the scope for opportunistic behavior (Holmes and Krishna 1996; Williamson 1995; World Bank 1997b, 117). Information dissemination, mechanisms for feedback, transparency and accountability are all features of effecting participation through popular voice. Information flow and transparency allow for the citizenry to bring pressure to bear on the government to perform better. It also reduces the opportunity for government agencies to undertake arbitrary actions (World Bank 1997b, 117).

Another mechanism for participation involves the stakeholders, particularly the poor, in the design and implementation of projects. One way that this is accomplished is through social capital investments such as local-level institutions and support for community-based development efforts that are planned and implemented from the bottom up. This involves learning from the poor and rural stakeholders to understand firsthand the problems they face, how they have tackled them, and their proposals for gaining more control and influence over development initiatives (World Bank 1996a)

Incentives and Participation

Incentives are crucial to participatory processes (Klitgaard 1995). These incentives can be expressed in participation processes that include an articulation of clear benefits to the stakeholders. For example, the Togo Rural Institutions and Private Sector Project was able to elicit the support of rural farmers when the stakeholders understood that the benefits were increased agricultural production and a rise in their incomes.

Incentives can also be reflected in the degree of beneficiary association with an NGO and the extent to which the NGO can exact discipline or sanctions to pursue cohesive objectives. The World Bank Participation Sourcebook (1996) outlined a systematic client consultation (SCC) framework that lays the basis for an incentive system that encourages participation among rural poor in development projects. The SCC is a ten-step process, which includes proper identification of the target group. Target group identification consists of a process to categorize larger groups into smaller segments. This makes it easier to define their relationship to the program and also to identify clients who have current, factual information about the project performance (World Bank 1996a, 197). This identification process upholds findings in this dissertation that show a positive correlation between projects with high performance ratings and modalities for incentives and sanctions. It also gives a means for identifying organizations based on pure voluntarism and those that require a degree of compulsion. Olson (1965) has discussed the problems of free ridership associated with organizations. Esman and Uphoff (1984) observed that organizations have a difficult time surviving unless all who benefit from them share in the costs. They discovered in their study of local organizations that the effectiveness of organizations is usually undermined when members feel that the burdens are unfairly shared, even in instances when the organizations can manage without the financial contributions of all members. Organizations with moderate to high performance, both in this dissertation and the Esman and Uphoff (1984) study, were those which had incentive structures that included a determination of the obligations of members and strict guidelines about their enforcement.

Client consultations are also means through which the success of projects can be ensured through participation and incentives. For example, while financial rewards from a foreign donor may be necessary incentives for an indigenous NGO to complete projects, efforts to exact discipline and sanctions by these donors and outsiders may be unsuccessful unless the members agree on the rationale and substance of the sanctions (Esman and Uphoff, 1984, 157).

For example, organizations such as the Association of Women of Gadamael Porto in Guinea Bissau had an incentive structure that allowed members to share in both the costs and benefits of projects. The association was one of several enlisted by Africare, an international NGO, in a food security project in the West African country. The association established procedures that defined an interconnection between its collective work and the individual work carried out by each family that was counted as members. Members agreed to share working times between the association and their normal lives. The main sources of revenues for families were their work for the association. All members were required to deposit a sum of their revenues in the association's fund to be used for the amortization of capital employed in the purchase of farm equipment such as milling machines, hoes and shovels. While the government provided a health center in Gadamael Porto, members provided a contribution towards the purchase of drugs and medical supplies. Sanctions in terms of withholding revenues or expulsion encouraged the members to remain focused on the objectives of this agricultural association.

The element of compulsion, as opposed to voluntarism, that has no restrictions on exit or entry, contributes to the success of organizations. The SCC approach presents a way for segmenting pure voluntary groups from quasi-voluntary or compulsory organizations. This is not to suggest that pure voluntary indigenous organizations are not effective in the pursuit of their objectives. While voluntarism usually presents a positive attitude of the members toward an NGO, it may not be as effective as organizations with some degree of compulsion or sanctions when channeling foreign development aid to local areas.

Other Incentive Problems Related to Participation

Klitgaard (1995) mentioned three problems related to incentives in the relationship between foreign donors and indigenous NGOs. These problems have implications for the participation of stakeholders in development projects.

First, he noted that technical assistance personnel involved with local NGOs are usually not paid for training successors or developing capacity. Rather, their incentives are based on the completion of a certain technical jobs for a certain period of time. This emphasis on task completion as an incentive usually precludes the full participation of the stakeholders in the design and implementation of the development projects for which they are supposed to be the principal beneficiaries.

The second problem involves the fact that staff members of these donor agencies lack appropriate incentives. Their compensation usually depends on the amounts of money or number of projects that they channel through a government bureaucracy. The implication here is that the concentration on the bureaucratic procedures undermines the ability of the project implementers to focus on institutional issues such as information and incentives when dealing with local, indigenous NGOs (Paul 1990).

A third problem is that lending agencies, donor organizations or Northern NGOs do not optimally share the risks that their aid contracts suggest. In the case of lending agencies whose funds are channeled through local NGOs, repayment of funds is not dependent on the success of the project they fund. The incentives, therefore, to ensure full participation of stakeholders and high performance levels are absent in their relationships with the local NGO.

Involving Local Institutions as a Source of Participation

Another facet of the SCC participation model is the involvement of local institutions in carrying out consultations. This involves an advisory committee that includes government representatives, relevant civic associations and other program partners. While this form of participation was present in some of the cases studied, there was a general tendency for foreign NGOs and donor agencies to rely on experts from bases outside of the African setting rather than local institutions in consultative relationships.

Women and Participation

A difficult aspect of increasing participation is overcoming social and cultural constraints. Women in Africa are one group facing this dilemma. The role of African women in the development outcomes and participatory processes is a general concern of donor organizations.

Women are over-represented among the poor in Africa. The overall economic and political situation in Africa also contributes to make life difficult for women and men (Gordon 1996). Women as a group suffer most from the problems of inequality, oppression and poverty in modern-day African societies (Gordon 1996, 249–252). On average, women represent about 46 percent of the agricultural labor force, but produce 70 percent of the staple food (Gladwin and McMillan 1989). However, investments in agriculture have been made primarily for cash crops, mechanization, extension services, and resettlement projects that mostly help men. Also, farms are increasingly likely to be registered to the husband as the sole owner, making women ineligible for most farm aid available only to farmers with legal title to their land (World Bank 1989; Gordon 1996, 259).

In politics, less than 10 percent of legislative positions are filled by women. In half of African states, no women are in cabinet-level or local levels of government. Women hold less than eight percent of positions at the national level in all of Africa (Morna 1995). African political leaders and women's groups have manifested attitudes that have perpetuated the subordinated role of women in governance and economics. For one thing, African women have not challenged the gender roles they face because of cultural and traditional orientations. Politicians, on the other hand, defend the status of women in Africa as a cultural or "natural" arrangement that must not change. Gordon (1995) reflects this sentiment in the following passage:

> Africa's male political leaders rarely speak out against the culture of male dominance, most believing that gender arrangements are "natural" or traditional and must not change. Daniel arap Moi, president of Kenya, exemplifies this view. When Kenyan women at the International Conference on Women in Nairobi in 1985 recommended that women be more equitably represented in parliament, Moi responded that "God made man the head of the family," and "challenging that was tantamount to criticizing God." (212).

Besides tradition, European colonialism in Africa has largely contributed to the loss of autonomy and subordinated role of women in Africa. First, in order to support European consumption and industrialization, minerals and agricultural commodities were extracted from Africa in a manner that changed the customary division of labor among the genders. Men were taught to grow cash crops for export to Europe while women continued to grow food crops for family and subsistence consumption. Men were also utilized in mines and plantations and exposed to technical skills, education and other resources less available to women (Gordon 1996). Europeans also dealt only with men in matters of politics and administration, reflecting their own views of the proper role of genders in society. This was in marked contrast to the parallel authority structures that existed in pre-colonial times. In British West Africa, for example, the male Poro Society and the female Bundu Society implemented village and traditional policies dealing with courts, markets, education, and religion, although men had more formal authority positions than the females (Amadiume 1987).

Western development agencies and donors, through policies adopted in Africa's early post-colonial era, contributed to the problems faced by women. "Trickle down" policies that were designed to improve the welfare of African men and create economic opportunities for women did not produce the desired results. This is reflected in the dismal economic performance of Africa in the thirty years after colonial independence, including poverty and the marginalization of women in development activities.

Women in Africa constitute more than 50 percent of the total population. In rural areas, with 70 percent of Africa's population, women are responsible for a majority of the duties associated with agricultural production, agricultural marketing through micro-businesses, and the management of the household. However, capital equipment in foreign agricultural aid programs have mostly been allocated to men. Policy decisions addressing agricultural output and enterprise development have precluded full women participation. Planning processes have mostly neglected gender implications, where underlying causes of problems for women (and men) are not analyzed. A clarification of gender problems to be addressed as part of a strategic development goals have also been absent in development plans involving national governments and foreign donors (World Bank 1996a).

The relationship between addressing women's issues and economic and institutional development has been recognized in several studies (Palmer 1991; World Bank 1989). NGO activities in this dissertation also reveal the potential for increased agricultural production and food security when women's participation in development efforts are given proper attention. Also, because of their role in marketing agricultural products, small-scale manufacturing and service trade, women have an important role for expanding entrepreneurial activities, developing a strong base for the private sector and building strong institutional capacities. The potentials for women can be improved through sensitivity to social and traditional constraints, legal barriers, and other activities that impede their access to credit, employment, and information.

The significance of investigating the relationship between the participation of women and the performance of projects is defined by (a) the potential for sustaining projects, (b) engaging the poor in development activities and c) expanding the service outreach to all sectors of the population.

Content of the Following Chapter: Incorporating Performance Variables

The next chapter provides an analytical summary of 51 cases and the implication of new Institutional variables discussed above. These variables are analyzed in terms of their influences on the performance of development projects.

CHAPTER 5

ANALYSIS OF CASES: APPLICATIONS TO NEW INSTITUTIONAL ECONOMICS

Overview of Performance Indicators

The performance of NGOs in economic development projects is analyzed in terms of indicators inherent in the New Institutional Economics (NIE). These variables are Service Delivery, Operational Environment, Participation, Organizational Tasks, and Organizational Structure.

Analysis of Performance Variables

Service Delivery Variables

Performance and Service Delivery: Beneficiary Needs

Service Delivery is measured in terms of the organization's efficiency and effectiveness in accomplishing its overall goals, the extent to which it provides for the needs and livelihood of beneficiaries, its ability to reach the poor, and linkages formed with national and local government authorities.

Table 5 below shows the important role of NGOs as vehicles of Service Delivery in rural development. The results were similar to those obtained by Carroll (1992) in a study of 30 Latin American NGOs in which all of the organizations ranked high in Service Delivery. This can be attributed to the fact that Carroll's selection criteria were specific to only those organizations recognized as highly effective performers. Only two organizations in this study of African NGOs, Pareketo Fisherman's Association of Uganda and the Daraja Trust of Kenya, received low average scores in Service Delivery. Although the services of these two organizations were sensitive to the needs and interests of rural inhabitants, internal organizational problems such as corruption, staffing and poorly devised operational strategies affected their scores on the major categories of Service Delivery.

Table 5
Performance and Service Delivery

Indicator	*Score for NGOs (n=51)*			
	High (3)	*Medium (2)*	*Low (1)*	*Average (maximum = 3.0)*
Service Delivery				**2.27***
Beneficiary Needs	27	21	3	2.13
Efficiency	9	37	5	2.19
Poverty Reach	28	19	4	2.49
Linkages	20	23	8	2.27

*This is the average Performance score of the categories under Service Delivery.

Poverty Reach

NGOs were generally effective in meeting the needs of the poor, measured by *Poverty Reach* and *Beneficiary Needs*. Over 94 percent of the organizations were rated medium (43 organizations) or high (5 organizations) on their average scores in these categories of Service Delivery. This result was not surprising. The organizations implemented projects during a period (late 1980s and 1990s) when trends in international and local African economies precluded both private and public sectors from expanding services to poor, rural areas. At the same time, donor agencies were using NGOs to channel development funds to rural areas. These factors combined to increase the level of NGO activities in reaching and delivering services to poor rural inhabitants.

Linkages

A surprising result was the linkage NGOs formed with governments in authoritarian regimes that usually perceive them as opponents of the state. It is usually assumed that NGOs might be inclined to avoid linkages with authoritarian governments and opt for autonomy whenever they can (Fisher 1998).

However, 43 of the 51 organizations had established linkages with the governments in their service delivery activities. These linkages were either in the form of advocacy for an enabling environment, partnerships for development through outsourcing of government development projects, or working with government agents to recognize local needs.

One significance of this result is that the organizations did not exhibit total autonomy in their activities. However, this did not adversely affect their abilities to deliver service. The seven organizations receiving low scores in this category had indeed established a linkage with the government by meeting some form of bureaucratic requirements. The linkage measured here reflects collaborations with the government that were likely to produce benefits for the stakeholders. Such benefits included the potential for reforming the institutional structure of the development arena. This was accomplished when the government adopted and expanded NGO best practices and learning experiences to other areas in the country. This was evident in cases in military regimes in Nigeria, Burkina Faso and Mali, where local government officials worked with NGOs to extend health care services to rural areas.

NGOs also formed linkages with other organizations that had similar objectives. This type of linkage was a common feature of most indigenous NGOs, which were either part of umbrella organizations that coordinated their activities or partners of some international NGOs.

Correlation of Performance and Service Delivery

As expected, there was a positive correlation between performance of NGOs and Service Delivery indicators. Table 6 shows a positive relationship between the performance of NGOs and the indicators of Service Delivery. This result was expected because the thrust of the activities of NGOs is the delivery of services in areas where government or the private sector was ineffective.

Table 6
Pearson Correlations of Service Indicators and Performance

Indicator	Beneficiary Needs and Livelihood	Efficiency and Effectiveness	Poverty Reach	Linkage	Performance
Beneficiary Needs and Livelihood	1.000	.448**	.466**	.243	.530**
Efficiency and Effectiveness	.448**	1.000	.467**	.369**	.487**
Poverty Reach	.466**	.467**	1.000	.147	.414**
Linkages	.243	.369**	.147	1.000	.534**
Performance	.530**	.487**	.414**	.534**	1.000

** Correlation is significant at the 0.01 level (2-tailed).

The results in Table 6 establish that Service Delivery is a significant determinant of the Overall Performance of NGOs. The most significant contribution was Linkages formed with government at .534. This is a feature which has implications for partnerships between the public and private sector organizations. In the case of the NGOs, this result implies the positive benefits that can accrue to states that harness their private resources through public/private partnerships and linkages.

Also highly significant to the performance of NGOs, defined as their ability to accomplish the purposes of assigned projects, is their ability to meet the needs of the rural poor. The significantly positive correlation (.530) between Performance and Beneficiary

Needs attest to the medium to high scores recorded by 48 NGOs in this category of Service Delivery.

Effectiveness and Efficiency in Service Delivery

An indicator of Performance of the NGO is its effectiveness in accomplishing what it set out to do. The importance of effectiveness and efficiency of NGOs is underscored by the positive correlation (.487) among these variables.

Transaction costs that include coordination, information, transformation and strategic costs—in addition to production costs—are included in the determination of economic efficiency (Ostrom, 1993). Lower transaction costs relative to the accomplishment of goals of the NGOs contribute to higher levels of efficiency. Ostrom defined the components of transaction costs:

- *Transformation costs* are the costs of transforming inputs into output and are affected by the characteristics of the services of the NGO. Transaction costs in turn affect the transformation costs associated with coordinating, gathering information and strategic behavior.

- *Coordination costs* are the sum total of time, capital and personnel utilized in negotiating, monitoring and enforcing agreements among participants.

- *Information costs* include the costs of searching for and organizing information and the costs of errors resulting from a lack of knowledge about time and place variables.

- *Strategic costs* are the increase in the transformation that are produced when individuals use asymmetric distributions of information, power, or other resources to obtain benefits at the costs of other individuals. These include shirking, adverse selection, moral hazard and corruption.

The extent of these costs in the activities of NGOs can adversely affect their effectiveness and efficiency. These costs can also affect the development of new institutional arrangements that support effective service delivery.

For example, transaction and information costs that are influenced by corruption can undermine the service delivery and performance of an NGO. One case in point is the Paraketo Fisherman Association an Uganda NGO consortium mentioned in previous pages. The program was initiated to bring together a fishing community for economic development purposes. One major initiative of the program was a credit scheme that was devised to help groups move beyond small-scale activities. A training program was held for potential borrowers in credit management. Borrowers were required to submit proposals to credit allocation committees which were responsible for ensuring repayment. The credit scheme fell into serious difficulties when more affluent individuals in the program took money with no intention of repaying. The program was suspended indefinitely after poor recovery rates weakened the scheme's capacity to assist local fishermen.

In the ACORD program, high transaction costs brought on by corruption adversely affected the effectiveness and performance of the operations. Corruption is a failure of governance. Governance, in turn, refers to the fact that people manage their affairs according to their own norms of fairness, laws, policies and organizations designed to carry them out (IRIS 1996). When these laws and norms of fairness are abridged, as in the ACORD program, the effectiveness of the NGO in service delivery is compromised. This in turn can negatively affect the contribution of the NGO towards improving the overall quality of institutions in the country.

It was difficult to discern examples of corruption within the operations of most of the organizations since cases were analyzed from evaluation reports which, in many instances, did not focus on this aspect of internal management. However, evidences of corruption within governments that hosted the activities of NGOs were gleaned from country studies and documents other than evaluation reports. Corruption within governments is discussed below as an environmental factor which influences the performance of NGOs.

Environmental Variables

Overview of Environmental Variables and Performance

The extent to which the environment affects the operations of NGOs and other local organizations has been discussed in the literature (Klitgaard 1997; IRIS 1996). The issues are discussed in terms of hindrances presented by environmental factors on the performance of organizations. Tanzi and Davoodi's (1997) analyses of Third World countries discuss the implications of corruption at the national level on organizational performance. Ndegwa

(1996) based his analysis on factors in the environment that either facilitated or posed constraints to the operations of local organizations and NGOs in selected African countries. He found that NGO activities were adversely affected in environments that were characterized by autocracy and weak democratic institutions. Clark (1991) discussed the operations of NGOs in economic environments affected by World Bank Structural Adjustment Programs in Malawi. The Malawi government's policy to devalue its currency under this program resulted in higher input prices for poor rural farmers, adversely affecting the food security and service delivery activities of NGOs.

The NIE literature (Clague 1997) emphasizes the role of an enabling institutional environment on organizational performance. As explained in Chapter 2, these include property rights, contract enforcement, and a strong legal environment based on constitutional order.

The environmental factors affecting organizations are varied and complex. As such, Esman and Uphoff (1984) suggested that the relationship between organizations and environment can be better understood by considering a wide range of environmental variations for a full range of organizations across countries. Carroll's (1992) study of 30 organizations across 11 Latin American countries explained the difficulties of capturing the precise impact of environmental factors, but noted that they were "real and important" (124).

In their own study of 150 local organizations in Africa, Asia and Latin America, Esman and Uphoff (1984, 103) concluded that environmental factors are neither often nor strongly associated with performance, suggesting that environmental constraints are not as determinative as may be thought by policy-makers. This conclusion is also similar to the one reached by this dissertation. However, it does not contradict the basic conclusion of institutional economics about the *importance* of environmental factors in influencing organizational outcomes. Specific environmental factors consistent with institutional economics may produce given results depending on the circumstances, as is explained below.

Environmental Factors

Eight environmental factors common to the 51 organizations were selected for review. These factors are discussed in the NIE literature as contributing to an enabling environment for the effective performance of organizations and also economic development. A brief discussion of the factors follows.

Per Capita Income

Table 7 shows a summary of the relationships between Overall Performance of the 51 organizations and Environmental factors. As indicated in the table, Per Capita Income registered a low mean score (1.68). This is indicative of the settings under which these organizations operate. All countries in this study, except South Africa, were characterized as low income nations, with per capita gross national product of less than $680 or a weighted average of $430. This is compared with upper middle income countries which have a weighted average of $4,260 (World Bank 1997b).

Table 8 shows the low observed correlation between Overall Performance and Environmental variables. The character of the Income variable may shed some light on this conclusion. Both high and low incomes in developing countries contribute to the performance of the NGO. Esman and Uphoff (1984, 113) mentioned in their study that high income levels allow members of NGOs to contribute more to the organization's operations at a lower opportunity cost. This influences higher levels of performance of the organization. On the other hand, low income levels in the country encourage members to have greater need for the organization's performance and may cause them to value the outcomes more associated with the NGO activity.

Table 7
Performance and Environmental Factors

Indicator	*Score for NGOs (n=51)*			
	High (3)	*Medium (2)*	*Low (1)*	*Average (maximum = 3.0)*
Environment				**2.14***
Per Capita Income	0	33	18	1.68
Infrastructure	2	34	15	1.76
Government Bureaucracy	37	5	9	2.64
Corruption	22	38	1	2.43
Constitutional Order	3	35	13	1.88
Social Norms	16	18	17	2.33
Political Support	4	32	15	1.80
Foreign Assistance	20	18	13	2.15

* This is the average Performance score of Environmental variables.

The statistical relationship between Income and Performance in this study was similar to findings by Esman and Uphoff's. Both results showed a positive relationship, indicating that income levels have an ambiguous influence on performance, although not necessarily in a determinative manner. In both studies, the relationship was statistically insignificant. Esman and Uphoff's study of 150 organizations yielded a correlation of .11 between Income level and Overall Performance. This study yielded a correlation of .14. Carroll's (1992) study did not consider an empirical relationship between the environment and performance, although he discussed a flow chart of the "domain" of capacity building for NGOs. His "domain" is equivalent to the operational environment of the NGO.

The relationship between Income and Performance suggests that the Income variable has an indirect influence on the performance of NGOs. If it is accepted that the setting—poor economic and income level—influences NGO activities and encourages members to be more involved in service delivery undertakings, then it could be concluded that the high Performance score in Service Delivery was in turn influenced by the Economic Environment (low Per Capita Income).

Table 8
Correlation of Environmental Variables and NGO Performance

Indicator	Per Capita Income	Infra-structure	Govt. Bureaucracy	Corruption	Constitutional Order	Social Norms	Political Support	Foreign Assistance	Performance
Per Capita Income	1.000	.783**	-.098	.306*	.466**	.025	-.121	-.125	.146
Infra-structure	.783**	1.000	-.073	.092	.573**	.151	-.008	-.105	.256
Govt. Bureauc.	-.098	-.073	1.000	.350*	-.302*	-.059	-.524**	-.201	.098
Corruption	.306*	.092	.350*	1.000	-.032	-.026	-.618**	.028	.212
Constitutional Order	.466**	.573**	-.302*	-.032	1.000	.150	.193	.145	.164
Social Norms	.025	.151	-.059	-.026	.150	1.000	.197	.165	.122
Political Support	-.121	-.008	-.524**	-.618**	.193	.197	1.000	.320*	.087
Foreign Assistance	-.125	-.105	-.201	.028	.145	.165	.320*	1.000	.146
Performance	.146	.256	.098	.212	.164	.122	.087	.146	1.000

** Correlation is significant at the 0.01 level.
* Correlation is significant at the 0.05 level.

All the countries in this study, except South Africa which had one case, had low Per Capita Income levels relative to the rest of the world. However, three levels of Per Capita Income were established among these countries: high ($600 and above); medium ($400 - 599); and low ($399 and below). A comparison of the Overall Performance of NGOs in countries at each level of Per Capita Income upheld the statistical findings reported in Table 8. For example, the international NGO, Technoserve, implemented rural enterprise projects in Ghana and Kenya, two countries ranked in the relatively high Per Capita Income category among Third World African countries. These projects received high (3.0) Overall Performance scores. A health, education and agricultural assistance program implemented in Ghana by Adventist Development and Relief Agency (Case #1) received a medium (2.0) score, while an enterprise development program operated by the Daraja Trust (Case #15), an indigenous NGO in Kenya, also received an overall medium Performance score.

By the same token, two water development projects implemented in Niger, a country with low per capita income, recorded different Overall Performance scores. The project by the L'Association des Puisatiers de la Republique du Niger (Case #23) received a medium Performance score while a similar project by another indigenous NGO, the Madarounfa Wheat Growers (Case #25), received a high Performance score (3.0). The implication here is that while Per Capita Income as an environmental factor does indirectly influence the performance of organizations, other factors within and external to the organizations must be considered in evaluating the performance of local organizations. It is also observed in this dissertation that the types of projects did not make a significant difference in the performance of organizations when income levels, as measured by Per Capita Income, were considered. For example, microenterprise projects in relatively high-income countries of Ghana and

Kenya received Performance ratings that were similar to projects in low-income countries of Niger, Mali or Burkina Faso.

Infrastructure

This variable represents the availability of facilities for transportation, communication, and health in the country. Poor infrastructures were common to all countries considered in this dissertation, but Overall Performance scores varied among projects in these countries. For example, the Helen Keller International project (Case #27), which provided health care through vitamins to rural areas, was implemented in a country with very low or inadequate infrastructures. However, the project was effectively implemented within the planned time frame. The Ogbomoso South Child Survival Project in Nigeria (Case #29) and the Ghana Registered Midwives Association Project, both involved with health care in the rural areas, were also able to deliver services to rural inhabitants despite poor infrastructures.

The correlation between Performance and Infrastructure was relatively low and not significant at .256. However, as expected, a significant correlation was found among some Environmental variables, as seen in the relationship between Infrastructure and Per Capita Income.

Government Bureaucracy

Government Bureaucracy was also not significantly correlated with Performance, recording a score of .098. The low, insignificant correlation is within the same range and direction of the .14 observed in the Esman and Uphoff (1984, 108) study for the relationship between Performance and Government Bureaucracy in Third World countries. This result implies that Bureaucratic Capacity is likely to have a positive influence on NGO Performance, although in the cases being analyzed, the extent does not appear to be great.

Bureaucratic capacity can support NGOs when the government uses its influence to create enabling environments. The rule of law that gives protection to individual and personal property can give rise to a viable civil society necessary for NGO activities. It can also facilitate participation by safeguarding the right of people to organize, to gain access to information, to engage in contracts and to own and manage assets (Picciotto 1997). Bureaucratic capacity can also foster linkages between NGOs and government, which, as explained in the previous chapter, has potentials for creating mutually beneficial results. Cases in Mali, South Africa, Kenya, Ghana and Nigeria present evidence of how the nature of the bureaucratic environment can contribute to the outcomes of the NGO. The government, in these cases, established the enabling environments for those activities that provided services in rural areas which were being under served by the government or those that did not present a political threat through advocacy. In Kenya, the government's health policy links the Ministry of Health with grassroots organizations throughout the country, facilitating the activities of the Tototo Home Industries (Case #42) which was involved in community health and business management training. The Kenyan government also subsidized Maendeleo Ua Wanawake, a rural development NGO created by European women during the colonial period, to ensure against the development of splinter groups (Wanyande 1987).

Mali's support for service provider NGOs was also crucial in the success of operations by the Koutiala Child Survival Project (Case #22) which delivered preventive health care for mothers and infants.

However, "bureaucratic malaise" or restraints can have a detrimental effect on the activities of local organizations. In Kenya and Niger, NGOs that promoted advocacy and multiparty democracies faced elaborate registration requirements (Johnson and Johnson 1990; Ndegwa 1996). Governments treat the foreign financial support of NGOs with suspicion. In Kenya, although foreign support for NGOs provides the country with the largest single source of foreign exchange, the government has established laws targeting NGOs. These include laws that use duty free privileges and revocation of registrations to respond to the perceived threat of NGOs to the government's authority (Fisher 1998, 53).

The cases in this dissertation were implemented in dissimilar social and political contexts. Within specific countries, there was also evidence of differing government responses to, and relationships with, NGOs. In the military regimes, for example, there appeared to be limited scope for collaboration between the government and NGOs.

In Ghana, considered to be a liberal democracy at the time the projects were implemented in the 1990s, the government co-opted NGOs by giving them status and recognition. However, they were subjected to rules regarding registration and their areas of operations (mainly in the rural areas) that sometimes inhibited performance.

In Uganda, a single-party state, the bureaucracy was favorable to the YWCA Family Planning project, but it was generally constraining in the NGO community as a whole.

Countries with single-party and military dictatorships received low scores on their Government Bureaucracy ratings, while liberal democracies like Ghana and Senegal received medium scores. However, the performance of specific projects was not significantly affected by the general or overall bureaucratic structure. A major reason may be the selective nature with which types of governments in Africa have applied rules to particular NGOs.

CORRUFTION

Country reports from independent sources were utilized to determine the extent of corruption in the countries selected for case analyses. Systematic, incidental and grand corruption were evident in each country. Systematic corruption is entrenched corruption, while grand corruption involves high-level officials. System corruption can become entrenched and involve large numbers of corrupt officials, intermediaries and entrepreneurs. Incidental corruption occurs at the level of opportunistic individuals or small groups and is evident in unplanned solicitation, acceptance of bribes, embezzlement or underreporting of taxes (IRIS 1996).

Cases of corruption ranged from widespread small scale, petty bribery to those associated with key political actors and compliant bureaucrats. Corruption generally occurred where the public and private sectors interacted, and it was manifested in fiscal administration, justice, customs, and the management of public companies. Corruption involves underpaid civil servants, the appointment of family members to public organizations that have profitable monopoly positions in areas of private or public sector activity, to high level embezzlement of public funds by officials (Kpundeh 1995). The general causes in Africa include lack of accountability and transparency, overcentralized governments, low salary scales for public officials, ineffective law enforcement machinery and lack of commitment (Theobald 1994). Corruption is not only linked to politics and economics, but also to general cultural values which make it either a crime or a widely accepted form of "making do with limited resources" (IRIS 1996, 63).

Cases of corruption were inherent in all of the NGO environments in this study. Corruption scores for each country were based on the Corruption Perception Index constructed from an independent survey of businessmen and policy analysts by Transparency International, an international NGO dedicated to increasing government accountability and curbing corruption (Transparency International 1998). Countries are ranked on a scale of 0 (highly corrupt environment) to 10 (very transparent or clean environment). The average score calculated for African countries was a 2.5, indicative of the entrenchment of corruption in these environments.

The entrenchment of corruption in the African environment did not seem to adversely affect the performance outcomes of projects. Like all environmental factors in this study, corruption showed little observed relationship to the performance of NGOs (.212). For example, in Nigeria, which has consistently ranked low in Corruption Perception Indexes, both the Community Based Delivery Project and the Ogbomoso South Child Survival Project received high performance rankings for Service Delivery, Participation, Tasks, Structure and Institutional Design.

Other Environmental Variables

Performance also showed low and insignificant relationships among other environmental variables—*Constitutional Order* (.164), *Political Support* (.087), and *Foreign Assistance* (.146).

Constitutional Order

The low observed relationship between Constitutional Order and Performance was unexpected, although there was an expected positive correlation between the two variables. Since the performance of microeconomic units, including NGOs, contribute to economic growth, it was expected that there would be a significant relationship between Constitutional Order, which provides an enabling environment in a country, and the performance of organizations. While the NIE literature has suggested that constitutional order in a country promotes strong democratic institutions which support good property rights and facilitate economic growth, some studies have found that democracy and constitutional order either have no influence or a negative influence on economic growth (Barro 1996; Helliwell 1994).

Clague (1997) found that long-duration autocracies provide better property rights than short-duration autocracies. This indicates the possibility for property rights under an autocracy. He also provided statistical evidence that suggests that democracy and constitutional order are not the keys to improving economic performance in countries that lack the conditions needed for stable a democracy. These conditions include the level of income, the level of education, the degree of social and economic inequality, the degree of ethnic and racial tensions, and the quality of the government bureaucracy.

The relationship between constitutional order and performance of NGOs support the findings by Claque (1997), Barro (1996) and Helliwell (1994). Among the 16 countries in this sample, only Botswana had uninterrupted democracy over the time span being considered. Every other country either had a single party system, military dictatorship or, in the case of South Africa, a system of apartheid that was contrary to democratic principles. Thus, although constitutional order may be necessary for economic performance, including the performance of private volunteer organizations, the results suggest that it is not a sufficient condition for performance.

The absence of constitutional order may be an impetus for the favorable outcomes of projects implemented by NGOs. Under a military rule that suspended constitutional rule in Ghana, the Collaborative Community Forestry Initiative and Technoserve were able to deliver community-based forestry, health and microenterprise services to rural populations in a very efficient manner. In Kenya, the National Council of Churches of Kenya went beyond its intermediary role of service delivery to actively oppose efforts by the government to weaken legal institutions that guaranteed government accountability (Ndegwa 1996). In a country with weak constitutional order, the NCCK was also successful in delivery of rural health and business development services to rural Kenyans.

Political Support

There was a positive but insignificantly low correlation (.087) between Government Support and Overall Performance, similar to results obtained by Esman and Uphoff (1984). This variable is defined as the extent of support for the NGO by governments, as indicated by public policies, provision of resources and the goodwill of national governments. National governments, in addition to private domestic and foreign entities, provide the major sources of funding for NGOs.

As mentioned previously in discussions about the implications of the bureaucracy and constitutional order on performance, the effect of political support on overall performance can be viewed from two perspectives. First, if governments are opposed to NGOs, their chances of success are greatly reduced. On the other hand, NGOs have been successful in areas neglected by governments. Groups are motivated to self-help projects because of such neglect, and their organizations thrive in spite of government support.

Like other studies (Carroll 1992; Clark 1991; Korten 1987), the primary factor used for determining government support was the resources committed by the governments for the operation of NGO projects. These resources may be financial or capital, including human capital. Another factor, more qualitative in nature, is the extent of government support towards NGOs, especially as it is expressed in government policies and the type of relationships that existed between the government and the NGO.

The level of government support in terms of resource availability varied enormously, depending on the country, regime and project. In each of the 16 countries where cases were analyzed, governments did selectively make financial resources available to NGOs. However, there was direct financial contribution by the government in only about a third (17) of the 51 cases in this study. The application of public policies or political goodwill varied within countries and among cases. This may account for the low correlation between Performance and Political Support.

Foreign Assistance

It is important to note that, in the dynamics of NGO-government relationships, government financial support is sometimes absent because of the decision by the NGO not to encourage this kind of collaboration. The NGOs sometimes think that they risk credibility or autonomy by accepting government funds (World Bank 1995). Some NGOs express the concern that increasing acceptance of such funds compromises their development goals. They also fear the risk of being seen as agents of governments rather than as partners in development. In analyzing the cases, it was necessary to determine instances where lack of government support was a result of a decision by the NGO, conflict with the government, or the poor financial situation faced by African governments. This was difficult to ascertain in several of the evaluation reports, since the reports tend to refrain from political discussions that could shed some light on these issues. Other secondary sources dealing with NGOs in the countries provided sufficient information, however, to make this determination and establish scores based on the rating system in Appendix B.

Support for NGOs was sometimes strong in cases where there was a complement between government efforts and the goals of the NGO. For example, in Burkina Faso, the government was faced with providing a response to the fiscal and social effects of the World Bank Structural Adjustment Program (SAP) in the mid 1980s. The SAP called for the government to promote a liberalized economy and to develop a rescue package for its financial sector. An international NGO project, GEMINI, which involved the utilization of the services of local NGOs to promote micro and small enterprises in Burkina Faso, complemented the government's plans to disengage the public sector from direct economic activities. The financial sector, which channeled small loans to NGO clients, was at the brink of collapse and threatened NGO credit programs. The government developed a rescue program that included the purchase of bad debts from five financial institutions that did business with NGOs. This case received a high score in both Political Support and Overall Performance.

In other cases, the government support for projects operated by NGOs was ambiguous. In Ghana, the government provided full financial cooperation and support for the rural enterprise project operated by the international NGO, Technoserve. The government had similar rural development plans, but its agencies, mainly the Department of Cooperatives, was either weak or inoperative to implement them. Since Ghana's rural development plans complemented Technoserve's activities, the government collaborated with the NGO so that officials of the Department of Cooperatives were trained in business planning, financial management, credit management and other skills needed to help rural communities establish and manage commercially viable enterprises. This was a highly successful case that also ranked high in Performance and Political Support.

Beneficiary Participation Variables

Overview of Participation Indicators

Beneficiary participation was critical to assessing the overall performance of the organizations in this study. All thirteen organizations receiving overall high scores (see Table 3) also scored high on at least four of the six Participation variables.

Table 9 shows the performance of organizations on the six variables included in the determination of Beneficiary Participation. These variables also indicate characteristics that influence whether or not people participate in a project. These include beneficiary characteristics (such as needs and interests and the degree of organization of beneficiaries) and agency characteristics (Narayan 1997). These characteristics are reflected in (a) the degree of beneficiary involvement and commitment to the project, (b) the extent to which decision-making is shared by beneficiaries and other stakeholders, (c) the dissemination of information, (d) the extent of gender differences in projects, (e) the civic culture or the commonality of interests, and (f) the general mobilization of local resources.

Table 9
Performance and Participation Factors

Indicator	*Score for NGOs (n=51)*			
	High (3)	*Medium (2)*	*Low (1)*	*Average (maximum = 3.0)*
Participation				**2.15***
Beneficiary Involvement	13	32	6	2.13
Decision-Making	9	33	9	2.00
Information Dissemination	9	32	10	1.98
Percent of Women	19	24	8	2.29
Civic Culture	15	36	0	2.25
Resource Mobilization	16	31	4	2.27

* This is the average of Performance score for Participation variables.

Table 10 shows a significant, positive correlation between Overall Performance and all six indicators of Participation. Also, an expected significant correlation was found among the variables as shown, for example, between Civic Culture and Information Dissemination (.585). This reflects an observation which was common to all high performing organizations. Information was easily disseminated among those projects with a strong civic culture and commonality of interests. This in turn enhanced other factors such as Decision-Making and the Mobilization of Local Resources, which had an observed positively significant relationship (.452) with Performance.

Table 10
Pearson Correlations of Participation and Overall Performance

Indicator	Performance	Decision-Making	Information	Civic Culture	Percentage of Women	Resource Mobilization	Beneficiary Involvement
Performance	1.000	.442**	.331*	.446**	.284*	.452**	.414**
Decision-Making	.442**	1.000	.595**	.435**	.436**	.352*	.461**
Information Dis-semination	.331*	.595**	1.000	.585**	.295*	.358**	.365**
Civic Culture	.446**	.435**	.585**	1.000	.453**	.373**	.327*
Percentage of Women	.284**	.436**	.295**	.453**	1.000	.329*	.301*
Resource Mobilization	.452**	.352*	.358**	.373**	.329*	1.000	.473**
Beneficiary Involvement	.414**	.461**	.365**	.327*	.521**	.473**	1.000

** Correlation is significant at the 0.01 level.
* Correlation is significant at the 0.05 level.

Beneficiary Involvement and Commitment

Beneficiary involvement has widespread implications for policy design. When beneficiaries were involved in the demand orientation or identification of projects, they were more likely to support the implementation of the activities involved in the project objectives. This ensured the sustainability of the project as beneficiaries tended to work to maintain consistent responses to their demands.

Thirteen organizations, including nine indigenous NGOs, scored high in Beneficiary Involvement, which was reflected in their high Overall Performance. Organizations scoring low in Beneficiary Involvement were unable to design and offer projects that met the services desired by participants. In these organizations, the decision-making powers were reserved for a small group of "elders" or "founders." They were usually distinguished from the rest of the grassroots membership by their education or relatively higher income level. They generally had a good knowledge of the processes of development administration, including the modalities for mobilizing resources from donor organizations, which they used to their advantage (i.e., creating jobs for themselves or profiting from development projects).

In other projects, international NGOs tended to operate projects based on models designed in western nations. An example was a project implemented by the Cameroon Opportunities Industrialization Center (COIC) to create jobs for rural inhabitants (Case #28). Although part of the job creation model was adapted to the Cameroonian environment, the vocational training curriculum did not adequately reflect the needs of the beneficiaries, including the government. At one of its training seminars, many attendees came for reasons other than job training. Many who did come for job training did not have the basic skills to understand the technological orientation of the program. Also, the enthusiasm of the participants was not what had been anticipated by the planners. Although the government spoke well of the COIC, it showed no signs of adopting or institutionalizing the methods. While the government encouraged COIC projects in the country, it did not encourage its own institutes to emulate aspects of the COIC approach. The initial evaluation of the project done in 1992 reported an "unacceptably low (less than 50%)" graduation rate among participants (Huntington, Wilder, and Ghosh-Robinson 1994, 27).

A common feature of the high performing organizations was a consensus on the objectives as they were established either through the expression of demand by the beneficiaries, or through discussions between the NGO and villagers. A benefit of such beneficiary involvement is lowered transaction costs, brought about by lower intensity supervision in subsequent years of the project, when donor agencies usually relinquish control over the management process.

The Collaborative Community Forestry Initiative (CCFI) for Northern Ghana is one example of a well designed participation model that contributed to the success and high overall performance of the project. Prior to project implementation, a series of participatory workshops were held to deal with project identification, project design and planning, project pre-implementation and project start-up. Throughout the project cycle, CCFI conducted an annual project review workshop which maintained and integrated a participatory approach initially adopted by the project.

During the project identification workshop, participants, including beneficiaries, conducted problem analyses to identify specific environmental and forestry problems facing Ghana. Participants agreed on which problem the group would address and how different stakeholders would collaborate on the project. The project design workshop that followed raised awareness within the community on issues facing forestry in Northern Ghana and provided technical information on agroforestry and watershed management. A pre-implementation and a start-up workshop allowed the participants to develop a series of six-month work plans that were successfully implemented (Burwell, Helin, and Robinson 1992).

Percent of Women

Projects implemented by the World Bank and USAID have included the participation of women in their project goals. As mentioned in Chapter 4, women are disadvantaged compared to men in many social indicators, including income, access to public life and education. Nineteen organizations scored high in the involvement of women in project activities, a surprising number given the subjugated role of women in traditional African settings. However, this is a reflection of the fact that most of the organizations in this dissertation had formed linkages with international donor organizations, which require women's participation as part of their project objectives. In such situations, it would also be important to study the degree to which the donor agency monitors and evaluates the achievement of this objective. USAID and the World Bank were more emphatic in articulating and monitoring this objective than were international NGOs that formed linkages with indigenous organizations. It was, therefore, not surprising that 13 of the 19 organizations that scored high in women involvement were those implementing projects for USAID and the World Bank.

The correlation between Women's Involvement and Performance was low (.284) but positively significant. The correlation between Beneficiary Involvement and Women's

Participation was also significant at .301. These results reflect an observation by Narayan (1997), that achieving a relatively high level of beneficiary involvement and project performance does not necessarily lead to high levels of women's participation. Although only 37 percent of the organizations scored high in their involvement of women, the result is significant for public policy. It shows that strategies and policies designed to include women in the design and implementation of development projects can be effective if proper incentive and monitoring structures are incorporated. Incentives incorporated in donor agreements with NGOs were observed to have induced changes in the orientation towards women in a traditional setting. This is a practice that African governments can duplicate in other aspects of issues related to women, including political participation, poverty and all forms of abuse.

Education is contributing to how women view their social status in Africa and, as a consequence, influencing their participation in the formal economy. A recent study by Fallon (1999) of women in Larteh, Ghana, showed that, because of their education, female participation in jobs in the formal economy is increasing. A policy implication for African governments is a need to concentrate on broadening opportunities for the education of women in cultures where gender biases have limited the number of women in education. Such opportunities will also change the perception of other women with little or no formal education who view their social status only in terms related to cultural roles and positions.

Decision-Making

Decision-making, when shared, can allow beneficiaries to influence the level and types of services provided. This requires a structure which is based on transparent rules that limit the influence of local elites. Decision-making structures in the NGOs were varied, depending on the type of NGO (whether indigenous or international), or, in some cases, the ethnic and traditional influences. The structures included community councils, local village associations, committees, management units, collaboration committees, and boards of directors.

The more technically oriented projects, usually those operated by international NGOs in health or microenterprises, were less participatory than demand-driven village projects operated by indigenous NGOs. Six of the nine organizations scoring high in decision-making were indigenous organizations. The case studies, however, revealed greater participation when multiple local NGOs were involved in projects implemented by international NGOs or donor agencies. For example, the Kenya Rural Enterprise Project (KREP), funded by USAID, established a coordinating board that encouraged participation among project beneficiaries. In Ghana, a collaboration committee brought together 18 participating NGOs to design strategies for implementing forestry programs.

The observed correlation between Decision-Making and Performance was significant at .442, showing that decision-making structures that involve beneficiaries contribute to the successful implementation of projects.

Decision-Making, as a variable of Participation, also shows a positive relationship with Civic Culture (.435) and Resource Mobilization (.352). The theory that homogeneous backgrounds and strong civic culture contributed to increased participation (Bray 1991; World Bank 1996b) was upheld in most cases. In a few, like the Paraketo Fisherman's Association of Uganda (Case #31), discussed in previous pages, or the Association of Limania Daruda of Guinea Bissau (Case #9), traditional practices and the influence of elites have worked against full participation of women and poorer groups.

Organizations formed and operated almost exclusively by women, like the Kenya Women's Finance Trust or the Ghana Registered Midwives Association, showed a higher level of participation than male-dominated organizations. This could be a reflection of the fact that, since the 1980s, women in Africa have begun to take initiatives to redress constraints that limited their ability to participate in the development process.

Task Variables

Overview of Factors

Organizations moderately performed tasks to accomplish stated objectives (Table 11). Overall, the 51 organizations received a medium score of 2.04 in the four factors (Claim-Making, Planning and Goal-Setting, Self-Reliance and Resource Management) considered in this category. Task variables, however, are inherent in all other major categories used in this study to assess NIE criteria, including Service Delivery, Internal Structure and Participation. These four factors are discussed separately here because they represent salient intra- and extra-organizational activities that contribute to the overall performance of the NGO.

Conflict Management

Results of one major task of African NGOs, conflict management, were not reported because only a few of the evaluation reports made reference to conflict as an indicator of performance. As mentioned in Chapter 4, this may indicate that conflict situations posed no serious threats to the implementation of most of these projects.

Claim-Making

Organizations scored poorly in Claim-Making on government and Self-Reliance, two areas that are important to the institutionalization of their activities. Only 10 organizations received high performance scores on Claim-Making, while four received high performance scores on Self-Reliance. Several factors could be responsible for this result on the Self-Reliance factor. For one thing, a majority of Africa's NGOs are heavily dependent on outside sources for financial support and, in some cases, technical support. Also, more than two-thirds of the cases in this study were gleaned from evaluation reports of donor organizations which directly or indirectly provided resources for the local NGOs. Although all the organizations had existed for at least three years prior to implementing the projects, there were indications that their survival was seriously threatened without donor support. The 34 organizations that received medium scores were successful in mobilizing internal resources. However, they, too, relied on some level of donor support. Thirteen indigenous organizations with low scores on Self-Reliance were all supported by church groups, international NGOs, or donor agencies.

Claim-Making on government reflects the working relationship between the government and the NGO and reveals the extent to which NGOs can take advantage of their linkages with government to influence institutional changes. The 10 organizations scoring high in Claim-Making were those that were able to use their collaboration with the government to generate a two-fold benefit: (a) extend the project's sustainability and (b) incorporate best practices into government development programs. This linkage was evident in some cases where the governments were able to positively influence the operational environment for the NGOs. Although the correlation between Environment and Performance was not significantly high, the direction was positive and indicated that governments and NGOs could mutually benefit from collaboration.

Table 11
Performance and Task Variables

Indicator	*Score for NGOs (n=51)*			
	High (3)	*Medium (2)*	*Low (1)*	*Average (maximum = 3.0)*
Task				**2.04***
Claim-Making	10	28	13	1.94
Planning & Goal-Setting	12	34	5	2.13
Self-Reliance	4	34	13	1.86
Resource Management	13	37	1	2.23

*This is the average Performance score of Task variables.

Claim-making was facilitated both by the operational environment and the internal structure of the NGO. Governments that provided duty exemptions, public consultations and information sharing, and limited the regulation of foreign donations to NGOs, were most likely to be involved in beneficial trilateral partnerships with donors and the NGOs. These partnerships encouraged NGOs to expand their projects to wider areas. In the process of expansion, governments, particularly local ones, were more sympathetic to the objectives of the NGOs and were more likely to be cooperative. The Ogbomoso South Child Survival Project in Nigeria (Case #29), the Madarounfa Wheat Growers of Niger (Case #25), and the Amasachina Self-Help Project (Case #4) in Ghana all used their partnerships with the government to make claims for project extensions and sustainability. These partnerships laid the foundation for rural inhabitants to indirectly control the bureaucracy, especially where the goals of governments were compatible with those of the communities. For example, forestry and agricultural development in Ghana was a goal that was inherent in the government's development planning initiatives. The Amasacina Self-Help Project and the Adventist Development Relief Agency (Case #2) were able to influence the coordination of government's agricultural policies from below through collaboration and dialogue. The organizations were also able to articulate the needs of the community to local government authorities. This allowed the government to make changes in its agricultural programs that were beneficial to rural farmers, including liberalizing farm prices and introducing market type incentives for farmers.

Resource Management, Goal-Setting, and Self-Reliance

In some cases, constraints on the government's resources prevented it from taking advantage of the partnerships offered by NGO activities to favorably respond to the demands of rural communities. In Guinea Bissau, the Association of Limania Daruda's (Case #9) soap production project complemented the government's plans for microenterprise and rural development, but the government was not in a position to provide the necessary funding to expand the project when the community demanded it.

Table 12
Pearson Correlations of Task Variables and Overall Performance

Indicator	Performance	Claim-Making	Planning and Goal-Setting	Self-Reliance	Group Creation	Resource Management
Performance	1.000	.521**	.428**	.308*	.251	.363*
Claim-Making	.512**	1.000	.492**	.292*	.111	.232
Planning & Goal-Setting	.428**	.492**	1.000	.247	-.009	.250
Self-Reliance	.308*	.292*	.247	1.000	.396**	.048
Group Creation	.251	.111	-.009	.396**	1.000	.214
Resource Management	.363**	.232	.250	.048	.214	1.000

** Correlation is significant at the 0.01 level.
* Correlation is significant at the 0.05 level.

In other cases, relationships between the government and the NGO community did not present opportunities for claim-making. Conflicts between the government and the NGO create situations in which they do not encourage collaborations that involve claim-making.

The associations among Task variables and Performance are shown in Table 12. All the correlations were significant and positive. Claim-Making and Planning and Goal-Setting were more highly correlated with Performance than with other Task variables.

Group Creation

Group Creation correlated positively with all other variables except for Planning and Goal-Setting (-.009). This is indicative of the fact that no general association was found between how the organization was formed (voluntary or compulsory) and its ability to plan and set goals.

Group Creation is defined in terms of whether the group was purely voluntary or compulsory. Compulsory groups were those that made membership in the organization obligatory with heavy sanctions against those violating established rules. Purely voluntary groups were those whose membership was based on easy entry and exit with minimum sanctions or obligations, including dues, attendance at meetings and the performance of specific duties. Voluntary membership was observed mostly among gender specific organizations or those with a professional orientation. Compulsory membership was mostly among those organizations that were formed to fill gaps in the provision of government services, like road construction, health or education. They were also observed among those organizations that were part of a national consortium to undertake a specific development project. Unlike the findings by Esman and Uphoff (1984) that organizations with compulsory membership performed better than those that were voluntary, this study found no major differences in Performance among the two types of organizations. Effective organizations, both voluntary and compulsory, used varied methods of planning and goal-setting. They ranged from elaborate formal documents utilized by organizations linked to international NGOs and donor organizations to informal meetings of small groups of nurses, small business owners and well diggers Planning and goal-setting was important for the success of the organizations, but it was insignificant with respect to whether it was undertaken by a group formed on the basis of compulsion or volunteerism.

The correlation between Group Creation and Performance was also low (.251) and not significant at either the .01 and .05 levels. As mentioned previously, the performance of local organizations was affected by several factors, including domination by local elite, corruption, or poor management practices. Organizations that were mostly voluntary were just as likely to face problems of corruption and management as those that were compulsory.

Organizational Structure Variables

Five factors were analyzed to determine the influence of structural features on the performance of 51 NGOs in this study. These features are defined in Appendix B. Results of the observations and correlations are presented in Tables 13 and 14, respectively. There was a positive correlation between Performance and variables associated with Organization Structure.

Table 13
Performance and Organizational Structure

Indicator	*Score for NGOs (n=51)*			
	High (3)	*Medium (2)*	*Low (1)*	*Average (maximum = 3.0)*
Structure				**2.15***
Formalization	15	35	1	2.27
Accountability	10	37	3	2.16
Interaction	7	41	3	2.12
Initiative	9	39	3	2.13
Modalities for Incentives	10	36	5	2.09

*This is the average Performance score of variables related to Organizational Structure.

Level of Formality

The results indicated a positive but low correlation between the degree of Formalization and the Performance of organizations (.29). Fifteen organizations—mainly international NGOs—exhibited features of very formal organizations. Of the 15, only six had high (3.0) Overall Performance scores. Thirteen of the 35 organizations rated as quasi-formal or informal recorded high Overall Performance scores. These data indicate a tendency mentioned in the local organization literature for highly formal organizations to have Overall Performance records that are lower than the informal or quasi-formal organizations, mainly because the bases for cooperation and participation are much more defined in quasi-formal organizations than in formal organizations.

In two instances, formal organizations took the characteristics of quasi-formal organizations when they became part of a consortium to implement development programs. This was evident in the Community Enterprise Development Project in Senegal (Case #11) and the Collaborative Community Forestry Initiative in Ghana (Case #13), where formal organizations including international NGOs and government joined forces with other local organizations in development initiatives. The matrix type organizational arrangement that resulted allowed for participation and involvement from all groups in the design, implementation and evaluation of development projects. The consortium was more flexible and less formal than the arrangements observed in each of the participating organizations.

Table 14
Pearson Correlations of Organizational Structure and Performance

Indicator	Performance	Formal-ization	Account-ability	Interaction	Initiative	Incentives
Performance	1.000	.291**	.526**	.459**	.494**	.573**
Formalization	.291*	1.000	.545**	.541**	.420**	.273
Accountability	.526**	.545**	1.000	.755**	.476**	.542**
Interaction	.459**	.541**	.755**	1.000	.529**	.513**
Initiative	.494**	.420**	.476**	.529**	1.000	.705**
Incentives	.573**	.273	.542**	.705**	.705**	1.000

** Correlation is significant at the 0.01 level.
* Correlation is significant at the 0.05 level.

The evaluation reports of international organizations provided information that made it relatively easy to establish the degree of formality. Well-defined organizational structures, reporting requirements, written rules and regulations, and a framework for decision-making were all highlighted in reports by such international NGOs as Africare, Technoserve, and the Opportunities Industrialization Center. These features were not directly evident in the reports as they related to local organizations utilized by donor organizations to channel development assistance. Local organizations such as women's groups or village development associations are usually characterized as informal organizations because of their reliance on norms and traditions. These organizations generally had a history of member involvement in decision-making although some tended to serve the interests of a few individuals. However, many of these local NGOs also exhibited some features of formal organizations. There was a tendency for these local organizations to have well-defined roles, rules and incentive structures in these "norms." Also, their association with international donor organizations or linkages with government usually required arrangements that moved them toward higher-level and more formal organizations. Local organizations that were a mix between "traditional" and more formal organizations were characterized as quasi-formal in this study.
The average score of all organizations when rated by their level of formality was 2.27 (medium). This score was higher than the average scores recorded for other Structural variables. This was a reflection of the difficulty in characterizing any of the organizations as purely "informal." Their linkages with larger, formal organizations such as governments and the International Monetary Fund, and their service as agents of these formal organizations in

principal/agent arrangements usually undermined some elements of informality defined in their existence.

Accountability and Principal/Agent Relationships

Accountability reflects the relationship between individuals and groups inside and outside the organization (Kelleher and McLaren 1996). It is a means by which organizations report to a recognized authority and are held responsible for their actions. With respect to NGOs, accountability is usually difficult to assess because of the many stakeholders involved in the functions of an NGO. This multiple accountability inherent in the operation of an NGO involves "downward" reporting to partners, beneficiaries, staff and supporters; and upward reporting to trustees, donors and host governments (Edwards and Hulme 1996, 8).

The organizations in this study, including international NGOs, implemented projects on behalf of an external donor or a government agency. The problem of multiple accountability was evident throughout the evaluation reports. Thirty-seven of the organizations received medium scores on Accountability, indicating the difficulties of designing structures that adequately responded to needs for both upward and downward accountability. Accountability was mostly upward, where NGOs were concerned with satisfying the reporting requirements of donors and government agencies. There was little evidence of a reciprocal process that allowed for multiple actors to be accountable to each other through a process of information exchange, consultation and joint decision-making. Even in cases where the donor's operational and reporting requirements called for an analysis that represented the views of all stakeholders, NGOs have chosen to emphasize a flow that was directed more towards the utilization of funds and resources and less towards internal features such as management style, ability to act and use information, transparency in decision-making, and consultations with community institutions.

Local NGOs, such as the Kenya Women's Finance Trust and the Tototo Home Industries of Kenya were organized as informal entities that encouraged member and beneficiary participation through a decentralized structure based on committee decision-making. After these organizations were co-opted into the Kenya Rural Enterprise Project, the level of accountability was reversed from a concentration on information exchange to meeting the expectations of a 12-point cooperative agreement signed with USAID. The agreement included factors that were external to the NGOs, such as the provision of technical assistance to entrepreneurs, availability of credit resources and monitoring small enterprise programs.

Some donor organizations have designed guidelines to encourage a reciprocal process of accountability. The World Bank (1996b) developed a working outline for NGO case studies that establishes rigorous standards for evaluation and monitoring. These standards reorient accountability away from short-term quantitative targets and individual projects to broader analysis of project processes, outcomes, beneficiary perspectives, government and other stakeholders. Six of the 10 organizations that scored high on Accountability closely approximated the features reflected in the World Bank criteria.

Upward accountability reflected observations discussed in principal-agent treatises, where both agents and principals exhibit practices that undermine information dissemination. NGOs, as agents of donor organizations, tend to distort activities toward those factors that are easily measured and have the potential of assuring continuous funding. Thus, the NGOs tended to concentrate on the utilization of resources, general project outcomes and the application of funds, rather than the quality of the projects or the learning that evolved from their implementation. Donors, on the other hand, had inadequate monitoring and information systems, which was a result of problems with the design of the project. The problem is further compounded by the insistence of donors on short-term results although evidence suggests that NGOs are interested in fundamental reforms that require the implementation of projects over longer periods and project cycles.

Modalities for Incentives

Incentives are crucial in principal-agent relationships, and they also played a significant role in the internal structures of organizations as well as in their relationships with external donor agencies. A significant positive relationship was found between the Incentive variable and Performance (.573). Both formal and non-formal, indigenous organizations were guided by either formal rules or traditional norms that provided means of recognition, information dissemination and sanctions that defined member relationships to the organizations. Incentives ranged from profit sharing and business expansions through additional loans in microenterprises, to government funding and the potential for mobilizing foreign financial resources in health projects. Foreign donors used financial rewards as incentives to encourage local NGO contractors to increase women's participation in development projects. For example, the Village Oil Press Projects (Case #7 and Case #8) sponsored by USAID and the Canadian International Development Agency increased women's ownership of oil presses to 40 percent of the total ownership through funding requirements that emphasized women's participation. Village well diggers in Niger (Case #23), who were the first registered NGOs in that country, provide an incentive for beneficiaries of their projects by requiring contributions of sand and gravel in exchange for low-cost well construction to benefit mostly gardeners.

Incentives are also relevant to institutional development. As more economic oriented NGOs form linkages and partnerships with governments, the need for successful performance will require responses to either internal or external incentives. These incentive structures will force a re-examination of existing institutional frameworks and influence changes. The rapid development of microenterprises in Kenya, Ghana, Niger and other sub-Saharan countries is a response to external pressures for these countries to develop conducive environments for private business establishments. The profit incentives, independence and potential for economic progress are also motivations for indigenous NGOs to continue to increase the performance levels of their projects.

Content of the Following Chapter

The next chapter presents a summary of the findings and conclusions of this research project.

CHAPTER 6

SUMMARY OF FINDINGS AND CONCLUSIONS

Summary

The decades of the late 1980s and the early 1990s influenced a development paradigm that has given rise to a proliferation of NGOs in African countries. Behind this growth of NGOs are (1) the dismal fiscal constraints observed in these countries during this period and (2) a policy to address these constraints, popularly known as the New Policy Agenda. This Agenda is a response to the failure of governments in less developed countries to adequately address the needs of local populations. This failure originated from changes in macroeconomic arrangements and inefficiencies in the operation of governmental functions. In many instances, inefficient administration was linked to corruption, paternalism and the absence of democracy.

The New Policy Agenda supports a two-pronged approach to resolve economic problems of the 1980s and early 1990s. First, it argues that markets and private sector initiatives are the most efficient means for achieving economic growth and providing services to most of the people. Government's role is to facilitate the provision of these services while limiting its direct role in the economy (Edwards and Hulme 1996, 2). The second feature of the New Policy Agenda views NGOs as a channel for democracy and a strong civil society. However, it also acknowledges NGOs as an alternative to governments in protecting human rights, providing services and establishing the bases for pluralism and participation.

The New Policy Agenda is a level above the recommendations of the World Bank and the International Monetary Fund, two institutions that have polarized the public versus private sector debate using pure neo-classical economic assumptions. The shortcoming of the New Policy Agenda is that it fails to take a holistic view of the practices of development. A new style of analysis that addresses this shortcoming is the New Institutional Economics (NIE). The NIE relaxes assumptions of classical economic theories with respect to the motivations and information available to decision makers. It takes a holistic view of economic processes by including politics and institutions and how institutional design can influence development outcomes. NIE has broadened the scope of economic development analysis to include features which were not a part of standard treatises of development economics. These include social interactions, the role of incentives, an analysis of organizations, culture and the behavior of bureaucrats and voters. By focusing on the way individual beliefs and choices affect institutions, NIE has also redefined arguments about the effectiveness of economic development policies away from the relative advantages of public and private sectors to the impact of institutional arrangements.

This dissertation has attempted to investigate the applications of NIE concepts to economic development programs and projects. It has done so by analyzing the performance of NGOs and how these NGOs are influenced by variables inherent in NIE. In this dissertation, an analysis of the performance of 51 NGO projects in 16 African states provided an opportunity to apply features of NIE in the evaluation of economic development programs.

The application of Performance variables to understand the institutional features of NGOs has given credence to current attempts to emphasize the institutional basis of development.

Findings

NIE Variables

The main hypothesis of this dissertation is that the performance of NGOs that contribute to economic progress is influenced by NIE variables, including Structure, Environment, Service Delivery, Participation and Tasks. An analysis of these NIE variables showed that NGO performance does contribute to economic progress. Significant positive relationships were found between these variables and Overall Performance of NGOs and their development projects.

Service Delivery

Despite obstacles at the organizational and societal levels, NGOs were highly effective in meeting the needs of the rural poor, especially during the decades of the 1980s and 1990s, when the capacity of both the African private and public sectors were limited by economic constraints. Many of the successful projects undertaken by NGOs covered in this dissertation involved linkages with government organizations and external agencies, both local and foreign. This result dispelled a common assumption that the formation of these types of linkages tended to undermine the success of NGOs. Although there were indications that NGOs were co-opted by governments in situations that presented best practices, in most of these cases, the advantages and benefits of these relationships outweighed the costs to the NGOs. These linkages also provided opportunities for the NGOs to fill gaps in the public provision of services. However, this positive relationship and linkage were not observed in advocacy NGOs, which were not a focus of this dissertation.

Environment

The Operational Environment of NGOs, while positively related to Overall Performance, presented some ambiguous conclusions when other sub-indicators were analyzed. NIE literature suggests that conducive political environments in terms of Constitutional Order, Political Support and low levels of Corruption, were the bases of enhanced NGO performance. However, the analysis of the cases showed that NGOs have been successful at effective service delivery in the absence of conducive political and economic environments, including the presence of high levels of corruption and low per capita income. An explanation for this situation is that these poor environments encourage members of NGOs to be more active in overcoming the obstacles represented by autocracy and low income levels. Their success at delivering services in adverse environments accounts for their effective performance.

Beneficiary Participation

NGOs were generally likely to involve beneficiaries in the design and implementation of development projects. However, in spite of the significant correlation between the Involvement of Women and the Overall Performance of development projects, most NGOs continue to marginalize women. This has influenced the creation of some groups that are mainly dominated by women. In some cases, the influence of elite groups within organizations have limited the full participation of members. Participation was also affected in cases where foreign NGOs designed projects outside the confines of the African environment where the projects were implemented. Although some of these projects were successful, evidence suggests that their level of performance could have been enhanced with full local participation in both the design and implementation.

These findings are consistent with recent studies in participation and development outcomes. For example, in a study of organizations in three rural villages in Senegal, Patterson (1999) observed patterns about the role of inclusive institutions, structural changes and state involvement. She noted that for institutions making decisions, the transparency of decision-making and accountability were all bases for increased participation and economic development. These factors were crucial in influencing the manner in which a community met its obligations to citizens. They also influenced the manner in which individuals viewed their rights and responsibilities within their community.

Tasks

The Tasks of NGOs were also significant to their Performance. An interesting result that revealed the efficacy of partnerships with government was the surprising numbers of NGOs that influenced popular claims on government for an expansion of services, particularly in rural areas. The success of NGOs in service delivery was also evident in how well they planned and set goals, managed resources and took steps towards self-reliance. Although Self-Reliance is positively correlated with NGO Performance and development outcomes, most NGOs were weak in this category (Self-Reliance) as they tended to rely mostly on outside sources of funding. This reliance on external sources threatened the sustainability of their projects and adversely affected their abilities to contribute to the design of new institutional arrangements. If NGOs must be major players in economic development and influence new institutional paradigms, it is crucial for them to pursue programs that would ensure their sustainability and survival. A key to reducing their reliance on outside sources is the extent to which they can build capacities within their own internal organization structures.

Structure

The Structure of the organization was also significant in the Overall Performance of NGOs. Most NGOs tended to be far less formal and bureaucratic than their government or private, for-profit counterparts. Indigenous NGOs formed by homogenous groups were more likely to be characterized by norms and traditions. Although these practices exhibited features of the formal organization, they were less formal than a foreign NGO or local NGOs formed by some donor organization.

Most NGOs, including indigenous ones, had problems with multiple accountabilities, where multiple stakeholders that included funding sources, government and members created a complex situation for determining and assessing proper processes of accountability. This has presented further problems for establishing rigorous systems of tracking the impact of NGO programs in African economic development.

Summary: From Performance to Institutions

An analysis of NGO performance using institutional concepts has revealed how NIE can be used as an alternative means of explaining economic development in terms other than markets and states. It has allowed for observations of collective action, the impact of norms, bureaucracy and corruption, and the effects of institutional innovations occasioned by the activities of NGOs.

The involvement of NGOs throughout a project cycle can allow beneficiaries to influence project decisions and make claims on government that can affect policy decisions and institutional design. The cases in this study have provided insights into the relative power of beneficiaries of NGO projects to influence change, even in adverse political and economic environments. NGOs, through norms, rules or operations and compliance procedures, have established the basis for institutionalization. Compliance procedures that have been dictated by funding sources or indigenous organizations have led to successful service deliveries which serve as best practices for national governments. This is crucial to developing viable relations between the state and NGO, and, in turn, forming a basis for revised institutional frameworks for development.

Beneficiary participation in the design and implementation of NGO projects is a microcosm of the voice that is necessary for the development of democratic ideals. Participation in projects has not only enhanced the quality and outcomes of development initiatives, but it has also allowed beneficiaries to make further claims on the government. It has also allowed for community empowerment and strengthened local organizations to express their voices in activities that affect them. These in turn can influence reforms in economics and politics that are facilitated by institutions.

These reforms can come in stages. First, NGO projects lead to resource mobilization which has the potential of expanding the resource base. This expansion of the resource base through the civil society can increase the legitimacy of government institutions. Second, these reforms can help to improve the quality of government services and thereby contribute to economic growth and democracy, a reduction of corruption, and a bureaucracy that is not controlled from the top (Clague 1997; Naim 1985).

Methodological Observations

This study has used a methodology popularized by the works of Esman and Uphoff (1984). Their focus was an analysis of 150 local organizations in less developed countries. This study has concentrated on 16 African countries, utilizing 51 cases of NGO activities.

Several problems are inherent in this method. First, the coding of case variables which is used for statistical analysis is somewhat subjective. However, although the conclusions are based on statistics, a detailed review of the case evaluations and the author's own association as a board member of an African NGO provided ample background to make conclusions beyond the statistical presentations. Esman and Uphoff (1984) and Carroll (1992) also relied on similar experiences to overcome statistical shortcomings. Second, the limited sample does not provide a strong basis for making general applications to all African NGOs. However, it does allow for an in-depth review of how NIE concepts can influence the performance of NGOs in African settings, and how institutional arrangements can be used to explain economic development.

The statistical test was also based on a sample that was not sufficiently random and not large enough to provide rigorous statistical tests of correlations, including regression analyses. However, the results do allow for the observations of patterns among variables that presented a view of a direction of association. Thus, like Esman and Uphoff, it is important to note that the relative size of the coefficients offered a better judgment than the absolute levels of correlation, since the absolute size of the correlation is affected by the subjectivity involved in the coding.

Conclusions: Implications for the Practice of Public Administration

This study has provided several observations that are implied in current public administration practices and research. Institutionalism is transcending the literature in public administration. In 1993, for example, the *Journal of Public Administration Research and Theory* (vol. 3, 1) devoted a symposium to study the implications of institutional arrangements on the performance of government and the civil society. The contributions were replete with analyses and concepts reflected in NIE. Public administrators have long advocated a position that is recently being re-examined by economists in NIE discussions. That position is that both markets *and* governments work better in societies with strong institutions (Dahl and Lindblom 1953).

Public administrators are also faced with the challenges of devising new reform strategies that increase the effectiveness and efficiency of governance. In the wake of these challenges, the civil society is evolving to address issues of unequal social relationships, which can be explained through institutional analysis. Public administrators are also challenged by the proliferation of NGOs, particularly in developing countries. The capacities of NGOs to serve as alternatives for the provision of government services have created a situation that Guy Peters and John Pierre (1998) call "governance without government." But, as Peters and Pierre noted, the activities of NGOs, while an enhancement of government activities, cannot *be* a substitute for government.

Suggestions for Future Research

This study has shown that there will be a continuing need to re-assess prevailing theories of public administration to develop public policies that address changes in social relationships. There will also continue to be a need to assess the overall applicability to Africa of theories designed in developed countries. Public administrators will need to do more comparative studies and incorporate global issues in their studies. This will entail a redefinition of theories that have used American, European or Asian situations as a backdrop.

This study also shows that there is fertile ground for public administration research to fill the gap that currently exists in exploring the roles of institutions in creating performance-oriented government entities. Such a research agenda should continue an emphasis that is not based on a choice among hierarchy of nation-state bureaucracy, markets and civil participation, but it should emphasize the contributions that these three pillars of institutional development can make to enhance institutional performance.

BIBLIOGRAPHY

Adelman, Irma. 1975. Growth, income distribution, and equity oriented development strategies. *World Development.* 3: 67–76.

Alchian, Armen. 1965. Some economics of property rights. *Il Politico* 30:816–829 (Originally published in 1961 by the Rand Corporation; reprint *Economic forces at work*, Indianapolis: Indianapolis Liberty Press, 1977.)

Alchian, Armen, and Harold Demsetz. 1972. Production information costs, and economic organization. *American Economic Review* 62:777–799.

Allison, Graham T., Jr. 1983. Public and private management: Are they fundamentally alike in all unimportant respects? In *Public management*. Edited by James L. Perry and Kenneth Kraemer. Palo Alto, CA: Mayfield, 72–92.

Alpert, Paul. 1973. *Partnership or confrontation? Poor lands and rich.* New York: The Free Press.

Amadiume, Ifi. 1987. *Male daughters, female husbands: Gender and sex in an African society.* London: Zed.

Amin, Samir. 1972. Underdevelopment and dependence in black Africa: Origins and contemporary forms," *Journal of Modern African Studies* 10 (4): 503–524.

Anang, Frederick T. 1994. Evaluating the role and impact of foreign NGOs in Ghana. In *The changing politics of nongovernmental organizations and African states.* Edited by Eve Sandberg. Westport, Conn: Praeger.

Andvig, Jens Chr., and Karl Ove Moene. 1990. How corruption may corrupt. *Journal of Economic Behavior and Organization* 13:63–76.

Ardito-Barletta. 1991. Experiences of policy makers. In *Politics and policy making in developing countries: Perspectives on the new political economy.* Edited by Gerald M. Meier. San Francisco: ICS Press.

Arrow, Kenneth J. 1975. Limited knowledge and economic analysis. *American Economic Review* 64 (1): 1–10.

Association for Cooperation and Research Development. 1991. *Final Evaluation Report on the ACORD Uganda Programmes.* London.

Balcerowicz, Leszek. 1994. Poland. In *The political economy of policy reform.* Edited by John G. Williamson. Washington, D.C.: Institute for International Economics.

Baldwin Donald, Phillip Birnbaum-Moore, and Frederick Rossini. 1990. *International research management: Studies in interdisciplinary methods from business, government and academia.* New York: Oxford University Press.

Bardhan, Pranab. 1988. Alternative approaches to development economics. In *Handbook of development economics.* Edited by H. Chenery and T.N. Srinavasan. Amsterdam: North Holland House Publishers, Inc.

———. 1993. Economics of development and the development of economics. *Journal of Economic Perspectives* 7 (2): 129–142.

Barnard, Chester A. 1938. *The functions of the executive.* Cambridge: Harvard University Press. Baron, James N., and William T. Bielby. 1984. The organization of work in a segmented economy. *Administrative Science Quarterly* 31:54–73.

Baron, James N. and William T. Bielby. 1984. The organization of work in a segmented economy. *Administrative Science Quarterly* 31: 454–73.

Barro, Robert. 1996. Democracy and growth. *Journal of Economic Growth* 1:1–27.

Barton, Allen H. 1980. A diagnosis of bureaucratic maladies. In *Making Bureaucracy Work.* Edited by Carol Weiss and Allen H. Barton. Beverly Hills, CA: Sage, 27–36.

Bates, Robert H., Stephan Haggard and Joan M. Nelson. 1991. A critique by political scientists. In *Politics and policy making in developing countries.* Edited by Gerald Meir. San Francisco: ICS Press.

Baumol, William J., ed. 1980. *Public and Private Enterprise in a Mixed Economy.* New York: St. Martin's Press.

Bebbington, Anthony, and John Farrington. 1993. Governments, NGOs and agricultural development: Perspectives on changing inter-organizational relationships. *The Journal of Development Studies.* 29:2199–219.

Bebbington, Anthony, and G. Thiele, eds., with P. Davies, M. Praeger, and H. Riveros. 1993. *Nongovernmental organizations and the state in Latin America.* London: Routlege.

Behn, Robert D. 1988. Management by groping along. *Journal of Policy Analysis and Management* 7:643–663.

———. 1997. Branch Rickey as a public manager: Fulfilling the eight responsibilities of public management. *Journal of Public Administration Research and Theory* 7:1–33.

Bellone, Carl J., and George F. Goerl. 1992. Reconciling entrepreneurship and democracy. *Public Administration Review* 52 (2): 130–134.

Bennett, James T., and Manuel H. Johnson. 1980. Tax reduction without sacrifice: Private sector production of public services. *Public Finance Quarterly* 8:363–396.

Benveniste, Guy. 1970. *Bureaucracy and national planning: A sociological case study in Mexico*. New York: Prager.

Bernstein, Susan. 1981. *Better government at half the price: Private production of public services*. Ottawa, Ill: Caroline House.

———. 1991. *Managing contracted services in the nonprofit economy*. Philadelphia: Temple University Press.

Black, Jan Knippers. 1991. *Development in theory & practice*. Boulder: Westview Press.

Blais, Andre, and Stephane Dion, eds. 1991. *The budget-maximizing bureaucrat: Appraisals and evidence*. Pittsburg: University of Pittsburgh Press.

Blau, Peter, and W. Richard Scott. 1962. *Formal organizations: A comparative approach*. San Francisco: Chandler.

Blumenthal, Michael J. 1983. Candid reflections of a businessman in Washington. In *Public management: Public and private perspectives*. Edited by James L. Perry and Kenneth L. Kraemer. Palo Alto, CA: Mayfield Publishers.

Bolman, Lee, and Terrence Deal. 1991. *Images of leadership*. National Center for Educational Leadership. Occasional Paper #7. Cambridge: Massachusetts.

Borcherding, Thomas, ed. 1977. *Budgets and bureaucrats: The sources of government growth*. Durham, N.C.: Duke University Press.

Borcherding, T. E., W.W. Pommerehne, and F. Schneider. 1982. Comparing the efficiency of private and public production: The evidence from five countries. *Journal of Economics*, Supplement 2:127–56.

Bozeman, Barry, 1987. *All organizations are public*. San Fransisco: Jossey-Bass.

Bozeman, Barry, and Stuart Bretschneider, 1994. The "publicness puzzle" in organization theory: A test of alternative explanations of differences between public and private organizations. *Journal of Public Administration Research and Theory* 4 (April): 197–224.

Bozeman, Barry, Pamela Reed, and Patrick Scott, 1992. The presence and predictability of red tape in public and private organizations. *Administration and Society* 24 (November): 290–322.

Bratton, Michael. 1989. The politics of NGO-government relations in Africa. *World Development* 17 (4): 569–587.

———. 1990. Nongovernmental organizations in Africa: Can they influence public policy? *Development and Change* 21:87–118.

———. 1992. Civil society and political transitions in Africa. In *Civil Society and the State in Africa*. Edited by N. Chazan, J. Harbeson, and D. Rothchild. Boulder: Lynne Rienner.

Bray, David B. 1991. Defiance and the search for sustainable small farmer organizations: A Paraguayan case study and a research agenda. *Human Organization* 50:225–35.

Bretschneider, Stuart. 1990. Management information systems in public and private organizations: An empirical test. *Public Administration Review* 50 (Sept./Oct.): 536–545

Brooks, Harvey, Lance Liebman and Corinne Schelling, eds. 1984. *Public-private partnership: New opportunities for meeting social needs*. Cambridge: Ballinger Publishing Company.

Brown, David L., and David C. Korten. 1989. *The role of voluntary organizations in development*. Boston: Institute for Development Research.

Buchanan, Bruce. 1975. Red tape and the service ethic: Some unexpected differences between public and private managers. *Administration and Society* 6 (February): 423–438.

———. 1993. A theory of government "red tape." *Journal of Public Administration Research and Theory* 3 (July): 273–303.

Buchanan, James, and Gordon Tullock. 1962. *The calculus of consent*. Ann Arbor: University of Michigan Press.

Buijs, Dieke. 1982. The participation process: When it starts. In *Participation of the Poor in Development: Contributions to a Seminar.* Edited by Benno Galjart and Dieke Buijs. Leiden, Netherlands: Institute of Cultural and Social Studies, University of Leiden.

Burkhart, Ross, and Michael Lewis-Beck. 1994. Comparative democracy: The economic development thesis. *American Political Science Review* 88:903–10.

Burns, Tom, and George M. Stalker. 1961. *The management innovation.* London: Tavistock.

Burwell, Bruce, William Helin, and Jennet Robinson. 1992. *Evaluation of the collaborative community forestry initiative for Northern Ghana.* Washington, D.C.: United States Agency for International Development.

Bush, Paul D. 1993. The methodology of institutional economics: A pragmatic instrumentalist Perspective. In *Institutional Economics: Theory, Method, Policy.* Edited by Marc Tool. Boston: Kluwer Academic Publishers.

Butler, Stuart. 1985. *Privatizing federal spending: A strategy to eliminate the deficit.* New York: Universal Books.

Campos, Ed, and Hilton L. Root. 1996. *The key to the Asian miracle: Making shared growth credible.* Washington, D.C.: Brookings Institution.

Carroll, Thomas F. 1992. *Intermediary NGOs: The supporting link in grassroots development.* West Hartford: Kumarian Press.

Carroll, Thomas, Mary Schmidt, and Tony Bebbington. 1996. *Participation through intermediary NGOs.* Environment department papers No. 031. Washington, D.C. Environment Department, World Bank.

Cats-Baril, William, and Ronald Thompson. 1995. Managing information technology projects in the public sector. *Public Administration Review* 55:559–556.

Center for Population and Family Health. 1984. *Lessons learned in the Oyo State community-based health and family planning project.* Irvington, N.Y.: Columbia University Press.

Cernea, Michael. 1987. Farmer organizations and institution building for sustainable agricultural development. *Regional Development Dialogue* 8:1–24.

Charlick, Robert, Leslie Fox, Sheldon Geller, Pearl Robinson, and Tina West. 1994. *Improving democratic governance for sustainable development: An assessment of change and continuity in Niger.* Final Report. Washington, D.C.: United States Agency for International Development. September 26, 1994.

Chenery, Hollis, and T. N. Srinivasan, 1989. *Handbook of development economics.* 2 vols. Amsterdam: North-Holland.

Clague, Christopher, ed. 1993. Rule, obedience, organizational loyalty, and economic development. *Journal of Institutional and Theoretical Economics* 149:393–414.

———. 1997. *Institutions and economic development: Growth and governance in less developed and post-Socialist countries*. Baltimore: Johns Hopkins University Press.

Clague, Christopher, Philip Keefer, Stephen Knack and Mancur Olson. 1997. Democracy, autocracy, and the institutions supportive of economic growth. In *Institutions and economic development: Growth and governance in less-developed and post-Socialist countries.* Edited by Christopher Clague. Baltimore: Johns Hopkins University Press.

Clark, John. 1991. *Democratizing development: The role of voluntary organizations.* Hartford, Kumarian Press.

———. 1993. *The state and the voluntary sector.* Human Resources and Operations Policy Working Paper No. 12. Washington, D.C.: World Bank.

Coase, Ronald H. 1937. The nature of the firm. *Economica,* 4:386–405.

Commons, John R. 1950. *The economics of collective action.* Madison: University of Wisconsin Press.

Corruption Perceptions Index. (1998, September). *Transparency International.* http://www.transparency.de/documents/index.html

Coston, Jennifer M. 1996 (June). *Government-NGO cooperation in Mali's new democracy: Progress and prospects.* Paper presented at the 57th National Conference of the American Society for Public Administration, Atlanta, Ga.

Cyert, Richard M., and James G. March. 1963. *A behavior theory of the firm.* Englewood Cliffs, N.J.: Prentice-Hall.

Dahl, Robert A., and Charles E. Lindblom, 1953. *Politics, economics, and welfare.* Chicago: University of Chicago Press.

Davis, Perry, ed. 1986. *Public-private partnerships: Improving Urban life.* New York: Academy of Political Science.

De Janvry, Alain, and Elisabeth Sadoulet. 1995. *Quantitative development policy analysis.* Baltimore: Johns Hopkins University Press.

DeLancey, Virginia. 1996. Economies of Africa. In *Understanding Contemporary Africa.* Edited by April Gordon and Donald L. Gordon. Boulder: Lynne Rienner Publishers.

DeLong, Bradford, and Larry Summers. 1991. Equipment investment and economic growth. *Quarterly Journal of Economics* 106:445–502.

Demseth, Harold. 1967. Toward a theory of property rights. *American Economic Review* 57:347–359.

Denhardt, Robert B. 1993. *The pursuit of significance: Strategies for managerial success in public organizations.* Belmont, Calif: Wadsworth.

Dia, Mamadou. 1997. *Africa's management in the 1990s and beyond: From institutional "transplant" to institutional reconciliation.* Washington, D.C.: The World Bank.

Diamond, Larry. 1992. Economic development and democracy reconsidered. *Re-examining democracy: Essays in honor of Seymour Martin Lipset.* Edited by Gary Marks and Larry Diamond. London: Sage.

DiMaggio, Paul J., and Walter W. Powell. 1983. The iron cage Revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* 48:147–60.

———. 1991. Introduction to *The new institutionalism in organizational analysis.* Edited by Walter W. Powell and Paul J. DiMaggio. Chicago: University of Chicago Press.

Dobb, Maurice H. 1962. *Capitalism yesterday and today.* New York: Monthly Review Press.

Dotta-Chaudhuri, Mrinal. 1990. Market failure and government failure. *Journal of Economic Perspectives.* 4 (3): 25–39.

Downs, Anthony. 1967. *Inside bureaucracy.* Boston: Little, Brown.

Downs, George, and Patrick D. Larkey. 1986. *The search for government efficiency: From hubris to helplessness.* Philadelphia: Temple University Press.

Dupuit, J. [1844] 1952. *On the measurement of the utility of public works. International economic papers, no. 2.* Reprint. London: Macmillan (1952).

Edwards, Michael, and David Hulme. 1996. *Beyond the magic bullet: NGO performance and accountability in the Post Cold War world.* West Hartford, CT: Kumarian Press.

Eltis, Walter. 1984. *The classical theory of economic growth.* London: Macmillan.

Esman, Milton. 1994. *Ethnic politics.* Ithaca. N.Y: Cornell University Press.

Esman, Milton, and Norman Uphoff. 1984. *Local organizations: Intermediaries in rural development.* Ithaca, NY: Cornell University Press.

Evans, Peter B. 1996a. Government action, social capital and development: Reviewing the evidence on synergy." *World Development* 24 (6): 19–32.

———. 1996b. *Social capital and the functioning of bureaucracies in developing countries.* Paper presented at the International Conference on Governance Innovations: Building a Government-Citizen-Business Partnership. Manila, October 20–23.

Fallon, Kathleen. 1999. Education and perceptions of social status and power among women in Larteh, Ghana. *Africa Today* 46 (2) (spring): 67–92.

Fayol, Henri. [1916] 1949 . *General and industrial management.* Translated by Constance Storrs. London: Pitman.

Feeny, David. 1988. The development of property rights in land: A comparative case study. In *Toward a Political economy of development.* Edited by Robert Bates. Berkeley: University of California Press.

Ferris, James M., and Shui-Yan Tang. 1993. The new institutionalism and public administration: An overview. *Journal of Public Administration Research and Theory* 3:4–10.

Finsterbusch, Kurt, and Warren A. Van Wicklin III. 1987. The contribution of beneficiary participation to development project effectiveness. *Public Administration and Development* 7:1–23.

Fischer, Stanley, and Vinod Thomas, 1990. Policies for economic development. *American Journal of Agricultural Economics* 72 (August): 809–913.

Fisher, Julie. 1998. *Nongovernments: NGOs and the political development of the Third World.* West Hartford, Connecticut: Kumarian Press.

Fishlow, Albert. 1991. Review of *Handbook of development economics. Journal of Economic Literature* 29 (4): 1728–1737.

Fox, Leslie. 1996. Local level civil society: Effective partners in democratic governance: A conceptual framework. Annex 2, Leslie Fox, Jennifer Coston and Pat Isman. *Mali governance strategic objective: final report of the DG/SO support team.* Prepared by Thunder & Associates, Inc. for USAID Mali. February 1996.

Frank, Howard A., and Gerasimos A. Gianakis. 1990. Raising the bridge using time series forecasting models. *Public Productivity and Management Review* 14:171–188.

Fried, Robert. 1990. Comparative public administration: A search for theories. In *Public Administration: The State of the Discipline.* Edited by Naomi B. Lynn and Aaron Wildavsky. Chatham, N.J.: Chatham House Publishers, Inc.

Galal, Ahmed, Leroy Jones, Pankaj Tandon, and Ingo Vogelsang. 1994. *Welfare consequences of selling public enterprises: An empirical analysis.* New York, N.Y: Oxford University Press.

Gambs, John S. 1976. *Beyond supply and demand.* Westport: CT: Greenwood Press.

Gayle, Dennis, and John N. Goodrich, eds. 1990. *Privatization and deregulation in global perspective.* New York: Quorum Books.

Gladwin, Christine H., and Della McMillan. 1989. Is a turnaround in Africa possible without helping women to farm? *Economic Development and Cultural Change* 37 (January): 345–369.

Goffman, Erving. 1974. *Frame analysis.* Cambridge: Harvard University Press.

Golembiewski, Robert T. 1976. *Perspectives on public management: Cases and learning designs.* 2nd ed. Itasca, Ill.: F.E. Peacock Publishers.

———. 1985. *Humanizing public organizations.* Mount Airy, Md: Lamond.

———. 1987. Public-sector organization: Why theory and practice should emphasize purpose, and how to do so. In *A centennial history of the American administrative state.* Edited by R.C. Chandler. New York: Free Press.

———. 1990. Differences in burnout by sector: Public vs. business estimates using phases. *International Journal of Public Administration* 13:545–560.

Golub, Stephen. 1993. Assessing and enhancing the impact of democratic development projects: A practitioner's perspective. *Studies in Comparative International Development* 28 (1): 54–70.

Goodsell, Charles T. 1984. The Grace Commission: Seeking efficiency for the whole people? *Public Administration Review* 44 (May/June): 196–204.

———. 1985. *The Case for bureaucracy: A public administration polemic.* Chatham, N.J.: Chatham Publishers, Inc.

———. 1990. Emerging issues in public administration. In *Public administration: The state of the discipline.* Edited by Naomi B. Lynn and Aaron Wildavsky. Chatham, N.J.: Chatham House Publishers, Inc.

Gordon, April. 1996. Women and development. In *Understanding contemporary Africa.* Edited by April A. Gordon and Donald Gordon. Boulder, Colo.: Lynne Rienner Publishers.

Gore, Al. 1993. *From red tape to results: Creating a government that works better & costs less—Report of the National Performance Review.* Washington, D.C.: Government Printing Office.

Gortner, Harold F. 1981. *Administration in the public sector*. New York: John Wiley & Sons.

Gortner, Harold F., Julianne Mahler, and Jeanne Bell Nicholson. 1989. *Organization theory: A public perspective.* Fort Worth: Harcourt Brace College Publishers.

Grabowski, Richard, and Michael P. Shields. 1989. Lewis and Ricardo: A reinterpretation. *World Development* 17:193–207.

Grauchy, Allan G. 1987. *The reconstruction of economics: An analysis of the fundamentals of institutional economics*. New York: Greenwood Press.

———. 1972. *Contemporary economic thought: The contribution of neo-institutional economics*. Clifton, NJ: Augustus M. Kelley.

Grindle, Merilee S. 1980. Policy content and context in implementation. In *Politics and Policy Implementation in the Third World*. Edited by Merilee S. Grindle. Princeton: Princeton University Press.

Grindle, Merilee S., and John W. Thomas. 1991. *Public choices and policy change: The political economy of reform in developing countries.* Baltimore: Johns Hopkins University Press.

Groenewegen, John, Frans Kerstholt, and Ad Nagelkerke. 1995. On integrating new and old institutionalism: Douglas North building bridges. *Journal of Economic Issues* 29 (2): 467–476.

Grossman, Sanford, and Oliver Hart. 1986. The costs and benefits of ownership: A theory of vertical and lateral integration. *Journal of Political Economy* 94:691–719.

Haas, Eugene J., Richard H. Hall, and Norman J. Johnson. 1966. Toward an empirically derived taxonomy of organizations. In *Studies of Behavior in Organizations*. Edited by R.V. Bowers. Athens, GA: University of Georgia Press.

Hamilton, Walton H. 1974. *Industrial policy and institutionalism, selected essays.* Clifton, NJ: Augustus M. Kelley.

Hanke, Steve H., ed. 1987 *Prospects for privatization.* New York: The Academy of Political Science.

Hart, Oliver. 1995. An economist's perspective on the theory of the firm. In *Organization theory: From Chester Barnard to the present and beyond.* Edited by Oliver Williamson. New York: Oxford University Press.

Heeger, Gerald. 1974. *The politics of underdevelopment.* New York: St. Martin's Press.

Heilman, John G., and Johnson, Gerald W. 1992. *The politics and the economics of privatization—The case of wastewater treatment.* Tuscaloosa: University of Alabama Press.

Helliwell, John F.1994. Empirical linkages between democracy and economic growth. *British Journal of Political Science* 24:225–48.

Hicks, John R. 1950. *A contribution to the theory of trade cycles*. Oxford: Clarendon Press.

Hirschman, Albert.1958. *The strategy of economic development.* New Haven: Yale University Press.

———. 1981. The rise and decline of development economics. In *Essays in trespassing: Economics to politics and beyond.* Edited by A. Hirschman. Cambridge: Cambridge University Press.

Holdcroft, Lane. 1978. *The rise and fall of community development in developing countries 1950–65.* Paper prepared for USAID, Office of Rural Development Administration, Michigan State University, East Lansing, Mich.

Hollander, Samuel. 1973. *The economics of Adam Smith.* Toronto: University of Toronto Press.

Holmes, Malcolm, and Anirudh Krisna. 1996. Public sector management and participation: Institutional support for sustainable development. In *Participation in practice: The experience of the World Bank and other stakeholders.* Edited by Jennifer Rierbergen-McCracken. World Bank Discussion Paper No. 333. Washington, D.C.: World Bank.

Homans, George C. 1950. *The human group.* New York: Harcourt.

House Committee on the Budget. 1991. *Management reform: A top priority for the federal executive.* Washington, D.C.: Government Printing Office.

Howes, Mick. 1997. NGOs and the development of local institutions: A Ugandan case-study. *Journal of Modern African Studies* 35 (1): 17–35.

Hulme, David. 1991. *Social development research and the third sector.* Paper presented at Workshop on "Realism, Relevance and Choice in Social Development Research," Hull University, January.

Hume, David. [1748] 1955. *Essays moral and political.* Edited by Eugene Rotwein. London: Nelson Press.

Huntington, Richard, Bernard Wilder, and Sravani Ghosh-Robinson. 1994. *Final evaluation–Opportunities industrialization center, Cameroon.* Yaounde, Cameroon: United States Agency for International Development.

IRIS—Center for Institutional Reform and the Informal Sector. 1996. *Governance and the economy in Africa: Tools for analysis and reform of corruption.* College Park: University of Maryland.

Jensen, Michael, and William. H. Meckling. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 3:305–360.

Johnson, Harry. 1958. *International trade and economic growth.* Cambridge: Harvard University Press.

Johnson, Willaard R., and Vivian Johnson. 1990. *West African governments and volunteer development organizations.* Lanham, Md.: University Press of America.

Johnson-Welch, Charlotte, and Daniel Whelan. 1996. *Making oilseed presses work for women: ATI's projects in Tanzania and Zimbabwe.* Washington, D.C.: Appropriate Technology International.

Jonsson, Erik. 1985. A model of a non-budget-maximizing bureau. In *State and Market: The Politics of the Public and the Private.* Edited by Jan-Erik Lane. Beverly Hills: Sage Publications.

Kannappan, Subbiah.1995. Review article: The economics of development: The Procrustean bed of mainstream economics. *Economic Development and Cultural Change* 4:863–879.

Kast, Fremont E. and James E. Rosenzweig. 1972. General systems theory: Applications for organization and management. *Academy of Management Journal* December:447–463.

Katz, Daniel, and Robert L. Kahn. 1966. *The social psychology of organizations.* New York: John Wiley.

Keidel, Robert. 1995. *Seeing organizational patterns: A new theory and language or organizational design.* San Francisco: Berret-Koehler.

Kelleher, David, and Kate McLaren. 1996. *Grabbing the tiger by the tail: NGOs learning for organizational change.* Ottawa: Canadian Council for International Cooperation.

Kettl, Donald F. 1995. *Sharing power: Public governance and private markets.* New York: The Brookings Institution.

Kirlin, John. 1984. A political perspective. In *Public sector performance: A conceptual turning point.* Edited by Trudi Miller. Baltimore: Johns Hopkins University Press.

———. 1990. Education and the future of public administration. Remarks Delivered at a Convocation of Doctoral Degree Holders. University of Southern California School of Public Administration, Sacramento.

Klein, Philip A. 1993. The institutional challenge: Beyond dissent. *Institutional economics: Theory, method, policy*. Edited by Marc Tool. Boston: Kluwer Academic Publishers.

Klitgaard, Robert. 1988. *Controlling corruption*. Berkeley: University of California Press.

———. 1991. *Adjusting to reality: Beyond "state versus market" in economic development*. San Francisco: ICS Press.

———. 1995. *Institutional adjustment and adjusting to institutions*. World Bank Discussion Papers #303. Washington D.C.: The World Bank.

———. 1997. Information and incentives in institutional reforms. In *Institutions and economic development*. Edited by Christopher Clague. Baltimore: The Johns Hopkins University Press.

Korten, David. 1980. Community organizations and rural development: A learning process approach. *Public Administration Review* 4 (5): 480–511.

———. 1987. Third generation NGO strategies: A key to people-centered development. *World Development* 15 (suppl.): 145–60.

Kpundeh, Sahr John. 1995. *Politics and corruption in Africa: A case study of Sierra Leone*. Lanham, Md.: University Press of America.

Krueger, Ann.1974. The political economy of the rent society. *American Economic Review* 64:291–303.

———. 1992. Institutions for the new private sector. In *The emergence of market economies in Eastern Europe*. Edited by Christopher Clague and Gordon Rausser. Cambridge: Blackwell.

Kuhn, Thomas S. 1962. *The structure of scientific revolutions*. Chicago: The University of Chicago Press.

Lan, Zhiyong, and Hal G. Rainey. 1992. Goals, rules and effectiveness in public, private, and hybrid organizations: More evidence on frequent assertions about differences. *Journal of Public Administration Research and Theory* 2 (January): 5–28.

Lehmann, David. 1990. *Democracy and development in Latin America: Economics, politics and religion in the post-war period*. Philadelphia: Temple University Press.

Levy, Brian, and Pablo Spiller. 1994. The institutional foundations of regulatory commitment: A comparative analysis of telecommunications and regulation. *Journal of Law, Economics and Organization* 10 (2): 201–46.

Lewis, Arthur W. 1954. Economic development with unlimited supplies of labor. *Manchester School*. 22:139–91

———. 1955. *The Theory of Economic Growth.* London: Allen Unwin.

———. 1958. Unlimited labor: Further notes. *The Manchester School* 26:1–32.

______. 1988. The roots of development theory. In *Handbook of development theory.* Edited by Hollis Chenery and T.N. Srinivasan. Amsterdam: North Holland.

Lindblom, Charles E. 1977. *Politics and markets*. New York: Basic Books.

Lipset, Seymour M. 1959. Some social requisite of democracy: Economic development and political legitimacy. *American Political Science Review* 53:69–105.

Lorch, Robert S. 1978. *Public administration.* St. Paul, Minn.: West Publishing.

Lowi, Theodore. 1964. American business, public policy, case studies, and political theory. *World Politics* 16 (4): 677–715.

Lynn, Laurence E., Jr. 1996. Public management as art, science and profession. Chatham, N.J.: Chatham House.

Malia, Martin. 1995. The nomenklatura capitalists. *New Republic* 22:17–24.

Mandelbaum, Kurt. 1947. *Industrialization of backward areas.* Oxford: Basil Blackwell.

March, James G., and John P. Olsen. 1989. *Rediscovering institutions: The organizational basis of politics*. New York: Free Press.

Maslow, Abraham H. 1954. *Motivations and personality.* New York: Harper & Row.

Mayhew, Anne. 1987. The beginnings of institutionalism. *Journal of Economic Issues* 21 (September): 971–998

McCurdy, Howard E. 1977. *Public administration: A synthesis.* Menlo Park, CA: Cummings Publishing.

McKelvey, Bill, 1982. *Organizational systematics*. Berkeley: University of California Press.

Meagher, Patrick. 1997. *Combating corruption in Africa: Institutional challenges and responses. IRIS Working Paper 203*. College Park: University of Maryland.

Meir, Gerald M. 1984. *Emerging from poverty: The economics that really matters.* New York: Oxford University Press.

———. 1994. The "progressive state" in classical economics. In *From classical economics to development economics.* Edited by Gerald M. Meir. New York: St. Martin's Press, Inc.

———. 1995. *Leading issues in economic development.* New York: Oxford University Press.

Meir, Gerald, and Robert Baldwin. 1982. *Economic development: Theory, history, policy.* New York: John Wiley & Sons, Inc.

Meyer, John W. 1977. The effects of education as an institution. *American Journal of Sociology* 83:55–77.

Meyer, John W., and Brian Rowan. 1977. Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology* 83:340–63.

Meyer, Marshall W. 1979. *Change in public bureaucracies.* London: Cambridge University Press.

———. 1982. "Bureaucratic" vs. "profit" organization. *Research in Organizational Behavior.* Edited by B. M. Staw & L.L. Cummings. Greenwich, CT: JAI Press.

Mill, John S. 1848. *Principles of political economy.* London: Longmans, Green, Reader and Dryer.

Miller, Gary J., and Terry M. Moe. 1983. Bureaucrats, legislators, and the size of government. *American Political Science Review.* 77:197–322.

Miller, Trudi. 1984. The turning point. In *Public sector performance: A conceptual turning point.* Edited by Trudi C. Miller. Baltimore: The Johns Hopkins University Press.

Mintzberg, Henry. 1979. *The structuring of organizations.* Englewood Cliffs, NJ: Prentice Hall.

———. 1994. *The rise and fall of strategic planning.* New York: Free Press.

Mitchell, Wesley C. 1913. *Business cycles.* Berkeley: University of California Press.

Moe, Ronald C. 1987. Exploring the limits of privatization. *Public Administration Review* 47 (6): 453–460.

———. 1993. Let's rediscover government, not reinvent it. *Government Executive* 25:46–60.

Moe, Terry M. 1987. The new economics of organization. *Journal of Political Economy* 83:739–77.

Morna, Colleen Lowe. 1995. Moving houses. *African Business* 65:15–18.

Morstein, Marx. 1957. *The administrative state.* Chicago: University of Chicago Press.

Murray, Michael. 1975. Comparing public and private management: An exploratory essay. *Public Administration Review* 35 (July/August): 364–371.

Musolf, Llyod, and Harold Seidman. 1980. The blurred vision of public administration. *Public Administration Review* 40:124–139.

Myrdal, Gunnar. 1978. Institutional economics. *Journal of Economic Issues* 12 (December): 771–784.

Naim, Moses. 1985. *Latin America's journey to the market: From macroeconomic shocks to institutional therapy.* Occasional Paper 62. San Francisco: Institute for Contemporary Studies.

Narayan, Deepa. 1997. Focus on people's participation: Evidence from 121 rural water projects. In *Institutions and economic development: Growth and governance in less-developed and post socialist countries.* Edited by Christopher Clague. Baltimore: Johns Hopkins University.

Narayan, Deepa and Lant Pritchett. 1999. Cents and sociability: Household income and social capital in rural Tanzania. *Economic Development and Cultural Change* 47 (4): 871–899.

Narayanan, V. K., and Raghu Nath. 1993. *Organization theory: A strategic approach.* New York: Irwin Press.

Ndegwa, Stephen N. 1996. *The two faces of civil society: NGOs and politics in Africa.* West Hartford, Conn.: Kumarian Press.

Niskanen, William. 1971. *Bureaucracy and representative government.* Chicago: Aldine Press.

North, Douglas C. 1981. *Structure and change in economic history.* New York: W.W. Norton.

———. 1990. *Institutions, institutional change and economic performance.* New York: Cambridge University Press.

———. 1994. Economic performance through time. *American Economic Review* 84:359–68.

Nurske, Ragnar. 1953. *Problems of Capital Formation in Underdeveloped Countries*. Oxford:Basil Blackwell.

Office of Management and Budget. 1992. *Summary report of the SWAT team on civilian agency contracting: Improving contracting practices and management controls on cost-type federal contracts*. Washington, D.C.: Government Printing Office.

Olson, Mancur 1965. Logic of Collective Action. Cambridge: Harvard University Press.

———. 1982. *The rise and decline of nations: Economic growth, stagflation, and social rigidities*. New Haven: Yale University Press.

———. 1993. Dictatorship, democracy and development. *American Political Science Review* 87:567–76.

———. 1994. Who gains from policies that increase poverty? Working Paper 137. College Park, Md.: IRIS,

Organization for African Unity. 1986. *Africa's priority program for economic recovery 1986–1990*. Addis Ababa: Organization for African Unity.

Osborne, David, and Ted Gaebler. 1992. *Reinventing government: How the entrepreneurial spirit is transforming the public sector*. Reading, MA: Addison-Wesley Publishing Company.

Ostrom, Elinor. 1990. *Governing the commons: The evolution of institutions for collective action*. Cambridge: Cambridge University Press.

———. 1993. Analyzing the performance of alternative institutional arrangements for sustaining rural infrastructure in developing countries. *Journal of Public Administration Research and Theory* 3 (1): 11–45.

Ostrom, Elinor, Larry Schroeder, and Susan Wynne. 1992. *Institutional incentives and sustainable development*. Boulder, Colo.: Westview Press.

Palmer, Ingrid. 1991. *Gender and population in the adjustment of African economics: Planning for change*. Geneva: International Labor Organization.

Parkin, Michael. 1996. *Microeconomics*. New York: Addison-Wesley.

Parsons, Talcott, 1960. *Structure and process in modern societies*. Glencoe, Ill.: Free Press.

Patterson, Amy S. 1999. The dynamic nature of citizenship and participation: Lessons from three Rural Senegalese case studies. *Africa Today* 46 (1) (winter): 3–28.

Paul, Samuel. 1990. *Institutional development in World Bank projects: A cross-sectional review*. Washington, D.C.: World Bank.

Perry, James, and Kenneth Kraemer. 1983. *Public management: Public and private perspectives*. Palo Alto, CA.: Mayfield.

Perry, James, and Hal G. Rainey. 1988. The public-private distinction in organization theory: A critique and research strategy. *Academy of Management Review* 13:182–201.

Peters, Guy. 1996. *The future of governing: Four emerging models*. Lawrence: University Press of Kansas.

Peters, Guy, and John Pierre. 1998. Governance without government? Rethinking public administration. *Journal of Public Administration Research and Theory* 8:223–243.

Pfeffer, Jeffrey. 1981. Management as symbolic action: The creation and maintenance of organizational paradigms. Pp. 1–52. In *Research in Organizational Behavior*. Edited by L.L. Cummings and Barry Straw. Greenwich, CT: JAI Press.

Picciotto, Robert. 1997. Putting institutional economics to work: From participation to governance. In *Institutions and Economic Development: Growth and Governance in Less-Developed and Post-Socialist Countries*. Edited by Christopher Clague. Baltimore: Johns Hopkins University Press.

Pitelis, Christos. 1987. *Market and non-market hierarchies: Theory of institutional failure* Cambridge, MA: Basil Blackwell, Ltd.

Poister, Theodore H., and Richard Harris. 1996. Service delivery impacts of TQM: A preliminary investigation. *Public Productivity and Management Review* 20: 84–100.

Poister, Theodore H., and Gary T. Henry, 1994. Citizen ratings of public and private service quality: A comparative perspective. *Public Administration Review* 54 (March/April): 155–160.

Pressman, Jeffrey L., and Aaron Wildavsky. 1973. *Implementation*. Berkeley, CA: University of California Press

Pugh, Derek S. 1971. *Organization theory*. Baltimore: Penguin.

Pugh, Derek S., D. J. Hickson, and C.R. Hinnings. 1969. An empirical taxonomy of work organizations. *Administrative Science Quarterly* 14:115–126.

Putnam, Robert. 1993. *Making democracy work: Civic traditions in modern Italy*. Princeton, New Jersey: Princeton University Press.

Quick, Stephen A. 1980.The paradox of popularity: Ideological program implementation in Zambia. In *Politics and Policy Implementation in the Third World.* Edited by Merilee S. Grindle. Princeton, N.J.: Princeton University Press.

Rainey, Hal G. 1983. Public agencies and private firms: Incentive structures, goals and individual roles. *Administration and Society* 15 (August): 207–242.

———. 1991.*Understanding and managing public organizations..* San Francisco: Jossey-Bass.

Rainey, Hal G., Robert W. Beckoff, and Charles H. Levine. 1976. Comparing public and private organizations. *Public Administration Review* 36 (March/April): 233–44.

Rainey, Hal, Sanjay Pandey, and Barry Bozeman. 1995. Research note: Public and private managers' perceptions of red tape. *Public Administration Review* 55 (November/December): 567–574.

Ramanadham, Vermuri, ed. 1984. *Public enterprise and the developing world.* London: Croom Helm.

Ramsay, Jeffress. 1999. *Global studies: Africa.* Guilford, Connecticut: Dushkin/McGraw-Hill.

Reisman, David. 1949. The Communist Manifesto in sociology and economics. *Journal of Political Economy* 57 (3): 205–206.

———, ed. 1990. *Theories of collective action: Downs, Olson and Hirsch.* New York: St. Martin's Press.

Reynolds, Lloyd B. 1983. The spread of economic growth to the third world: 1850–1980. *Journal of Economic Literature* 21: 941–980.

Robbins Lionel. 1976. *The theory of economic development in the history of economic thought.* London: Macmillan.

Robbins, Ira. 1986. Privatization of corrections: Defining the issues. *Federal Probation* 50 (September): 24–30.

Roberts, David. 1993. The governor as leader: Strengthening public service through executive leadership. In *Revitalizing State and Local Public Service.* Edited by F. J. Thompson. San Francisco: Jossey-Bass.

Robertson, Peter J., and Sonal J. Senarvinate. 1995. Outcomes of planned organization in the public sector: A meta-analytic comparison to the private sector. *Public Administration Review* 55: 547–558.

Robinson, Mark A. 1992. Assessing the impact of NGO rural poverty alleviation programmes: Evidence from South India. *Journal of International Development* 4:397–417.

Rosenstein-Rodan, Paul. 1943. Problems of industrialization in Eastern and South-Eastern Europe. *Economic Journal* 53 (June-September): 202–211.

Ross, Stephen. 1973. The economic theory of agency: The principal's problem. *American Economic Review* 63:134–139.

Rostow, Walt W. 1991. *Theories of economic growth from David Hume to the present*. New York: Oxford University Press.

Roth, Gabriel. 1987. *The private provision of public services in developing countries*. Washington, D.C: Oxford University Press.

Ruttan, Vernon. 1975. Integrated rural development programs: A skeptical perspective. *International Development Review* 2:129–51.

———. 1997. Participation and development. In *Institutions and Economic Development: Growth and Governance in Less-Developed and Post-Socialist Countries.* Edited by Christopher Clague. Baltimore: Johns Hopkins University Press.

Sadoulet, Elisabeth, and Alain de Janvry. 1993. Markets and states: Against minimalism. *World Development* 21:1281–98.

———. 1995. *Quantitative development policy analysis.* Baltimore: The Johns Hopkins University Press.

Salamon, Lester M., and Helmut K. Anheier. 1994. *The emerging sector: The nonprofit sector in comparative perspective—An overview.* Baltimore: Johns Hopkins University Institute for Policy Studies.

Sandberg, Eve. 1994. Introduction: The changing politics of nongovernmental organizations and the African state. In *The changing politics of nongovernmental organizations and African states*. Edited by Eve Sandberg. Westport: Praeger Publishers.

Savas, Emmanuel S. 1977. An empirical study of competition in municipal service delivery. *Public Administration Review* 37:717–724.

———. 1980. Comparative costs of public and private enterprise. In *Public and Private Enterprise in a Mixed Economy,* 234–294. Edited by W.J. Baumol. New York and London: St. Martin's Press.

———. 1982. *Privatizing the public sector: How to shrink government.* Chatham, N.J.: Chatham House Publishers.

———. 1987. *Privatization: The key to better government.* Chatham, N.J.: Chatham House Publishers.

Schumpeter, Joseph A. 1949. English economists and the state-managed economy. *Journal of Political Economy* 575:380.

Scott, John P. 1991. Networks of corporate power. *Annual Review of Sociology* 17:181–203.

Scott, Richard. W. 1992. *Organizations: Rational, natural, and open systems.* New York: Prentice Hall.

———. 1995. *Institutions and organizations.* London: Sage Publications.

Self, Peter. 1993. *Government by the market? The politics of public choice.* London: Westview Press.

Selznick, Phillip. 1948. Foundations of the theory of organization. *American Sociological Review* 13:25–35.

———. 1949. *TVA and the grass roots.* Berkeley: University of California Press.

Shafritz, Jay, and Albert C. Hyde. 1992. *Classics of public administration.* Belmont, Calif.: Wadsworth Publishing Company.

Shafritz, Jay, and J. Steven Ott. 1996. *Classics of organization theory.* Albany: Wadsworth Publishers.

Shangraw, R. F., and Michael M. Crow. 1989. Public administration as a design science. *Public Administration Review* 49 (March/April): 153–158.

Shleifer, Andrei, and Robert W. Vishny. 1993. Corruption. *Quarterly Journal of Economics* 108:599–607.

Simon, Herbert A. 1946. The proverbs of administration. *Public Administration Review* 6:53–67.

———. 1948. *Administrative behavior.* New York: Free Press.

———. 1991. Organizations and markets. *Journal of Economic Perspectives* 5:25–44.

Smith, Adam. [1776] 1937. *An inquiry into the nature and causes of the wealth of nations.* London: W. Stratham.

———. 1957. *Selections from the wealth of nations.* Edited by George J. Stigler. New York: Appleton Century Crofts.

Smith, Brian H. 1990. *More than altruism: The politics of private foreign aid.* Princeton: Princeton University Press.

Smith, Stephen R., and Lipsky, Michael. 1993. *Nonprofits for hire: The welfare state in the age of contracting*. Cambridge: Harvard University Press.

Staff, Paul. 1987. The limits of privatization. *Prospects of Privatization.* Edited by Steve H. Hanke. New York: Academy of Political Science.

Stigler, George. 1968. *The organization of industry.* Homewood, Il: Irwin.

Stiglitz, Joseph. 1974. Alternative theories of wage determination and unemployment in LDC's: The labor turnover model. *Quarterly Journal of Economics* 87:194–227.

———. 1996. Keynote address: The role of government in economic development. In *Annual World Bank Conference on Development Economics.* Edited by Michael Bruno and Boris Pleskovic. Washington, D.C.: World Bank.

Stone, Christopher. 1989. *Regime politics: Governing Atlanta 1946–1988.* Lawrence: University Press of Kansas.

Streeten, Paul. 1979. A basic needs approach to economic development. In *Directions in Economic Development.* Edited by K. Jameson and C. Wilkes. Notre Dame, Ind.: University of Notre Dame Press.

———. 1993. Markets and states: Against minimalism. *World Development* 21:121–98.

Sunkel, Osvaldo. 1969. National development policy and external dependence in Latin America. *Journal of Development Studies* 31: 23–48

Tanzi, Vito. 1995. Fiscal federalism and decentralization: A review of some efficiency and macroeconomic aspects. In *Annual World Bank conference on development economics.* Edited by Michael Bruno and Boris Pleskovic. Washington, D.C.: World Bank.

Tanzi, Vito, and Hamid Davoodi. 1997. *Corruption, public investment and growth.* IMF Working Paper 139. Washington, D.C.: International Monetary Fund.

Tanzi, Vito and Parthasarathi Shome. 1993. *A primer on tax evasion.* IMF Staff Papers 40: 807–28.

Taylor, Frederick W. 1911. *The principles of scientific management.* New York: Harper & Row.

Tendler, Judith. 1982. *Turning private voluntary organizations into development agencies: Questions for evaluation.* Evaluation Discussion Paper No. 10. Washington, D.C.: United States Agency for International Development.

Theobald, Robin. 1994. Lancing the swollen African state: Will it alleviate the problem of corruption? *Journal of Modern African Studies* 32 (4): 701–706.

Thioub, Ibrahima, Momar-Coumba Diop, and Catherine Boone. 1998. Economic liberalization in Senegal: Shifting politics of indigenous business interests. *African Studies Review* 41 (2): 63–89.

Thompson, James D. 1967. *Organizations in action.* New York: McGraw-Hill.

Tool, Marc R. 1993. *Institutional economics: Theory, method, policy.* Boston: Kluwer Academic Publishers.

Transparency International. 1998. *Transparency International annual report: Combating corruption: Are lasting solutions emerging?* Washington, D.C: Transparency International.

Tullock, Gordon, 1965. *The politics of bureaucracy.* Washington: Public Affairs Press.

United Nations Development Program. 1996. *Human development report 1996.* New York: Oxford University Press.

United Nations. Economic Commission for Africa (UNECA). 1989. *African alternative framework to structural adjustment programs for socio-economic recovery and transformation* (AAF-SAP). E/ECA/CM. 15/6/Rev. 3.

United States Agency for International Development. 1988. *Evaluation report—Kenya rural enterprise project.* Washington, D.C.: USAID.

———. 1991. *Private sector midwives and family planning project: A.I.D. evaluation summary.* Washington, D.C.: USAID.

———. 1992a. *Community and enterprise development project/PVO component—A.I.D. evaluation summary.* Washington, D.C.:USAID.

———. 1992b. *How does your garden grow: An inquiry into NGO promotion of dry season agriculture in Niger.* Washington, D.C.: USAID.

———. 1994. *Impact evaluation of PL480.* Washington, D.C.: USAID.

Uphoff, Norman. 1987. *Local institutional development: An analytical sourcebook with cases.* West Hartford, CT: Kumarian Press.

Van de Ven, Andrew. 1993. The institutional theory of John R. Commons: A review and commentary. *Academy of Management Review* 18:139–152.

Van der Gaag, Jacques. 1995. *Private and public initiatives: Working together for health and education.* Washington, D.C.: World Bank.

Veblen, Thorstein B. 1898. Why is economics not an evolutionary science? *Quarterly Journal of Economics* 12:373–397.

———. 1909. The limitations of marginal utility. *Journal of Political Economy* 17:235–245.

Vernon , Raymond B. 1988. *The promise of privatization: A challenge for American foreign policy.* New York: Council on Foreign Relations.

Village Oil Press Project. 1994. *Quarterly progress report: Oct.-Dec. 1994.* Arusha, Tanzania.

Wade Robert. 1990. *Governing the market. Princeton*: Princeton University Press.

Waldo, Dwight. 1980. *The enterprise of public administration.* Novato, CA: Chandler & Sharp Publishers.

Wamsley, Gary L., and Mayer N. Zald. 1976. *The political economy of public organizations.* Bloomington, IN: Indiana University Press.

Wanyande, Peter. 1987. Women's groups in participatory development: Kenya's development experience through the use of Harambee. *Development* 23:94–102.

Warriner, Charles. 1979. *Empirical taxonomics of organizations: Problematics in their development.* Unpublished paper. Lawrence: University of Kansas

———. 1980. *Organizational types: Notes on the "organizational species" concept.* Unpublished paper. Lawrence: Department of Sociology, University of Kansas.

Weber, Max. 1947. *The theory of social and economic organization.* New York: The Free Press.

Weimer, David, and Aidan Vining. *Policy analysis: Concepts and practice.* New York: Prentice Hall.

White, Michael J., Michael Radnor, and David Tanski, eds. 1975. *Management and policy sciences in American Government.* Lexington, MA: Lexington Books.

Wiggins, Steve and Elizabeth Cromwell, 1995. NGOs and seed provision to smallholders in developing countries. *World Development.* 23 (3): 413–422.

Williamson, Jeffrey G. 1991. *Inequality, poverty and history*. Oxford: Basil Blackwell.

Williamson, Oliver E. 1975. *Markets and hierarchies*. New York: Free Press.

———. 1979. Transaction-cost economics: The governance of contractual relations. *Journal of Law and Economics* 22:233–261.

———. 1985. *The economic institutions of capitalism*. New York. Free Press.

———. 1988. The logic of economic organization. *Journal of Law, Economics and Organizations*. 4:65–93.

———. 1995. Transaction cost economics and organization theory. In *Organization theory: From Chester Barnard to the present and beyond.* Edited by Oliver E. Williamson. New York: Oxford University Press.

Wilson, James Q. 1989. *Bureaucracy: What government agencies do and why they do it*. New York: Oxford University Press.

Winrock International Institute for Agricultural Development. 1991. *Final report—Midterm evaluation of Togo rural institutions and private sector project (TRIPS) USAID project No. 693–0227*. Washington, D.C.: Winrock International Institute for Agricultural Development.

Wise, Charles R., 1990. Public service configurations and public organizations: Public organization design in the post-privatization era. *Public Administration Review* 50 (2) (March/April): 141–151.

Wolch, Jennifer. 1990. *The shadow state: Government and the voluntary sector in transition*. New York: The Foundation Center.

World Bank .1981. *Accelerated development in Sub-Saharan Africa: An agenda for action*. Washington, DC: World Bank.

———. 1989. *Sub-Saharan Africa, from crisis to sustainable growth*. Washington, D.C.: World Bank.

———. 1990. *Rural finance project*. Washington, D.C.: World Bank.

———. 1994. *Adjustment in Africa: Reforms, results, and the road ahead*. Oxford: Oxford University Press.

———. 1995. *Working with NGOs: A practical guide to operational collaboration between the World Bank and nongovernmental organizations*. Washington, D.C.: World Bank.

———. 1996a. *Participation sourcebook. Environmentally sustainable development.* Washington: D.C.: World Bank.

———. 1996b. *The role and contribution of NGOs to development effectiveness in World Bank-supported investment projects: Study design paper.* Washington, D.C.: World Bank.

———. 1997a. Emerging issues in development economics. *World Bank Policy and Research Bulletin.* 8 (4): 1–3.

———. 1997b. *World development report 1997: The state in a changing world.* Oxford: Oxford University Press

World Vision Relief and Development, Inc. 1992. *Sustainability assessment final evaluation: Ogbomoso South child survival project, Oyo State, Nigeria.* Monrovia, Calif.: World Vision Relief and Development, Inc.

Wrigley, Edward A. 1988. *Continuity, chance and change: The character of the industrial revolution in England.* Cambridge: Cambridge University Press.

Younger, Stephen D. 1989. Ghana: *Economic recovery program - A case study of stabilization and structural adjustment in Sub-Saharan Africa.* EDI Development Policy Case Series no. 1.Washington, D.C.: World Bank.

Appendixes

Appendix A

Differences in Focus among

This Dissertation, Carroll, and Esman and Uphoff

DIFFERENCES IN FOCUS AMONG THIS DISSERTATION, CARROLL, AND ESMAN AND UPHOFF

This study attempts to use a procedure made popular by Esman and Uphoff (1984) and replicated by Carroll (1992). Although both studies attempted to examine institutional features in local organizations, they concentrated on separate criteria. This study uses a similar approach as the two authors, but it examines criteria that directly relate to features of the new institutional economics.

CRITERIA		
KONUWA	**ESMAN & UPHOFF**	**CARROLL**
Environment	Task	Participation
Institutional Reform	Structure	Wider Reach
Participation	Environment	Service Delivery
Focus: Performance of intermediary and advocacy NGOs using new institutional economics	**Focus:** Performance of local organizations - rural development through local organizations	**Focus:** Performance of intermediary NGOs through horizontal and vertical linkages
Setting: Africa	**Setting**: Africa, Asia and Latin America	**Setting:** Latin America
Methodology: Multiple case studies, using 51 cases from USAID and World Bank evaluation studies. Cases were specifically selected because they met criteria inherent in New Institutional Economics.	**Methodology**: Multiple case studies, using 150 randomly selected cases from multiple sources.	**Methodology:** Multiple Case Studies, using 30 successful projects from 16 Latin American countries.

Appendix B

Rating Criteria for Performance Indicators

Rating Criteria for Performance Indicators

Overall Performance:

The ability of the nongovernmental organization to accomplish the purposes of assigned projects, including poverty relief and contribution to economic and social relief.

3 = High (outstanding performance; project implemented as designed)
2 = Medium (good performance; parts of project remained incomplete)
1 = Low (poor performance; no real success)

Service Delivery:

Beneficiary Needs and Livelihood: The quality of the goods and services meet the needs of the people it was intended to serve.

Efficiency and Effectiveness: service was implemented in a cost-effective manner and reached a substantial share of the targeted population.

Poverty Reach: Share of women and those in subsistence agriculture in the targeted population achieved measured benefits.

Scoring for the above three indicators:
3 = High
2 = Medium
1 = Low

Linkages: Organization has developed linkages to resource centers and has influence over elements of service system not covered by the project, facilitating service delivery to targeted population.

3 = High (very effective)
2 = Medium (average)
1 = Low (poor)

Environment

Per Capita Income: Per capita income estimated using official development documents; for countries in the sample, per capita income ranged from $80 to $680.

3 = High (600 +)
2 = Medium (400 - 599)
1 = Low (399 and below)

Infrastructure: Road network, communication and other structures that facilitate work of the NGO.

3 = High (favorable)
2 = Medium (neutral)
1 = Low (unfavorable)

Government Bureaucracy: the commodity role of the government, government regulations that impede or hinder work of nongovernmental organizations.

3 = High (Favorable)
2 = Medium (Average)
1 = Low (Excessive bureaucracy)

Corruption: Absence of accountability, misuse of resources for personal gain; bribery to access resources.

3 = High (low level or absence of evidence of corruption)
2 = Medium (petty thievery; no significant impact on project outcome)
1 = Low (high level of corruption)

Legal Framework/Constitutional Order: Clearly defined laws and rules that enable property rights and compliance (resources commanded by groups in NGOs are scarce, prompting members to seek to enforce property rights. See Demseth 1967).

3 = High (well defined and strong)
2 = Medium (average)
1 = Low (Poor)

Social Norms: Issues common to members of a group, like fairness and justice; heterogeneity (i.e., tribal, ethnicity; customs).

3 = High (present in NGO interaction with beneficiaries; foster achievement of project goals)
2 = Medium (present but does not hinder or improve project goals)
1 = Low (present and have negative impact on project outcomes)

Political Support: Degree of support for the NGO as indicated by public policies and provision of resources.

3 = High (active support)
2 = Medium (some support or indifference)
1 = Low (opposition)

Foreign Assistance: Involvement of Northern NGOs and foreign donors in the project; provision of resources not available from local sources.

3 = High
2 = Medium
1=Low

Participation

Beneficiary Involvement: Degree of beneficiary participation in project identification, design and implementation.

Decision-Making: Involvement of participants in shared decision-making.

Information Dissemination: Project knowledge, public awareness of client problems and policy options.

Percentage of Women:

Civic Culture: Evidence of establishing horizontal (within the group) and vertical (outside the group; the external environment) linkages.

Resource Mobilization: Beneficiary contributions to projects and equity in sharing labor and other costs within group.

Scoring for the above indicators:
3 = High
2 = Medium
1 = Low

Tasks

Claim-Making: Efforts to get government bureaucracy to deal with community problems, including provision of resources and changes in the rules; also, advocating an enabling environment for private, voluntary exchanges and decision-making.

Planning and Goal-Setting: Ability to formulate plans to address community needs.

Self-Reliance: Progress towards independence and autonomy; lessening reliance on Northern NGOs.

Scoring for the above indicators:
3 = High
2 = Medium
1 = Low

Group Creation: Depicts whether group membership is voluntary or compulsory.

3 = High (compulsory)
2 = Medium (quasi-voluntary)
1 = Low (voluntary)

Resource Management: Level of efficiency in managing resources.

3 = High
2 = Medium
1 = Low

Structure

Formalization: Written rules and regulations as opposed to adherence to norms.

3 = High (highly formal)
2 = Medium (quasi-formal)
1 = Low (informal)

Accountability: Defined appraisal process for stakeholders to judge results; transparency of decision-making and relationships.

3 = High (highly accountable to all stakeholders)
2 = Medium (accountable)
1 = Low (somewhat accountable)

Organization and Leadership: Organization structure and frequency of interaction between top managers and membership in organization.

3 = High (extensive interaction; mostly flat organization structure)
2 = Medium (marginal level of interaction; some barriers to bottoms up communication)
1 = Low (interaction mostly among "elites" in the upper echelon of organization; decision-making concentrated at the top)

Principal-Agent-Client Relationship: Contractual relationship between a principal and an agent represented by the NGO.

3 = High (defined relationship; formal contract between NGO and principal)
2 = Medium (no formal contract)
1 = Low (activities initiated by members with no accountability to others outside of the membership)

Initiative: Decision to set up NGO.

3 = shared (government and members)
2 = foreign (Northern NGO/international agency)
1 = members only

Modalities for incentives and sanctions: Indications of reward and systems of punishment for noncompliance

3 = High
2 = Medium
1 = Low

Institutional Design

Training: Incorporating human capacity building in future operations of the organization.

Sustainability/Regional Application: External benefits of NGO activities to a broader set of clientele; provides model for successful duplication in other areas;

Capacity Building: Reinforcement of systems of rewards and sanctions for compliance; move towards trends for organization learning that contribute to economic performance.

Innovation: NGO activities influence the creation of competitive markets, efficient government, secure property rights and stable macroeconomic conditions; effective institutional approaches with wider application.

Public Entrepreneurship: Government use of the NGO to foster public entrepreneurship.

Global Factors: Acknowledgment of trends towards globalization and incorporating them into organizational learning activities.

Transparency: Attempts to foster accountability and increase the moral cost of corruption with wider application.

Governance Reform: Ability of the NGO to link private, public and voluntary mechanisms in organization learning or future projects.

Scoring for the above indicators:

3 = High (outstanding efforts)
2 = Medium (average efforts)
1 = Low (marginal efforts)

Appendix C

Selected Case Summaries

1. Technoserve/Ghana (Case #41)
2. Paraketo Fisherman Association (PFA)/Uganda (Case #31)
3. Community and Enterprise Development Project/Senegal (Case #11)
4. Daraja Trust\Kenya (Case #15)
5. Community-Based Health and Family Planning Project/Nigeria (Case #12)
6. Village Oil Press Project/Tanzania (Case #7)
7. Collaborative Community Forestry Initiative for Northern Ghana (Case #13)
8. Ogbomoso South Child Survival Project/Nigeria (Case #29)
9. Ghana Registered Midwives Association Project/Ghana (Case #18)
10. L'Association des Puisatiers de la Republique du Niger (APRN)/Niger (Case #23)
11. Togo Rural Institutions and Private Sector (TRIPS) Project/Togo (Case #43)

Technoserve/Ghana (Case #41)

Project: Rural Enterprise and Food Security Project

Type: International NGO

Performance: 3.0 (high)

Source of Case: World Bank. 1990. *Evaluation report: Rural finance project.* Washington, D.C.: World Bank.

United States Agency for International Development. 1994. *Impact evaluation of PL480.* Washington, D.C.: USAID.

Description:

Technoserve is an international NGO based in Norwalk, Connecticut. It has supported development projects in collaboration with indigenous NGOs in a number of African countries. Technoserve's main emphasis is the provision of assistance and training to enterprises in the agricultural or rural sector in Africa. Two Technoserve projects in Kenya and Ghana are featured in this study.

Technoserve, like other international NGOs, maintains some working relationship with governments. The organization began operation in Ghana in 1971. It has operated a rural enterprise and food security program, encouraged non-traditional agricultural exports and, as in this case, developed activities to strengthen farm services cooperatives. The organization has historically worked with the government of Ghana through the Ministry of Rural Development and the Department of Cooperatives.

This case was based on a World Bank sponsored project to protect vulnerable groups during the initial phases of structural adjustment programs. The activities under this project included training officials of the Ghana Department of Cooperatives in business planning, financial management and credit management. Technoserve's activities in this case also involved extension services to rural small-scale sugar cane and food crops farmers, and small enterprise income-generating projects. Technoserve, as part of its work with rural farmers, also provided technical assistance and management advisory services in accounting, management, project design and project implementation to local NGOs.

Scores on NIE Performance Criteria for Technoserve/Ghana (Case #41)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	3	High; very effective
Poverty Reach	3	High; project had definite impact on the poor in rural areas
Linkages	3	High; project included work with the government and other indigenous NGOs
Environment		
Per Capita Income	1	Low; poor less developed country
Infrastructure	1	Low; few infrastructures to support project implementation
Government Bureaucracy	2	Medium; although present, afforded some benefits to NGOs
Legal Framework/ Constitutional Order	2	Medium; at time of the project, Ghana adopted a fledgling constitutional democracy

Social Norms	2	Medium; some efforts to incorporate cultural attitudes in planning and implementation
Political Support	3	High; strong collaboration with government
Civic Culture	2	Medium
Resource Mobilization	3	High; very effective at mobilizing both domestic and foreign resources in project implementation
Participation		
Beneficiary Involvement	2	Medium; beneficiaries marginally involved in planning, but were active in implementation stages
Decision-Making	2	Medium
Information Dissemination	3	High
Percentage of Women	2	Medium
Civic Culture	2	Medium
Resource Mobilization	3	High
Tasks		
Claim-Making	2	Medium; although its projects provided beneficiaries with institutional capacity to make claims on government, and in spite of its relationship with the government, Technoserve made marginal gains in redirecting government efforts to sustainable rural development
Planning and Goal-Setting	3	High; very effective
Self-Reliance	3	High; mostly result of international association
Resource Management	3	High; very effective
Structure		
Formalization	3	High; very formal
Accountability	3	High; defined lines of authority and reporting
Principal-Agent-Client Relationship	3	High; worked under contract from World Bank

Modalities for Incentives and Sanctions	2	Medium; visible within organization structure, but not extensive in association with project beneficiaries
Institutional Design		
Training	3	High; extensive training and capacity building in local NGOs and project participants
Sustainability/Regional Application	3	High; strong evidence of potential for regional duplication
Capacity Building	3	High; guidance, collaboration and multiple modes of support to project beneficiaries
Public Entrepreneurship	2	Medium; there were linkages with government, through training and management assistance that presented evidence of strong influence on the operating style of a sector of government
Governance Reform	2	Medium; same as public entrepreneurship

Paraketo Fisherman Association (PFA)/Uganda (Case #31)

Project: Capacity building in villages through fishing and diversified small-scale Industries
Type: Indigenous NGO
Performance: 1.0 (low)
Sources of Case: Association for Cooperation and Research Development. 1991. *Final evaluation report on the ACORD Uganda programmes*. London: ACORD.

Howes, Mick. 1997. NGOs and the development of local institutions: A Ugandan case-study. *Journal of Modern African Studies*, 35 (1): 17–35.

This project was sponsored by the Association for Cooperation and Research Development (ACORD), a pan-African consortium of NGOs in Uganda. It was envisaged to be a model that would be emulated by other village groups. The group was formed as a collective arrangement of villagers from the same ethnic backgrounds. Its core function was to operate a fishing business. This business later evolved into other entrepreneurial activities including credit schemes, group farming, trading, retailing and transportation. The group was initially successful with inventory turnover and rising profits. Its success was, however, undermined by misappropriation of funds by several of its wealthy members in 1994. Despite management assistance from ACORD, by 1997 the group had achieved only modest results at reviving the association to its performance level of the late 1980s.

Scores on NIE Performance Criteria for Paraketo Fisherman Association (PFA)/Uganda (Case #31)

Service Delivery		
Beneficiary Needs and Livelihood	1	Low
Efficiency and Effectiveness	1	Low
Poverty Reach	2	Medium
Linkages	1	Low; although supported by ACORD, villagers did little to benefit from opportunities provided by the consortium
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High; despite high government controls on NGOs, this did not seem to have had a significant influence on the activities of the PFA
Corruption	2	Medium; Transparency International rates Uganda in the medium range; However, the internal corruption within the organization was high
Legal Framework/ Constitutional Order	1	Low
Social Norms	3	High
Political Support	1	Low
Foreign Assistance	1	Low; although ACORD had ties to foreign sources, the efforts were largely undertaken by local villagers
Participation		
Beneficiary Involvement	2	Medium; the group was formed by villagers, but it was mostly controlled by a few wealthy or socially powerful villagers

Decision-Making	1	Low
Information Dissemination	1	Low
Percentage of Women	1	Low
Civic Culture	2	Medium
Resource Mobilization	2	Medium
Tasks		
Claim-Making	1	Low
Planning and Goal-Setting	1	Low
Self-Reliance	2	Medium
Group Creation	3	High
Resource Management	1	Low
Structure		
Formalization	1	Low; informal
Accountability	1	Low
Organization and Leadership	1	Low
Principal-Agent-Client Relationship	1	Low
Initiative	3	High
Modalities for Incentives and Sanctions	1	Low
Institutional Design		
Training	1	Low
Sustainability/Regional Application	1	Low
Capacity Building	1	Low
Public Entrepreneurship	1	Low
Governance Reform	1	Low

Community and Enterprise Development Project/Senegal (Case #11)

Project: Capacity building through training and loan schemes

Type: Indigenous and International

Performance: 3 (High)

Source of Case: United States Agency for International Development. 1992. *Community and enterprise development project/PVO component—A.I.D. evaluation summary.* Washington, D.C.: USAID.

This was an umbrella project that had two components: (a) bringing together eight local and indigenous NGOs to strengthen the capacity of village organizations to carry out development projects and (b) assisting small-scale enterprises to carry out self-sustaining and profitable business activities. This case is based on the first component under which eight NGOs provided credit and training to 57 village organizations, generating 114 local subprojects and providing 246 loans to villagers.

The project demonstrated that a group of NGOs with similar orientations can work together to deliver goods and services to rural communities. The program succeeded in training villagers and operating loan schemes that resulted in an overall 65 percent recovery rate. This result was achieved in spite of the inherent complexity of implementing umbrella projects with multiple partners and levels of intervention and design flaws that did not specify coherent project objectives, clarity of roles and relationships.

Scores on NIE Performance Criteria for Community and Enterprise Development Project/Senegal (Case #11)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	3	High
Poverty Reach	3	High
Linkages	3	High; involved close collaboration with the government of Senegal and a consortium of NGOs
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High; the bureaucracy, however, facilitated the efforts of the consortium
Corruption	2	Medium
Legal Framework/ Constitutional Order	2	Medium; Senegal was one of few African nations with a fledgling democracy at the time of the project in 1990
Social Norms	3	High; utilizing indigenous NGOs was crucial to understanding village norms and traditions. For example, although women were generally excluded from economic activities, the project was able to increase women participation in training and business activities
Political Support	3	High
Foreign Assistance	3	High
Participation		
Beneficiary Involvement	3	High
Decision-Making	2	Medium
Information Dissemination	3	High

Percentage of Women	1	Low
Civic Culture	3	High
Resource Mobilization	3	High
Tasks		
Claim-Making	3	High
Planning and Goal-Setting	2	Medium
Self-Reliance	2	Medium; the training and capacity building activities provided a basis for independence in village organizations
Group Creation	2	Medium
Resource Management	3	High
Structure		
Formalization	3	High; very formal
Accountability	3	High
Organization and Leadership	2	Medium; design flaws at times negatively impacted the accomplishment of program objectives. Inter-agency coordination was not adequately addressed in the program design
Principal-Agent-Client Relationship	3	High; USAID project involved eight agents—NGOs—undertaking activities for village clients
Initiative	2	Medium
Modalities for Incentives and Sanctions	3	High
Institutional Design		
Training	3	High
Sustainability/Regional Application	3	High
Capacity Building	3	High
Public Entrepreneurship	3	High
Governance Reform	3	High

Daraja Trust\Kenya (Case #15)

Project: Loan scheme to rural dwellers

Type: Indigenous

Performance: 2 (Medium)

Source of Case: United States Agency for International Development. 1988. *Evaluation report—Kenya rural enterprise project.* Washington, D.C.: USAID.

The Daraja Trust project provided loans to rural dwellers in the Nakuru area, 100 miles northwest of Nairobi. Its loans supported 26 clients in 15 agricultural businesses and 11 non-agricultural businesses (tailoring, block making, and bakeries). Some of the clients had other jobs and used the loans to develop businesses on the side. In some cases, loan recipients hired managers to run the businesses. Loan applicants were screened according to criteria that included recommendations from three sources: previous credit record, security in the form of title deeds, and ability to repay loans.

A relatively small portion of Daraja Trust's potential target group was reached by the loans advanced. Moreover, clients were not typically the poorest entrepreneurs, but those who were better off. Repayment problems in the loan program suggested minimal business success and, consequently, poor employment and income generation. Compounding the issue of poor business performance was Daraja Trust's inability to properly administer its loans. Daraja Trust recovered only about 60 percent of repayments due.

A five-member board of directors and four employees operated Daraja Trust since its founding in 1980.

Scores on NIE Performance Crite::a for Daraja Trust\Kenya (Case #15)

Service Delivery		
Beneficiary Needs and Livelihood	1	Low
Efficiency and Effectiveness	2	Medium
Poverty Reach	1	Low
Linkages	1	Low; there was limited contact with other agencies and the government
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High
Corruption	2	Medium
Legal Framework/ Constitutional Order	2	Medium
Social Norms	3	High
Political Support	1	Low
Foreign Assistance	2	Medium; assistance from the International Institute for Development, a United States-based Christian organization
Participation		
Beneficiary Involvement	1	Low
Decision-Making	1	Low
Information Dissemination	1	Low
Percentage of Women	2	Medium
Civic Culture	3	High
Resource Mobilization	1	Low

Tasks		
Claim-Making	1	Low
Planning and Goal-Setting	2	Medium
Self-Reliance	1	Low; all of Daraja's funds came through the Institute for Development. There was no indication that the organization could be self-sustaining through its projects
Group Creation	2	Medium
Resource Management	1	Low
Structure		
Formalization	3	High
Accountability	2	Medium
Organization and Leadership	2	Medium
Principal-Agent-Client Relationship	3	High
Initiative	2	Medium
Modalities for Incentives and Sanctions	1	Low
Institutional Design		
Training	1	Low
Sustainability/Regional Application	1	Low
Capacity Building	1	Low
Public Entrepreneurship	1	Low
Governance Reform	1	Low

Community-Based Health and Family Planning Project/Nigeria (Case #12)

Project: Health Delivery and Family Planning

Type: Indigenous

Performance: 3 (High)

Source of Case: Center for Population and Family Health. 1984. *Lessons learned in the Oyo State community-based health and family planning project.* Irvington, N.Y.: Columbia University Press.

This project was designed to demonstrate and test the effectiveness of providing low-cost rural health and family planning services through trained community volunteers who are directly supervised by health personnel from governmental facilities. The project was established in 1982 under the auspices of the Nigerian government in Oyo State. Four additional areas in Oyo State were added the following year as the government's Ministry of Health joined the University of Ibadan in sponsoring the project.

The project significantly increased the health services rendered to the rural population. Before the Community Based Health Project was introduced in the state, only 36 percent of rural dwellers had utilized any government health service. This figure was doubled in the second year of the operation of the project.

The project used traditional birth attendants (indigenous midwives) to integrate family planning with basic health services. This allowed health providers to introduce the touchy subject of child spacing and family planning to villagers.

The government's interest in the project grew after villagers in the region indicated that the project was valuable.

Although the program achieved significant positive outcomes, its dependence on volunteer workers created problems for effective supervision. The project directors reported difficulties in maintaining the commitment and motivation of volunteers.

Scores on NIE Performance Criteria for Community-Based Health and Family Planning Project/Nigeria (Case #12)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	2	Medium
Poverty Reach	3	High
Linkages	3	High
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High
Corruption	3	High
Legal Framework/ Constitutional Order	1	Low; constitution was suspended under a military regime
Social Norms	3	High
Political Support	3	High
Foreign Assistance	1	Low
Participation		
Beneficiary Involvement	3	High
Decision-Making	2	Medium

Information Dissemination	3	High
Percentage of Women	3	High
Civic Culture	3	High
Resource Mobilization	3	High
Tasks		
Claim-Making	3	High
Planning and Goal-Setting	2	Medium
Self-Reliance	3	High
Group Creation	2	Medium
Resource Management	3	High
Structure		
Formalization	2	Medium; not very formal
Accountability	2	Medium
Organization and Leadership	2	Medium
Principal-Agent-Client Relationship	2	Medium
Initiative	3	High
Modalities for Incentives and Sanctions	1	Low
Institutional Design		
Training	3	High
Sustainability/Regional Application	3	High
Capacity Building	3	High
Public Entrepreneurship	3	High
Governance Reform	2	Medium

Village Oil Press Project/Tanzania (Case #7)

Project: Increase access to affordable cooking oil through oilseed pressing technology

Type: International

Performance: 3 (High)

Source of Case: Johnson-Welch, Charlotte and Daniel Whelan. 1996. *Making oilseed presses work for women: ATI's projects in Tanzania and Zimbabwe.* Washington, D.C.: Appropriate Technology International.

Village Oil Press Project. 1994. *Quarterly Progress Report: Oct.-Dec. 1994.* Arusha, Tanzania.

Appropriate Technology International (ATI) developed the Village Oil Press Project (VOPP) in conjunction with the Government of Tanzania to increase cooking oil availability to rural areas. The project used a refined and less expensive oil press developed at the University of Tanzania to replace labor intensive and time-consuming traditional processing methods.

Funding for the project was principally provided by ATI, with additional financial support from the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA), and the Lutheran World Relief.

The multiple goals of VOPP were to establish and promote village oil production units throughout Tanzania; to develop local manufacturing capability of ram presses; to work with local and national organizations in Tanzania to promote use of the ram press among sunflower producers; and to give special emphasis to establishing oil production units that were owned and operated by women. To increase women's access to the press, VOPP used funds to establish a loan-purchase mechanism, which enabled buyers to buy presses with a 50 percent down payment and the promise of repaying the balance within six months.

Four field managers, two men and two women, implemented the project. By 1994, four years after the project was initially launched, 1,371 ram press enterprises had been established in more than 1,000 Tanzanian villages. Seventy-six additional presses were sold to other organizations outside Tanzania.

Women owned 40 percent of the presses. This was significant in a society where women were largely marginalized. Three factors give rise to this involvement by women: (a) changes in the design of the presses that made them lighter and less difficult to maintain, (b) the introduction of credit programs that benefited potential women press owners and (c) women field managers who were more sympathetic to women's issues.

Scores on NIE Performance Criteria for Village Oil Press Project/Tanzania (Case #7)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	3	High
Poverty Reach	2	Medium; although the project was successful in reaching the poor, the percentage of the poorest groups represented by women was disproportional.
Linkages	2	Medium
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low

Government Bureaucracy	3	High
Corruption	2	Medium
Legal Framework/ Constitutional Order	2	Medium
Social Norms	3	High
Political Support	2	Medium
Foreign Assistance	3	High
Participation		
Beneficiary Involvement	3	High
Decision-Making	2	Medium
Information Dissemination	3	High
Percentage of Women	2	Medium
Civic Culture	3	High
Resource Mobilization	3	High
Tasks		
Claim-Making	2	Medium
Planning and Goal-Setting	3	High; the concentration on a three-pronged approach to include women received encouraging support from financial foreign sources, which enabled the subsidization of the presses and their availability to the poor. Beyond 1998, follow-on—incorporating the customs and norms in goal-setting—was salient to the success of the program
Self-Reliance	2	Medium; the project privatization of these services might generate price increases on both the producer and consumer, mostly affecting the most economically constrained—women. The project, however, has anticipated this occurrence. In the next phase, which goes past 1998, it will set the sales prices to reflect the sellers' inclusion of services and a sales margin. It is not certain how this strategy will reduce women's—and poor men's—vulnerability to price changes
Group Creation	2	Medium

Resource Management	3	High
Structure		
Formalization	3	High
Accountability	3	High
Organization and Leadership	3	High
Principal-Agent-Client Relationship	3	High
Initiative	3	High
Modalities for Incentives and Sanctions	2	Medium
Institutional Design		
Training	3	High; the project has a training component in business promotion and developing high quality staff
Sustainability/Regional Application	3	High; the project has integrated sustainability issues by creating a Regional Oils Project; by improving and maintaining the technical integrity of the press from country to county through quality controls; by developing partnerships with governments and other NGOs; and by strengthening project staff skills through training and sharing experiences.
Capacity Building	3	High; local capacity has been built to provide the other inputs that are part of the overall oil-pressing subsector, such as press manufacturing, maintenance and repair, and the provision of credit services.
Public Entrepreneurship	2	Medium; the project is a true public/private partnership that has allowed the government of Tanzania to provide vital services through private entities and individuals at the grass-roots level.
Governance Reform	2	Medium; the partnership reduces the role of government in the macroeconomy, limits bureaucratic controls, and establishes a feature of governance based on participation

Collaborative Community Forestry Initiative for Northern Ghana (Case #13)

Project: Forestry and Food Security Involving Local NGOs

Performance: 3 (High)

Source of Case: Burwell, Bruce, William Helin and Jennet Robinson. 1992. *Evaluation of the collaborative community forestry initiative for Northern Ghana.* Washington, D.C.: United States Agency for International Development.

This project was a collaborative endeavor among international donor agencies, the government of Ghana and local NGOs to establish community nurseries for the purpose of tree plantings and food security in Ghana's Northern and Upper Regions.

The project was preceded by design and planning workshops that within the development community raised awareness of issues facing the natural resource sector in Northern Ghana, provided technical information on agroforestry and watershed management, and devised plans for implementation of the natural resources initiative. The project was initiated in 1988. The evaluation that formed the basis of this case was completed in 1992.

The project succeeded in establishing 11 nurseries that produced a wide variety of tree species. Several nurseries produced more than 20 different species. Every site also outplanted seedlings and experienced high survival rates although the planting configurations varied considerably from site to site.

The Collaborative Community Forestry Initiative (CCFI) designed a three-stage model that was dynamic and flexible. They included (a) the establishment of infrastructure, (b) training and (c) development of self-reliance.

The main feature of the first stage was the establishment of a tree nursery capable of producing a designated number of seedlings.

During the second stage, extensive training was conducted at each level within the community. A CCFI Community Committee consisting of two NGOs—Amaschina and Adventist Development Relief Agency—the government of Ghana, USAID and the Peace Corps, received training in management and business techniques.

The goal of the third stage was aimed at developing self-reliance in the beneficiary communities. This stage, which was still on-going at the time this evaluation report was written, involved the withdrawal of all the non-local participating organizations as each community became capable of operating and sustaining its own nursery enterprise.

This project was defined by its successful use of collaborative mechanisms that included the formation of partnerships between the public, private and civic society. It demonstrated that a variety of funding mechanisms could be combined to get a project started. It also showed how teamwork in planning activities, a hallmark of participation, improved the project outcome.

The project defined the role of each participant, so that it was possible to rearrange, and even replace, team members as necessary. This was evident when an NGO, the Catholic Relief Service, decided to withdraw from the project because it did not fit its operational profile. Its role as "project holder" was immediately assumed by another NGO, the Adventist Development Relief Agency.

Scores on NIE Performance Criteria for Collaborative Community Forestry Initiative for Northern Ghana (Case #13)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	3	High
Poverty Reach	3	High
Linkages	3	High
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High
Corruption	2	Medium
Legal Framework/ Constitutional Order	2	Medium
Social Norms	3	High
Political Support	3	High
Foreign Assistance	3	High
Participation		
Beneficiary Involvement	2	Medium
Decision-Making	2	Medium
Information Dissemination	3	High
Percentage of Women	2	Medium
Civic Culture	2	Medium
Resource Mobilization	3	High
Tasks		
Claim-Making	3	High
Planning and Goal-Setting	3	High

Self-Reliance	2	Medium
Group Creation	2	Medium
Resource Management	3	High
Structure		
Formalization	3	High
Accountability	3	High
Organization and Leadership	3	High
Principal-Agent-Client Relationship	3	High
Initiative	2	Medium
Modalities for Incentives and Sanctions	2	Medium
Institutional Design		
Training	3	High
Sustainability/Regional Application	3	High
Capacity Building	3	High
Public Entrepreneurship	3	High
Governance Reform	3	High

Ogbomoso South Child Survival Project/Nigeria (Case #29)

Project: Early childhood health care for children in Oyo State

Type: International and Local

Performance: 2 (Medium)

Source of Case: World Vision Relief and Development, Inc. 1992. *Sustainability assessment final evaluation: Ogbomoso South child survival project, Oyo State, Nigeria.* Monrovia, Calif.: World Vision Relief and Development, Inc.

This project was funded by USAID to allow the international NGO, World Vision Relief and Development, Inc., to provide health services for children in Oyo State, Nigeria. Under the project, the children received treatment for common illnesses such as diarrhea, malaria and minor ailments. Working with the Nigerian Ministry of Health, the project established community-based health committees to manage the daily community health activities, mobilize community members for the project and set prices for essential drugs.

The project succeeded in implementing several immunization programs against target diseases, increasing community access to prompt treatment, and reducing the complication of febrile convulsion, which claimed the lives of many children prior to the onset of the project.

The lack of logistical support, finance and a premature decision to pass responsibility to local government officials undermined some of its success and the sustainability of the project.

Scores on NIE Performance Criteria for Ogbomoso South Child Survival Project/Nigeria (Case #29)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	2	Medium
Poverty Reach	2	Medium
Linkages	3	High
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High
Corruption	3	High
Legal Framework/ Constitutional Order	1	Low
Social Norms	3	High
Political Support	2	Medium
Foreign Assistance	3	High
Participation		
Beneficiary Involvement	2	Medium; accomplished through the establishment of village health committees and village health workers
Decision-Making	2	Medium
Information Dissemination	2	Medium
Percentage of Women	2	Medium
Civic Culture	3	High
Resource Mobilization	2	Medium

Tasks		
Claim-Making	3	High
Planning and Goal-Setting	2	Medium
Self-Reliance	1	Low
Group Creation	2	Medium
Resource Management	2	Medium
Structure		
Formalization	3	High
Accountability	3	High
Organization and Leadership	2	Medium
Principal-Agent-Client Relationship	3	High
Initiative	2	Medium
Modalities for Incentives and Sanctions	1	Low
Institutional Design		
Training	2	Medium
Sustainability/Regional Application	2	Medium
Capacity Building	2	Medium
Public Entrepreneurship	2	Medium
Governance Reform	1	Low

Ghana Registered Midwives Association Project/Ghana (Case #18)

Project: Increase Access to Quality Family Planning Services and Information through Private Midwives.

Type: Local (Indigenous)

Performance: 3 (High)

Source of Case: United States Agency for International Development. 1991. *Private Sector Midwives and Family Planning Project: AID Evaluation Summary.* Washington, D.C.: USAID.

This project was supported by the United States Agency for International Development (USAID) and aimed at developing capacities in the self-sustaining private sector, groups like midwives, to provide family planning and other child survival services to their clients. Other sponsors of the project included the American College of Nurse-Midwives (ACNM), the Johns Hopkins University/Population Communication Services (JHU/PCS) and the Ghana Ministry of Health.

The project succeeded in establishing a national secretariat for the Ghana Registered Midwives Association, providing eight basic family planing training workshops for 207 midwives and promoting the association's services to a broad audience in what is known as the Ghana Social Marketing Program.

Midwives trained under this project are now providing family planning services to women not reached by other providers. The project also changed the image of the Ghana Registered Midwives Association from what was perceived as a sorority to an internationally respected professional organization which now actively promotes and provides support for the professional advancement of its members.

The association has succeeded in institutionalizing the monitoring of family planning, prenatal and delivery services.

Scores on NIE Performance Criteria for Ghana Registered Midwives Association Project/Ghana (Case #18)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	2	Medium
Poverty Reach	3	High
Linkages	3	High
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High
Corruption	2	Medium
Legal Framework/ Constitutional Order	2	Medium
Social Norms	3	High
Political Support	2	Medium
Foreign Assistance	3	High
Participation		
Beneficiary Involvement	2	Medium
Decision-Making	1	Low

Information Dissemination	3	High
Percentage of Women	3	High
Civic Culture	3	High
Resource Mobilization	3	High
Tasks		
Claim-Making	3	High
Planning and Goal-Setting	3	High
Self-Reliance	2	Medium
Group Creation	3	High
Resource Management	3	High
Structure		
Formalization	2	Medium
Accountability	2	Medium
Organization and Leadership	2	Medium
Principal-Agent-Client Relationship	2	Medium
Initiative	3	High
Modalities for Incentives and Sanctions	2	Medium
Institutional Design		
Training	3	High
Sustainability/Regional Application	3	High
Capacity Building	3	High
Public Entrepreneurship	2	Medium
Governance Reform	2	Medium

L'Association des Puisatiers de la Republique du Niger (APRN)/Niger (Case #23)

Project: Improving food production through gardening and water resource management

Type: Local

Performance: 2 (Medium)

Source of Case: United States Agency for International Development. 1992. *How does your garden grow: An inquiry into NGO promotion of dry season agriculture in Niger.* Washington, D.C.: USAID.

This project was implemented by a group of village well diggers who formed a business enterprise to address the high demand for water in Niger. The group organized an independent NGO to carry out their trade apart from foreign NGOs.

APRN has the distinction of being the first national NGO registered in Niger. The difficulty they faced in 1987 in trying to deal with reluctant government officials was only matched by the reluctance of donors to support the untried formula of a nongovernmental Nigerien agency.

APRN works closely with rural people involved in gardening. The negotiated contributions of the gardeners are usually sand and gravel for cement, labor for digging, food and lodging for the mason, transport of materials from a central stocking point and a cash payment of about $15 for each meter of well dug. Total materials and management cost of the wells is about $150 per meter. The group installs an average of 50 wells per year.

APRN has also diversified its operations to include fencing. Fences are in high demand from gardeners who must constantly ward off cattle from their land. The fences have also decreased tensions between herders and gardeners. APRN manufactures the fences at a cost that is 50 percent less than imported fencing.

APRN and other NGOs in Niger have faced tight government controls and restrictions. During the democracy movement in French speaking African countries in the 1990s, Nigerien authorities loosened some of the restrictions, and more than 40 indigenous NGOs received official recognition. APRN, in spite of its profitable operations, lacks the resources and effective organizational structure to adequately implement development activities.

Scores on NIE Performance Criteria for L'Association des Puisatiers de la Republique du Niger (APRN)/Niger (Case #23)

Service Delivery		
Beneficiary Needs and Livelihood	3	High
Efficiency and Effectiveness	2	Medium
Poverty Reach	2	Medium
Linkages	1	Low; minimal collaboration with government or other NGOs
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High
Corruption	2	Medium
Legal Framework/ Constitutional Order	1	Low; the government was a military regime for most of the APRN's existence
Social Norms	3	High
Political Support	1	Low
Foreign Assistance	1	Low

Participation		
Beneficiary Involvement	2	Medium
Decision-Making	1	Low
Information Dissemination	2	Medium
Percentage of Women	1	Low
Civic Culture	3	High
Resource Mobilization	2	Medium
Tasks		
Claim-Making	1	Low
Planning and Goal-Setting	2	Medium
Self-Reliance	3	High
Group Creation	3	High
Resource Management	2	Medium
Structure		
Formalization	1	Low; informal
Accountability	1	Low
Organization and Leadership	2	Medium
Principal-Agent-Client Relationship	1	Low
Initiative	2	Medium
Modalities for Incentives and Sanctions	1	Low
Institutional Design		
Training	1	Low
Sustainability/Regional Application	1	Low
Capacity Building	1	Low
Public Entrepreneurship	1	Low
Governance Reform	1	Low

Togo Rural Institutions and Private Sector (TRIPS) Project/Togo (Case #43)

Project: Increase rural incomes by increasing and diversifying agricultural output.

Type: International

Performance: 1 (Low)

Source of Case: Winrock International Institute for Agricultural Development. 1991. *Final report—Midterm evaluation of Togo rural institutions and private sector project (TRIPS) USAID Project No. 693-0227.* Washington, D.C.: Winrock International Institute for Agricultural Development.

The goal of the Togo Rural Institutions and Private Sector (TRIPS) project was to increase rural incomes by increasing and diversifying agricultural output. The purpose was to expand the participation of Togolese private sector institutions in agricultural and rural financial markets. These institutions included indigenous NGOs and producer groups. The project was funded by the United States Agency for International Development (USAID) and implemented by the international NGO, Cooperative for American Relief Everywhere, International (CARE).

The project aimed at introducing appropriate technology and credit to bring about increased farm output. This, in turn, aims to stimulate formation and growth of off-farm small and micro-enterprises involved in agricultural marketing and product processing. It was assumed that this synergy of NGOs involved in farm and off-farm enterprises would stimulate sustained economic growth. As part of this project, a credit mechanism was introduced whereby CARE increased credit to local NGOs to induce farmers to adopt innovations.

The project failed in its attempt to build capacity in indigenous NGOs as the number of groups working with care declined over the course of the implementation period. Application of new3technologies failed to provide any measure of growth. As a result, the micro-enterprise component failed also. The project was also unsuccessful in complementing a savings-driven, rural-credit mechanism.

CARE had an ambitious methodology, but its project design did not include the participation of villagers in identifying priorities. It also did not limit or define a scope of action that matched those of indigenous NGOs participating in the project.

Scores on NIE Performance Criteria for Togo Rural Institutions and Private Sector (TRIPS) Project/Togo (Case #43)

Service Delivery		
Beneficiary Needs and Livelihood	1	Low
Efficiency and Effectiveness	1	Low
Poverty Reach	1	Low
Linkages	3	High
Environment		
Per Capita Income	1	Low
Infrastructure	1	Low
Government Bureaucracy	3	High

Corruption	2	Medium
Legal Framework/ Constitutional Order	1	Low
Social Norms	3	High
Political Support	3	High
Foreign Assistance	3	High
Participation		
Beneficiary Involvement	1	Low
Decision-Making	1	Low
Information Dissemination	2	Medium
Percentage of Women	1	Low
Civic Culture	1	Low
Resource Mobilization	3	High
Tasks		
Claim-Making	1	Low
Planning and Goal-Setting	2	Medium
Self-Reliance	2	Medium
Group Creation	2	Medium
Resource Management	3	High
Structure		
Formalization	3	High
Accountability	3	High
Organization and Leadership	2	Medium
Principal-Agent-Client Relationship	3	High
Initiative	2	Medium
Modalities for Incentives and Sanctions	1	Low

Institutional Design		
Training	2	Medium
Sustainability/Regional Application	1	Low
Capacity Building	2	Medium
Public Entrepreneurship	1	Low
Governance Reform	1	Low