Sida

Avd för Demokrati och
Social Utveckling
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BUILDING CAPACITY THROUGH

DEVELOPMENT COOPERATION -

SOME REFLECTIONS

*"The views expressed are those of the author and
do not necessarily reflect the views of Sida"*

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- SOME REFLECTIONS**

The importance of well functioning institutions
for political, economic and social development is
hardly questioned today. Institutional development
is high on the agenda of most agencies, including
Sida. Some reflections are made in this paper on
how this agenda has been translated into
programmes of development cooperation. At the same
time an attempt is made to illustrate how the
understanding of the concepts of capacity
development and institutional development has
changed as more experience has been gained.

1. Institutional development in theory and practice.

Institutions, in the sense of recurrent patterns
of socially valued behaviour, provide the
necessary stability of human behaviour. How
institutions can support a wider process of
development has always been of concern to social
scientists and to economists. In some contexts,
traditional institutions for social interaction
has been seen as necessary for the development
process in others they have been seen as an
obstacle to modernization.

Some economists have focused on the importance of
institutions in the sense of a stable set of
formal and informal rules that regulate economic
transactions. For example, it has been argued that
property rights and contract arrangements have to
be clear, stable and generally accepted. Otherwise
there can not be a functioning market.

Participation in the political process will not
come about without clear rules and a normative
framework that supports the formation and
stability of organizations participation in public
life. A culture of democracy has to be created.

Hence, it has been argued that institutional development should be part and parcel of a process towards democracy and good governance.

At the practical level, organizations like Sida pay increasing importance to the development of institutions and/or to capacity development within all sectors.

In that context, the two terms are used as almost synonomous with organizational development. The emphasis on organizational development stems mainly from the fact that development cooperation programmes in all sectors have been seriously hampered by weak and deteriorating partner organizations. The agenda for organizational development includes redefinition of the objectives and structure of the organization as well as management and staff development. In most cases the focus is on improvement of the internal efficiency of the organization.

The dramatic changes that have taken place in many countries over the last decade, politically and economically has affected the role and function of these partner organizations in a profound way. It is no longer possible to draw a line between improvement of the internal efficiency of the organization and the very role that this organization is expected to play in the process of transformation from one party states to a more pluralistic society or from centrally state planned economy towards a market economy. The agendas of democratization and good governance include issues of the role of key institutions in the public sector i.a. the legal system. There are questions about decentralization and participation in decision making at the local level and the evolution of independent organizations, media etc. outside the public setor.

This is reflected also in Sida. A programme of development of key institutions within the public sector has evolved over the last 15 years. It covers support to the development and transformation of key State institutions, including reformation of the legal system, decentralization and support to local government.

It may be useful at this point to look back to see how Sida has arrived at such a wide interpretation of institutional and capacity development.

2. Capacity development as a question of education and training.

For a long time, capacity development was synonomous with training. Training was the principal task of Swedish experts. At the same time Sida gave support to vocational training and higher education programmes for staff who would replace the foreign experts.

Sida stated then that "technical assistance personnel, in addition to carrying out essential functions in developing countries, shall transfer knowledge and skills which are lacking at present." Competence was understood as an asset which existed in industrial countries. It could be transferred in the same way as capital.

Experience showed however that competence development is a more complex process. First, competence has to be actively acquired rather than passively received. Secondly, the dynamism of the learning process has to come from within the organization rather than from outside. Hence, the concept of "transfer of knowledge" was replaced by "competence development". This new term implied that learning takes place in an exchange process between equals. Both partners have important contributions to make. Swedish experts were asked to act more as catalysts in a process of change.

At the same time Sida invested in formal education and training programmes.

It was clear from the outset that this gradual shift of strategy would work only if other basic conditions existed. Experience showed that many experts were placed in closed and hierarchical structures that were not ready for the kind of creative work and exchange of experience that SIDA had envisaged. Experience also showed that a group of competent individuals do not necessarily constitute an efficient organization.

Hence the focus shifted towards organizational development. The agenda included administrative practices, management styles and management training. In most cases such programmes are organized as twinning arrangements with a Swedish sister organization.

Twinning arrangements have many advantages in comparison with the recruitment of individual experts. They ensure continuity at the same time as they allow for flexibility within a broad programme for cooperation between the two organizations. Twinning arrangements also have

their limitations. In periods of rapid change in the environment of the organization these arrangements may maintain the old structure rather than adjust to it. Also, there has been a tendency for the stronger partner to take over the initiative and to drive the process. Therefore the question of roles and responsibilities of the two partners is crucial to the success of the programmes.

3. Education and democracy.

In parallell with the support given to different forms of training, there has been another trend. Priority has been given to basic education and training since the beginning of the 1970s. Such support has been seen as a cornerstone of long term capacity development in the more narrow sense of the term. The reason is that basic education is necessary as preparation for further education and training.

More importantly, education for children and adults is intrinsically linked to the democratization of society, as an end in itself and as a means towards participation in the democratic process.

Education has many facets. They are cultural, social and economic. It can not and should not be reduced to its economic function i.e. to prepare for work in organizations inside or outside the public sector.

Institutional development in the education sector is not only a matter of staff training for the Ministry of Education or improvement of its internal efficiency. Nor can the discussion be confined to a matter of education and training preparing for work in other organizations.

In this period of change, it is also a matter of transformation of the education system as an institution in its widest sense i.e. the basic values on which it is based, the policy framework and the capacity of the Ministry of Education to implement the policy. Only when all these aspects are taken can it be a vehicle for the democratization of societies. To what extent organizations such as Sida should be involved in the different elements of this process is another question that will be left aside here.

4. Concluding comment.

This paper has illustrated the need for a broad approach to capacity and institutional development. The agenda includes basic values and policies, the legal framework and improvement of the internal efficieny of organizations. Training is only one component of a process of organizational development.

This way of reasoning also applies to the strengthening of democratic institutions. Such programmes have all the facets illustrated above. Once, the stage has been set, it is up to Sida to discuss with its partners what supportive role it can play. Some of the approaches and the experiences have been described in the paper. This area of cooperation is receiving increased attention and is evolving fast. It is also very complex. It is important that the experience of others is discussed and shared. It is hoped that this paper can make a contribution to the sharing of experience.

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