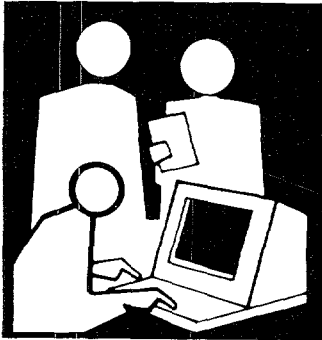


10 938

POVERTY AND SOCIAL POLICY SERIES

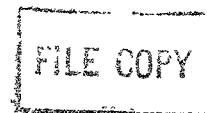


PAPER NO. 1

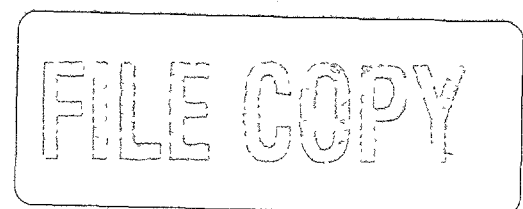
PROGRAM DESIGN AND IMPLEMENTATION

# Reducing Poverty

*An Institutional Perspective*



**Lawrence F. Salmen**



# Poverty and Social Policy Series

## Editorial Board

### Chairman

Ismail Serageldin  
Director  
Africa Technical Department  
World Bank

### Members

Ramesh Chander, Statistical Adviser, World Bank  
Dennis de Tray, Research Administrator, World Bank  
Yves Franchet, Director General, Statistical Office of the European Communities  
Ravi Kanbur, Editor of *World Bank Economic Review* and *World Bank Research Observer* and Senior Adviser, Poverty and Social Policy Division, Africa Technical Department, World Bank  
Gabriel Kariisa, Chief Economist, African Development Bank  
F. J. C. Klinkenberg, Director, Directorate General for Development, Commission of European Communities  
Jacques Loup, Coordinator of Assistance to Developing Countries, United Nations Development Programme  
E. M. Morris-Hughes, Unit Chief, Women in Development, Poverty and Social Policy Division, Africa Technical Department, World Bank  
F. Stephen O'Brien, Chief Economist, Africa Region, World Bank  
Graham Pyatt, Professor of Economics, University of Warwick  
Paul P. Streeten, Director, World Development Institute, Boston University  
Victor E. Tokman, Director, Employment and Development Department, International Labour Office  
R. van der Hoeven, Senior Adviser, International Labour Office

### Editor

Michel Noël  
Chief  
Poverty and Social Policy Division  
Africa Technical Department  
World Bank

### Managing Editors

Marco Ferroni  
Senior Economist  
Poverty and Social Policy Division  
Africa Technical Department  
World Bank

Christiaan Grootaert  
Senior Economist  
Poverty and Social Policy Division  
Africa Technical Department  
World Bank

POVERTY AND SOCIAL POLICY SERIES  
PAPER NO. 1

*Program Design and Implementation*

# *Reducing Poverty*

## An Institutional Perspective

*Lawrence F. Salmen*

The World Bank  
Washington, D.C.

Copyright © 1992  
The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433, U.S.A.

All rights reserved  
Manufactured in the United States of America  
First printing July 1992

The findings, interpretations, and conclusions expressed in this publication are those of the authors and do not necessarily represent the views and policies of the World Bank or its Board of Executive Directors or the countries they represent. The World Bank does not guarantee the accuracy of the data included in this publication and accepts no responsibility whatsoever for any consequences of their use.

In order to present the results of research with the least possible delay, the manuscript has not been edited in accordance with the procedures appropriate to formal printed texts, and the World Bank accepts no responsibility for errors.

The material in this publication is copyrighted. Requests for permission to reproduce portions of it should be sent to the Office of the Publisher at the address shown in the copyright notice above. The World Bank encourages dissemination of its work and will normally give permission promptly and, when the reproduction is for noncommercial purposes, without asking a fee. Permission to copy portions for classroom use is granted through the Copyright Clearance Center, 27 Congress Street, Salem, Massachusetts 01970, U.S.A.

The complete backlist of publications from the World Bank is shown in the annual *Index of Publications*, which contains an alphabetical title list (with full ordering information) and indexes of subjects, authors, and countries and regions. The latest edition is available free of charge from the Distribution Unit, Office of the Publisher, Department F, The World Bank, 1818 H Street, N.W., Washington, D.C. 20433, U.S.A., or from Publications, The World Bank, 66 avenue d'Iéna, 75116 Paris, France.

ISSN: 1014-9783

Lawrence F. Salmen is senior social scientist in the Poverty and Social Policy Division, Africa Technical Department, World Bank.

#### **Library of Congress Cataloging-in-Publication Data**

Salmen, Lawrence F., 1942–

Reducing poverty : an institutional perspective / Lawrence F. Salmen.

p. cm.—(Poverty and social policy series ; no. 1)

Includes bibliographical references.

ISBN 0-8213-2129-3

1. Economic assistance—Developing countries. 2. Non-governmental organizations—Developing countries. 3. Poor—Developing countries.

I. Title. II. Series.

HC60.S153. 1992

362.5'8'091724—dc20

92-16370

CIP

# Foreword

Over 200 million Africans today live in wrenching poverty. If present trends continue, their number could more than double over the next twenty years. Making sure that this does not happen is the overarching objective of the World Bank and the international community in Africa.

Reducing poverty in the continent will require a broad-based strategy that addresses poverty both as an economic and as a social phenomenon. In particular, four key elements are on the critical path to effective poverty reduction in the continent.

*First*, effective poverty reduction will depend on the success of the macroeconomic reform programs presently being undertaken in the continent to generate growth, and to spread the benefits of that growth to the poor. *Second*, poverty reduction programs must aim at removing the social barriers that prevent the poor from effectively participating in socioeconomic activity. *Third*, with food security seriously threatened or still fragile in most countries of the continent, ensuring access for all people to adequate food at all times is critical to achieve poverty reduction. *Fourth*, with women constituting the majority of the poor in Africa, effective poverty reduction will depend on programs aimed at enabling women to secure their economic and social rights.

To reverse the rising tide of poverty in the continent we must go beyond conventional approaches and pur-

sue a social policy agenda aimed at meeting the needs and aspirations of the poor in Africa. Ultimately, social policy encompasses a more holistic view of development, but six key elements will be at the core of our social policy agenda for poverty reduction in Africa.

*First*, macroeconomic policies to ensure growth and growth in incomes, and to redistribute income from the rich to the poor;

*Second*, public action to ensure access of the poor to adequate food at all times;

*Third*, public action to ensure access of the poor to physical and financial assets and social services;

*Fourth*, programs to protect the poor against hardships due to seasonal income fluctuation, drought, or macroeconomic shocks;

*Fifth*, programs to promote the participation of the poor, in particular women, in socioeconomic choices that affect their lives; and

*Sixth*, programs to remove discrimination against specific social groups, particularly women.

This series will report progress and experience in all six areas. I encourage every reader's active participation in the series and the work it reports on. It is meant to be a forum not only to exchange ideas but more importantly, to advance the cause of sustainable and equitable growth in Africa.

Edward V. K. Jaycox  
Vice President, Africa Region



# *Table of Contents*

**Executive Summary 1**

**Introduction 3**

**1. Learning Process 5**

**2. Demand 7**

Education 7

Population, Health, and Nutrition 8

Water and Sanitation 9

**3. Organizational Implications 11**

Intermediation 11

Organizational Pluralism and Competition 12

Demand as "Voice" 13

NGOs 16

Catalysts and Training 17

**4. Operational Implications 20**

The Learning Stance 21

Staffing 22

**References 24**

## **Boxes**

1. Yemen Arab Republic Second Education Project 9

2. Financing Universal Primary Education: The Korean Experience 14

3. Malawi Rural Water Supply Project 15

4. World Vision: The Menaka Integrated Development Project (Mali) Creating Motivation for Environmental Preservation 18

### **Acknowledgements**

The author is grateful for the collaborative assistance received by several colleagues. In particular, Paige Eaves and Leila Zlaoui, both consultants to the World Bank, provided most helpful assistance throughout the writing of this paper. Special thanks go to David Leonard, Professor, University of California at Berkeley, who made useful contributions to the writing of Chapter 3.



# *Executive Summary*

This paper was originally prepared as part of a larger World Bank effort to assess the institutional aspects of development, particularly regarding public sector management. For this reason much of its message is directed towards the Bank. It is because this message also has content relevant to an understanding of development processes that the paper, in revised form, is now being published for an audience beyond the World Bank.

The Bank's central operating paradigm, this paper maintains, is the "miracle of the market"—those who need goods and services offer prices that stimulate others to supply them. This principle of demand organizes service delivery to the rich and powerful, whose purchasing power or connections stimulate those services that interest them.

People-oriented service organizations are usually supply-driven providers that try to induce clients to consume what is judged to be good for them. Experience suggests that poverty-reduction efforts would be more successful if they were energized more by demand than supply. To this end, the Bank would do well to begin viewing the poor less as beneficiaries, passively receiving government largesse, and more as customers who they can help enable to pay the costs—with their time, labor and capital—for what the beneficiaries see will better their own lives.

Rather than collecting only data and statistics, the Bank and its borrowers are beginning to understand and support the informal institutions through which poor people act. Successful use of qualitative tech-

niques, such as focus group interviews, social marketing, beneficiary assessment interviews, and participant observation are described in this paper.

This paper also recommends development assistance to nurture a "thickening social web" of nongovernment organizations (NGOs) including, for example, community associations, cooperatives, church groups, and peasant leagues. This assistance translates into increased use of local personnel—including local independent consultants (individually or through NGOs and research institutions)—to understand the grassroots realities that Bank staff have difficulty mastering in several two- or three-week missions a year.

In staffing, there is no substitute for exposure to the poor if the goal is to understand poverty and what might be done about it. Some aspects of poverty defy objective analysis—for example, the fear of debt that arises from insecurity about unstable employment and earnings, and the importance of the family in shaping school attendance rates and family planning decisions. Practical ways to provide this exposure to operational staff include sabbaticals geared to increasing Bank staff experience with poverty conditions and activities, and allowing more exploratory time during project identification to do reconnaissance work off the beaten path.

The combination of attention to informal institutions—the culture of the poor—and formal institutions—which, through intermediation, may increase the poor's opportunities for self-advancement—leads to a sustainable approach to poverty reduction.



# Introduction

Poverty reduction is generally considered synonymous with development (Karaosmanoglu, 1989). The absolute poor, those with income-per-person too low to afford 2,250 calories per day and thus at risk of poverty-induced undernutrition, were estimated for Asia, excluding China, Japan and the Middle East, at 393 million, or 40 percent of the population in 1980 (Lipton, 1988). Figures for much of Sub-Saharan Africa (SSA), and parts of Latin America, Northeast Brazil and several Andean countries, would be similar or represent even greater percentages of national or regional groups. Development which does not reduce poverty would leave close to half the developing world poor.

High as the numbers are, the poor are often unseen; if seen, they are rarely understood by development agencies. Effective poverty reduction must be based on a thorough understanding of the poor, as former World Bank President Barber S. Conable said, "as people, not statistics."<sup>1</sup> Peoples' lives are not revealed by quantitative expression; the life of a poor person has far more dimension than can be gleaned from calorie intake or disposable income figures. Human life entails such crucial matters as security, freedom from harassment, and dignity (Chambers, 1988).

If poverty reduction is to reach the majority of the developing world, poor people must be recognized and must become part of the solution rather than regarded only as the problem. Development institutions must catalyze the energies of the poor to increase their opportunities for self-fulfillment. The commitment to understand, serve and involve the poor provides the poor with the means to help themselves. In order to do this, the institutions, both formal and informal, through which the poor work must be strengthened.

Institutions, although even less visible and concrete than poverty, represent a continuing challenge for work in development. Institutions have been defined as "complexes of norms and behaviors that persist over time by serving collectively valued purposes" (Uphoff, 1986). Institutions are either formal organiza-

tions, from the national (Ministry of Finance) to the local (community association), or informal. The latter, lacking organizational structure, are subtle and elusive. They include such permeating aspects of life as the family, the law and religion. These social institutions often determine and characterize prevalent patterns of behavior and can become key components of change. This form of institution is particularly pertinent to poverty-oriented development because the poor are not as apt to be part of or come into contact with formal organizations as are the affluent and secure. A key challenge of poverty reduction is to penetrate the institutional web of the poor, which encompasses legal and religious practices, the role of the family and its effect on child rearing and education in order to assist the poor in achieving what they consider to be a better life. This would entail an interplay between formal institutions—public, private and voluntary, non-governmental organizations (NGOs)—and informal, cultural institutions. The goal of this poverty-oriented institutional development would be "to release the energies of ordinary people by enabling them to take charge of their lives" (World Bank, 1989d).

The institutional focus of this paper, in regard to the poor as necessary actors in development, is best seen in the context of the Bank's evolving approach toward poverty reduction. During its first two decades the Bank tended to equate development with economic growth. The primary goal of Bank activities was to increase the aggregate growth rate of its borrowers. Benefits from growth were supposed to trickle down to all members of society through employment creation and increased production of goods and services.

By the early 1970s, an increasing concern with poverty had been generated by the apparent failure of the trickle-down strategy for development. Despite some impressive achievements in aggregate terms, the process of economic growth, as it occurred in many developing countries, bypassed the poor and even worsened their conditions in some cases. Two compet-

ing approaches for poverty alleviation were then developed and provided the intellectual underpinnings of the Bank's subsequent dealings with poverty issues. These were Redistribution with Growth (RWG), and Basic Human Needs (BHN) (Ayres, 1983).

The first, RWG, aimed at increasing the productivity, incomes, and output of the low income groups to increase their welfare. Four different alternative strategies for improving the welfare of low income groups were identified:

- maximizing the growth of gross national product;
- redirecting investment to poverty groups;
- redistributing income or consumption to poverty groups; and
- transferring existing assets to poverty groups.

The favored strategy was the second, involving investment redirection toward the poor.

The other approach, BHN, in its simplest form, involved targeting and addressing the core basic needs of the poor—food, housing, and health—through external development assistance. The BHN approach never prevailed at the Bank. Instead, the income-productivity-output approach associated with RWG remained the thrust of the World Bank's dealings with poverty issues over the 1970s.

The economic turbulence of the late 1970s and early 1980s—oil shock, interest rate shocks, and declining terms of trade—increased the Bank's concern with unsustainable macroeconomic imbalances, economic efficiency issues, and debt. It is largely in the context of correcting economic imbalances and restoring sustainable growth that a new approach to poverty alleviation has grown. This approach, as sketched in a recent World Bank report on Structural Adjustment and Poverty, involves:

- investing in human capital, thereby providing a basis for greater participation by the poor in growth;
- increasing the access of the poor to productive assets, which get them on to "income escalators;"
- raising the returns on the assets of the poor;
- promoting remunerative wage-employment; and
- empowering the poor in society through mobilizing their talents in community projects<sup>2</sup> (World Bank, 1989c).

While work on new policies to tackle poverty issues is well under way at the Bank, implementation strategies are not always equally developed. One strong theme emerging from a review of Recent World Bank

Poverty Studies is the need to make special efforts to reach the poor (World Bank, 1989b). In most instances poor people are not automatically consulted in public programs and services, nor in market and input delivery systems. The studies were consistent in their suggestions to tailor institutional delivery to meet the requirements of local populations, yet few were precise about the practical ways to do so. This present paper aims at bridging the gap between design and implementation of poverty alleviation strategies.

This paper specifically addresses two issues that have plagued the implementation and sustainability of poverty-oriented projects:

- inappropriate project design due to a lack of understanding of beneficiary populations resulting in their apathy or rejection of project components and
- difficulty in reaching poor people through traditional formal organizational arrangements (World Bank, 1988b).

To overcome the first obstacle to the implementation of poverty reduction projects, the paper calls for a learning-process approach to poverty alleviation allowing for mutually reinforcing interaction between the institution(s) promoting change and the environment being changed. One key method espoused involves beneficiary assessment, an inquiry into the beneficiaries' perceptions, needs and wants during the preparation, design and implementation of the project. At the preparation and design stages the inquiry would make it likely that the project would conform to the felt needs, values, and behavior of beneficiaries. During implementation, beneficiary assessment would be used as a project monitoring tool for adapting projects to changes in the environment.

The second issue—how to tailor institutional delivery to reach the poor and meet their requirements—favors institutional pluralism or interlocking formal and informal institutional networks to reach the poor through the most effective and appropriate institutional arrangements. Project designs can draw from line agencies, local communities, NGOs, and private organizations to achieve their poverty alleviation goals. The paper concludes with a discussion of the operational implications of these two issues.

## Notes

1. Address to the World Bank Board of Governors. September 26, 1989: 3, 13. 2.

2. This last factor is clearly only a partial view of empowerment.

# 1. *Learning Process*

Human behavior is unpredictable, in particular, that of the poor with their less known ways of life unclear to the outsider. Since there are no reliable theoretical models of behavior from which to deduce policy, a learning-by-doing approach to poverty reduction is the best method. This entails the adoption of mechanisms that provide an understanding—through feedback—of the effects of actions on the intended beneficiaries. The poor have established complex and sometimes very sophisticated institutions and methods for survival, such as, intricate cropping patterns in rural areas and informal market systems in urban areas. Development interventions work best when they attempt to learn from and incorporate these socio-economic factors in an iterative way, adapting progressively to the environment of the poor.

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

The learning process takes place over time, evolving out of a blend of beneficiary and program personnel perspectives in relation to development activities and the institutions supporting them. Learning to be effective, efficient, and to expand in key phases of this process are identified by David Korten (Korten and Klauss, 1984) (Rondinelli, 1983). One case which illustrates the value of the learning-process approach is a project in rural Colombia cited by Albert Hirschman. This project was diverted from its original objectives because of a misunderstanding of the peoples priorities. However, when these misconceptions were realized, the project came to achieve its first goals. An NGO near Cartagena set out to provide literacy training to peasants and agricultural laborers. These people, however, were more concerned with gaining title to

land, forming cooperatives, and pressuring authorities for needed public works. The NGO helped the farmers with these issues. Then, the farmers felt they were ready for a school, not for themselves but for their children and not only for the normal academic curriculum but for practical matters as well (Hirschman, 1984). By learning from and with the people, and through openness and willingness to change direction, the NGO in Colombia followed a learning process and achieved a successful project.

The learning process allows for reinforcing interaction between an agency promoting change and the environment being changed. This environment is composed of formal and informal institutions. Where the Bank has taken the time to understand this institutional environment at the outset and over time through the use of experimental and pilot programs, poverty reduction efforts have been enhanced.

One such project was the pilot credit operation in the province of Khemisset, Morocco, which led to a tripling of deposits and savings by women. This increase was brought about through an experimental program of the Bank-supported National Agricultural Credit Bank of Morocco (CNCA), which for the first time disaggregated clientele by sex, employing highly qualified female staff to communicate program benefits to potential female borrowers in the pilot area. Learning from this experience, a new project is being developed with the CNCA which will expand this female-oriented credit program to other regions in the country. One institutional lesson learned is that in addition to CNCA providing credit, NGOs should be involved in the training of women for cooperatives and artisanal industries as NGOs are more adept at this task than the more centralized Credit Bank.

The learning process requires constant feedback during project implementation to allow for the necessary adaptation of the project to its environment over time. This feedback should come at least in part from a process of evaluation or monitoring which provides

the management information needed for adaptation purposes.

In this respect, a 1985 Operations Evaluation Department (OED) report found that of 223 projects only 135 provided for monitoring and evaluation. Of these, at completion, 104 projects had information on these components: 16 were found by OED to have performed well in monitoring and evaluation. In 47 cases, performance was judged to be poor (World Bank, 1985a). A review of monitoring and evaluation of population projects done at about the same time found performance on monitoring to be less than satisfactory (Chester, 1985). Monitoring and evaluation in education projects was recently found to be "very weak" (Middleton, Terry and Bloch, 1989). In those few cases where good monitoring and communication systems were in place and program changes were made, project performance was high. Educational programs in Senegal, Bangladesh and Ethiopia have all benefited from close, hands-on monitoring by managers via frequent, intensive visits to schools (Verspoor, 1989). The Bank could clearly improve the effectiveness of that part of the learning process which comes from low cost, useful and timely monitoring and evaluation.

While direct communication between managers and intended beneficiaries is to be encouraged, it will rarely be comprehensive or systematic enough to provide the needed depth or breadth of information. Recognizing this, the involvement of third parties, social scientists or trained, practical observers, will be essential to the learning process.

A number of research methods now in practice can enhance operationally oriented learning. These include rapid rural appraisal developed by Robert Chambers and colleagues at the Institute of Development Studies, University of Sussex (International Institute for Environment and Development, 1988); social feasibility analysis, relating project implementors to intended beneficiaries, promoted notably by Bank consultant Heli Perrett for sanitation projects (UNDP, 1983); process documentation, developed at the Institute of Philippine Culture, Ateneo de Manila University as part of the learning process approach for the National Irrigation Administration (NIA) of the Philippine Government (Veneracion, 1989); and beneficiary assessment developed under the auspices of the World Bank and applied to date on 31 projects in 20 countries of all four regions covering six sectors: agriculture; population, health, and nutrition; urban; education; industry; and energy (Salmen, 1989). Each of these methods, while distinct, aims at providing useful information about project environment, particularly beneficiaries, quickly and at low cost: each is far more concerned with understanding a process as it unfolds and providing germane feedback than with measuring impact.

To bear on poverty reduction, the learning process must incorporate the perspective of the poor. Qualitative research, which "depends on watching people in their own territory and interacting with them in their own language, on their own terms," (Kirk and Miller, 1986) will bring the poor beyond the abstractions of statistics. The front-line learner, the interviewer or observer should "set out to show how social action in one world makes sense from the point of view of another" (Agar, 1986). More important than the particular academic training of the person interfacing with the intended beneficiary is an empathetic frame of mind.

A Bank-supported agricultural project in central Zaire called *Projet Maïs du Kasai Orientale* (PMKO) provided improved seed and fertilizer to poor farmers to increase the production of corn. This project was considered one of the Bank's best agriculture projects in Zaire. A beneficiary assessment was carried out to obtain feedback from farmers to help in the design of a follow-up, second project then being considered. NGOs were chosen to conduct the assessment to provide an impartial viewpoint. The only NGOs in the area were small religious orders, all indigenous persons, most of whom had worked in social activities, health and education, in the villages for many years. The farmers had established more rapport and trust with these nuns and priests than with the project's extension workers. After conducting conversational interviews with representative farmers from the two major areas affected by the project, the NGOs found that the major concern of the farmers was the poor condition of roads which prevented getting their produce to market; they could sell only to middlemen who could afford vehicles and who pocketed the bulk of the profits. The realization that transportation was uppermost in the farmers' minds rather than the improved seeds or fertilizer, the major inputs of this project, would probably not have come from a survey done by staff of an international agency; validity required the neutrality and close rapport provided by the NGOs. This type of information can be most useful in designing agriculture programs more responsive to the perceived needs of poor farmers.

The modesty inherent in the learning process approach could be seen as ill-suited to large development organizations. Yet given the complexity of poverty reduction, it is wise to move carefully, in an experimental mode. The tests and failures are in the field, where the action is. Useful learning for development comes from seeing the effects of action on peoples lives. We now turn toward the learning of what makes people move and how to support and facilitate this motion.

## 2. Demand

Successful poverty-oriented programs are carried out by institutions that provide services in response to soundly assessed demand. But demand, particularly that of the poor, is inadequately understood and improperly linked to supply in development work. Because the poor have little purchasing power, they are peripheral to the structured market economy with which so much development thinking and activity is concerned. The demand of poor people for goods and services is tightly interwoven with their non-organizational institutions. Money alone cannot be used to demonstrate demand. The proper understanding of the poor's demands requires a sound assessment of institutional forces lying outside the formal marketplace. Parental attitudes regarding schooling, the number of children parents desire and their predisposition to planning for this number, the importance of rural water and sanitation and the commitment to apply communal self-help to them, these are all illustrative of demand-related institutional issues.

The Bank's central operating paradigm is the "miracle of the market." Most of the policies and projects that the Bank promotes assume that the market is highly efficient at allocating goods and services and motivating their supply. Yet most of the Bank's work with people-oriented service organizations contradicts this. The market is driven by demand. Those who need goods and services offer prices that stimulate others to supply them. The principle of demand already organizes service delivery for the well-to-do and powerful. They use their purchasing power or connections to secure and motivate those services that interest them. On the other hand, people-oriented service organizations are generally supply-driven providers which try to induce clients to consume that which is judged to be good for them. Experience suggests poverty-reduction efforts would be enhanced if they were energized more by demand rather than supply.

### Education

The number of literate and numerate people in the developing world is far too small. Yet these skills are essential to development. In most low-income countries fewer than 60 percent of those who start primary school complete the cycle; many attend only two or three years. One of the three major reasons for the 100 million children being out-of-school is "lack of parental demand" (World Bank, 1989a). In addition, most institutional innovations, particularly in vocational and technical education, "failed to meet with the anticipated social demand, resulting in low enrollments..." (Middleton, 1986). Clearly, demand assessment and demand mobilization are not carried out to adapt educational supply to the needs and desires of the people, mostly poor, who remain ill-equipped to become actively engaged in their own development.

In 1988 a combined team of professionals from the Ministry of Education of Mali and the Institut Malien de recherches appliquées au développement (IMRAD), a local consulting firm, spent one month living in villages in four regions representing differing degrees of primary school attendance (which averaged 15 percent for rural areas of the country). This work was done as part of the design of a major policy reform project supported by the Bank and other donors. This beneficiary assessment found that the demand for education among rural parents was so low because they felt the costs of their children attending school outweighed the benefits. The costs were associated with the distance, an average of eight to nine kilometers from village to school, the expenses of feeding, and in some cases lodging the children while at school and the opportunity cost of not having the children to help with the farm work. The benefits of school were outweighed by the costs in part because of the quality of the school, both in curriculum and physical conditions, was not appreciated and because school was no longer a gateway to employment in the public sector (as these jobs are no longer available) or in the private

sector, which is too weak to offer opportunities for educated youth. Many young Malians without education emigrate and send or bring back far more money than their compatriots who have stayed in school earn upon graduation.

This beneficiary assessment in Mali, the first done for the education sector of the Bank, cost roughly US\$20,000 and took six months to execute, from the selection of team members to the submission of final reports. As a result of this assessment, the project will now subsidize the cost of school lunches and mount an information campaign aimed at demonstrating the importance of literacy and numeracy skills to the selection of seeds and fertilizer appropriate for better crops. The Education Ministry's research staff, who had never before used qualitative, participant-observer methods, now plan to use this approach on 50 percent of their research, starting with the monitoring and evaluation of the Bank-supported education project.

Sound project identification based on assessment of demand may detect and incorporate community-based institutions into a project which both translate and generate demand for desired objectives. The Yemen Arab Republic Second Education Project, with the help of a catalyst-consultant who helped garner support in the villages, worked through Local Development Associations to foster literacy and vocational training and other adult education courses wanted by the communities (see Box 1).

The demand for education may also be enhanced by improving the quality of service provided. Government may intervene positively by fostering competition among diverse service providers, or schools. The government of Chile did just this by devolving responsibility from the central Ministry to the country's 327 municipalities and through introducing a voucher system by which fiscal resources are transferred to both public and private schools that want to provide free education on the basis of payments per student enrolled. Given the importance of teacher/student ratios to both cost and quality of education, schools were limited to 45 students per class. Inasmuch as non-fee-charging private schools had previously received government support of roughly 50 percent of that received by public schools, this voucher system enabled these private entities to compete effectively with municipal schools without charging tuition. Fee-charging schools, for the affluent, are not entitled to receive vouchers, thus targeting this system to poorer households. Largely as a result of this system, enrollment for private schools more than doubled between 1980 and 1986. This Chilean voucher system, through enhancing competition among private and public schools, increased the quality of education available to the poor. Such competition is clearly contextual and would work more effectively in Latin America, for instance, than in generally poorer Sub-Saharan Africa.

Institutions in Chile, where primary school enrollment is close to 100 percent, were more responsive to qualitative aspects of demand, the desire for better education, as opposed to the more quantitative demand concerns, the goal of increased school attendance, exemplified by institutions in Mali and Yemen Arab Republic (Castenada, 1989).

### Population, Health, and Nutrition (PHN)

It is regularly pointed out in Bank reports and elsewhere that the poor are the hardest group to reach with health services and, by implication, the hardest to understand because they are distant—physically, culturally and socio-economically—from health service personnel and government agencies (Heaver, 1988). Health ministries are reported to have little grasp of or commitment to gaining an understanding of the demand of the poor for health services. Partly as a consequence of these factors, by the end of fiscal year 1988, only five PHN projects had analyzed the demand for and use of existing health services and of attitudes and practices of individual clients and health personnel<sup>3</sup> (World Bank, 1988a; World Bank, 1988c). But as with education, there are feasible ways to address the assessment and generation of demand in the PHN sector which incorporate multi-institutional approaches.

A beneficiary assessment done for the design of a PHN project in Lesotho in 1990 showed the reasons for low demand for health and family planning services. One concern underlying this assessment was to determine why the villagers did not go to the village health worker (VHW), the ministry of Health's local emissary, for advice, initial treatment, or referral. The use of family planning services was low compared to neighboring countries like Zimbabwe and Botswana, and the number of new acceptors not increasing as rapidly as expected. A team of three local interviewers, under the supervision of a local medical anthropologist and sociologist-consultant, spent two months in and around three villages. Among other things, they found that villagers went to traditional health practitioners (TPs) instead of the VHW in large part because the former was seen to have curative skills, often using herbal remedies, whereas the VHW, trained in preventive health, lacked any curative abilities. There was widespread ignorance and misunderstanding about family planning. Twenty-five percent of women interviewed believed that family planning caused sickness, IUD's were understood to get lost and circulate through the body, and contraception was perceived as causing a dilution of mothers' milk. As a result of this assessment, village health workers are now provided simple curative remedies such as aspirin and the traditional health workers are given preventive health training and incorporated into the national health system.



### Box 1. Yemen Arab Republic Second Education Project

The Basic Training Scheme in YAR's Second Education Project was a successful attempt to address the needs of rural communities. Previous attempts at skills training had taken the more traditional approach of constructing vocational schools near urban areas. The Bank's subsequent discovery of the existing network of Local Development Associations led to a community-led program which ultimately provided literacy training, vocational training, and other adult education in rural areas. Plans included construction of four District Training Centers and establishment of a Basic Training Fund of \$1 million for LDA-generated development projects.

The program's demand-oriented approach was a key to its success. Beneficiaries were incorporated into the identification process, primarily through the efforts of a consultant who travelled from village to village discussing the project's objectives and generating local support.

Institutional linkages were designed to support communication from villages to the national level. Community councils identified training needs and submitted proposals to district councils, which oversaw activities of District Training Centers. Composed of community council representatives and chaired by provincial governors, district councils used the pro-

posals in determining DTC support activities and budget. The National Board, at which LDAs are represented by their national Federation, controlled overall policy, budget allocations, and disbursement of the Basic Training Fund. This decentralized approach meant that DTC programs could be constantly adapted to meet local needs. With the demonstrable efficacy of a community-oriented approach, government representation on the district councils and National Board became less a control mechanism and more a symbol of the venture's collaborative nature.

The degree to which the program fulfilled existing unmet demand is evident in enrollment increases: participation increased from 2,200 in 1979/80, to 10,000 in 81/82, to 15,000 in 82/83. Enrollments in all skill categories showed dramatic increases, and drop-out and failure rates were only 6 percent. Sustainability of existing efforts and expansion plans depends on the continuing recruitment of instructors with relevant skills (a problem throughout), and resource mobilization.

*Sources: Project Performance Audit Report: Yemen Arab Republic Second Education Project, May 1984. Supervision reports and other documents from the Correspondence Files. Interviews with Bank staff.*

A different approach to increasing effective demand which goes beyond assessment to generation and response is that of the Ministry of Public Health of Thailand through a health card system in rural areas. Starting in 1983, health cards were sold at a modest price, less than average household health expenditures for mostly private care, allowing rural households a number (usually eight) of visits for curative, treatments and unlimited visits for preventive treatment such as maternal and child health care and immunizations. Cardholders must enter the health system at a local health center; entry to hospitals is by referral from these lower-level facilities only. But once admitted, cardholders receive prompt attention avoiding waiting time. Thai villagers have responded to this card system enthusiastically; over 50 percent have bought cards since the system began.

In the absence of other rural risk coverage, the Thai card system has, through linking local to regional facilities, increased the demand for health services, preventive as well as curative. As with the voucher system in Chile this card system reaches beyond demand to increase the autonomy of suppliers and to raise capital to finance more and better services. In responding to a perceived but previously unrealized demand for health coverage, an especially acute need in times of crisis, this card program should improve

health conditions for the people of rural Thailand (Akin, Birdsall and de Ferranti, 1987).

### Water and Sanitation

The water and sanitation sub-sector appears to be one where supply and technological considerations have prevailed over demand concerns to the detriment of the health and well-being of many in the developing world. The provision of water involves costly infrastructure in which economic and engineering thinking may well dominate; demand may be (wrongly) assumed. Sanitation, also technology-laden, to be effective must become a part of customary practices (institutions); demand may well be misunderstood. As the rural water supply and sanitation sub-sector relies increasingly on relatively unfamiliar community management, and as those responsible for providing urban water and sanitation face the need to differentiate services to an increasingly diverse population, issues of demand will become increasingly important.

The demand for water and sanitation services among the poor, and their willingness to pay for these services, are often underestimated by development planners. In the Bank-supported Recife Metropolitan Development Project, both Government officials and local project managers said the people living in the slums would not pay even a small percentage of the

cost of the improved latrines proposed in the project. Bank personnel thought otherwise and so, it turned out, did the people. A series of conversational interviews with a small sample of 30 households who lived adjacent to or near the few demonstration-improved latrines showed that all were willing to pay something (averaging two percent of the minimum salary); almost all felt they would be charged for this service anyway. As a result of this survey further confirmatory investigation was made and the project built 3,000 latrines with partial cost recovery.

In the Northeast Thailand Project, funded by the U.S. Agency for International Development, it was assumed that poor people would pay little for improved water supply. Consequently, inexpensive hand pumps were installed. Five years after project inception, most of the pumps were not working. Assuming the difficulty to be technological, (over-difficult maintenance, and an inability of poor villagers to pay for improved water supplies), the project provided motor pumps for piped water at communal standpipes. After another five years only 35 percent of these motorized pumps were in good working order. The problem was again attributed to complex technology and inability to pay.

Gradually, however, it became apparent that the main problem was not the capabilities of the villagers, but the fact that the service being offered was not what they wanted. They did not want hand pumps, which were not considered any significant improvement over the commonly used rope and bucket. Only water piped to yard taps could meet the people's aspirations, as the time saved collecting water and the apparent high quality of the service were thought to be worth paying for (Briscoe and de Ferranti, 1988).

Similar to the Bank-supported Urban Development Project, in Guayaquil, Ecuador (Salmen, 1987) project designers in Thailand had underestimated the importance of understanding and responding to demand for quality water supply. Here, the project provided the yard taps with users paying the full cost of the connection. Another five years later 90 percent of the system was functioning reliably and 80 percent of the people were served by yard taps. Economic benefits were realized: timesaving, gardening and livestock raising. The system had extended distribution to previously unserved areas.

An understanding of the values and behavior of the poor leads to an improved understanding for how institutions, local and external, may respond to their demands with appropriate services. One well-known case in Bangladesh is the Grameen Bank which was begun in 1976 in one village by an economist, Muham-

mad Yunus, who set out to relearn economics from the vantage point of the poor. Grameen has capitalized on the force of peer pressure by requiring borrowers to be groups of five persons who serve to guarantee each others repayment in the absence of collateral. Grameen has brought out the potential of people's organizations by assembling five to ten groups into "centers." These centers, in turn, fulfill social objectives: ending dowries and child marriage, improving diet and sanitation, and encouraging family planning (Uphoff, 1986). By 1991, after 15 years of operation, the Grameen Bank was helping roughly 900,000 borrowers, 82 percent of whom were women, none of whom had access to credit from the regular banking system of Bangladesh. Grameen now operates out of over 400 branch offices in 8,000 villages (out of 68,000) of the country (Yunus, 1988).

Grameen's loans, averaging roughly US\$70 each, have gone to the landless poor who make up almost half of the rural households in this largely rural nation. In two and a half years, per capita income among Grameen borrowers increased 35 percent, and additional employment was generated. Grameen's recovery rate was 97 percent, which compares most favorably to the 27 percent average repayment rate for the country's private banks (Tendler, 1987). Grameen has a very effective and innovative outreach system through which a dedicated, young cadre of "bankers on bikes" go out into the villages making loans, collecting payments and acting as catalysts, both motivating and servicing people by understanding their needs and capabilities (Uphoff, 1986).

The Grameen experience illustrates how the learning process approach led to an understanding of local institutions and demands which, in turn, allowed for the creation of new institutions which met the social and economic needs of the poor. Starting with experimentation in one and then a few villages, learning by listening and observing the people at work and at home, Grameen discovered that community relations were strong and that a major unfulfilled need was credit. Grameen formalized the informal communal bonds into small groups and introduced peer pressure as a replacement for collateral thereby providing access to the formal institution of credit (at the favorable terms offered to the more affluent members of society). The larger centers of 5 to 10 groups also created by Grameen are community organizations, local institutions built initially around credit but also providing many social needs.

## Note

3. The five are Tamil Nadu Nutrition, Indonesia Nutrition, Peru I, Bangladesh III, and Ethiopia.

### 3. *Organizational Implications*

Institutions are central to sustainable and beneficial economic growth. They create the policies, mobilize and manage the resources, and deliver the services which stimulate and sustain development. Growth and prosperity are unlikely to be maintained if the institutions which guide them are dysfunctional. Institutional development concerns the creation of organizational competencies and values that are functional to development. And if development is to be accompanied by poverty reduction, those organizational competencies and values must also be attuned to the needs of the poor.

A wide array of organizations affect the condition of the poor. Many (such as finance ministries) neither have poverty as a part of their formal mandate nor work directly with poor clients. Such organizations are not addressed in this paper. Instead we are concerned with the institutional condition of those organizations whose functions demand that they work directly with a mass clientele, whose behavior they frequently aim to modify. Most, but not all organizations, are designated in the Bank as belonging to the "social sectors" (even though they may not be concerned with the delivery of social services). Such organizations working directly with the poor include those concerned with health, education, and credit and extension to small agricultural producers and entrepreneurs. The organizations to be addressed include both governmental and private ones. This category includes both commercial and non-governmental organizations (NGOs).

These poverty-oriented organizations are engaged in low-specificity (low-technology and people-oriented) activities. The effective functioning of this kind of organization requires high priority on the part of developing country governments as well as a recognition that their needs and characteristics differ markedly from the high-specificity (technologically advanced) institution. Key among these special attributes are openness to a constantly changing operational environment, simplification of institutional

needs, and the quality (utility) of communication to and from clients/beneficiaries and suppliers (Israel, 1987). Given the difficulties inherent in large, centralized development agencies meeting these criteria, it will often be advisable to explore the use of intermediary organizations which serve as brokers between development agencies and their client, beneficiary populations.

#### **Intermediation**

These considerations of learning and demand are radically new for the World Bank, for its lending methodology is based on the commitment of substantial sums for fixed and lengthy periods of time through a contract-like agreement. Project appraisal reports are not often adapted to the learning process approach. As the Bank and other donors have recognized this problem they have increasingly adopted a "wholesale" approach, lending to an intermediary organization which in turn makes small grants to endeavors getting under way. One example is the Emergency Social Fund (ESF) in Bolivia.

While the ESF in Bolivia was created to redress grievances arising out of major dislocations caused by the economic crisis and corrective adjustments, its major lasting developmental impact may well have been to strengthen Bolivia's institutional response to poverty reduction. The Fund has channeled roughly US\$30 million in three years, largely for employment-generation activities (such as: street paving, irrigation, self-help housing); increasingly the Fund supported social assistance projects (health posts, day care centers, school lunch programs) which were expected to have more lasting effects. Because the Fund was well-administered, fast, and responsive to initiatives from local institutions (Government, private-for-profit and NGOs), it channeled more money to more poor people with wider coverage throughout the nation, reaching areas hitherto untouched by any government program, than had ever been done by any single agency

in Bolivia's history. The institutional acumen of ESF can be seen in several aspects of its operations:

- its demand orientation—by responding to proposals written for and with communities by local governmental agencies or NGOs, the Fund ensured that projects would be adapted to local preferences and needs;
- through the incorporation of small businesses, often in construction-related activities, the Fund activated this segment of the private sector in an otherwise stagnant economy, giving experience in social projects which many managers said (in a beneficiary assessment) that they would strive to use in subsequent work; and
- NGOs came to work together with Government as a result of the ESF experience as they never had before; what began as a stand-off due to years of mistrust between NGOs and Government (spilling over to the Bank as well), after this successful trial period, became a positive complementarity, leading to increasingly strong NGO-government partnerships throughout the country.

The ESF is not a substitute for Bolivia's line ministries. Yet it has acted as a catalyst to its strengthening in a number of ways. First it has shown that the poor can be reached, quickly and responsively, with a minimum of red tape (the staff of the Fund is a relatively lean 87). While this may not impress some regular government bureaucrats, who earn far less than senior Fund managers, it may serve to motivate others. And examples have already been reported where communities have referred to the positive experience with the ESF in conversations with line ministry personnel. Second, it has provided a model of how the center may support local institutions; this appears to have influenced these bureaucracies to increasingly reach out and down to incorporate these local groups, particularly NGOs, into their planning and project activities. Finally, and this is no minor matter is an impoverished nation such as Bolivia (after Haiti the poorest country in the hemisphere), the ESF has demonstrated that government programs that reach the poor—in a soundly reformed economy—attract substantial foreign assistance.

Thus, the intermediation approach holds tremendous promise. However, it is important to remember that these intermediary organizations themselves have to go through a learning process as they discover what their real priorities should be and develop a methodology for this work. Large loans for intermediation should be made only to organizations that have already demonstrated appropriate competence and commitment. New or restructured intermediary organizations should themselves be treated as experiments only deserving trial financing.

## Organizational Pluralism and Competition

Experience shows that the operation of the learning process as a method of selecting organizations for survival and growth works better where conditions allow a plurality of competing organizations. When there is only a single organization performing a critical function in an area, one will feel constrained to keep it in existence, even when it is doing poorly. Such organizations survive, although frequently patched-up and with leaders often becoming more careless in their management as they come to recognize that they are frequently blamed but never punished.

In addition to avoiding the risks and breaking the power of monopoly, a plurality of organizations also introduces competition and the added incentive and information which comes with it. It is difficult to judge whether an organization is doing as well as it could given the circumstances in which it is operating. Extremely good and detailed information has to be combined with quite sophisticated means of judgment and experience if such a determination is to be made on a single case. But, if several organizations are operating in the same environment, a comparative judgment of relative quality is easier to make, even from the outside. Competition thus provides consumers and suppliers with an efficient source of information and allows them to apply incentives to the organization's leaders.

The Kenya Tea Development Authority applied this competitive principle to the management of its tea factories with great effect. Each factory was made an independent cost center and detailed performance and cost records were kept for each factory separately. The published figures on which factory commanded the highest prices on the London tea auctions were powerful incentives to managers to improve the quality of production. Other figures showed which factories were costing the most to run per pound of tea produced, another incentive factor. Detailed cost figures were not published but were used by top management to explain the more general cost figures, enabling them to take local anomalies into account and to identify areas where problems were still likely to be found, despite generally good performance. There can be no doubt that these *comparative* figures on performance produced more information than even an intensive attempt to analyze the records of a single factory could have done. Factory managers were very conscious of the competitive position that they were in and the fact that the detailed costing data could reveal aspects of their management that they would have liked to conceal. Their incentives to work effectively were correspondingly increased.

Organizational pluralism and competition create benefits if looked at from the bottom. When the poor

are given a choice among the organizations that serve them, they are empowered. Rather than having to endure indignities and inefficiencies, they can "exit" an offending organization and "enter" another one, to paraphrase Albert Hirschman (Hirschman, 1970). The ability of an organization to attract and hold a clientele becomes an important indicator to donors of the quality of its services.

Single, multi-function organizations or integrated complexes of organizations have often been created to assure that clients have access to services that are complementary and depend on one another. Many of these entities have functioned well, but the effective monopoly that others of these arrangements exercise has created serious problems. A particularly unfortunate example was the Bank's Kenya Integrated Agricultural Development Project (IADP) in the late 1970s. It came to be dominated by its credit components, creating problems and complexities which were overwhelming. The very fact that the project was tightly integrated deprived the farmers of important options and ended by defeating the objectives of the project. The IADP was subsequently restructured into separate component parts to correct these problems. This case illustrates the benefits which institutional pluralism provide and the dangers that arise when the poor are deprived of the power of choice. Effective demand is an extremely powerful source of information, incentives, and coordination. The ability of the poor to exercise it generally needs to be strengthened, and policies that might limit its effect should be approached with extreme caution.

### **Demand as "Voice"**

The poor have a potential problem with a demand orientation expressed through the market place. By definition they have limited purchasing power and their influence on the economy is weak. In order to be heard their demands will have to be expressed with something other than money. Typically one uses money to "exit" the clientele of one producer and to purchase the services of another. This "exit" option can be exercised by people without financial resources if someone else is paying the bill for them and the money goes to the organization that attracts and holds their patronage. Formal uses of "voucher" systems are on the rise. Informal varieties have been in existence for some time. Any time a donor funds a program on the basis of the number of clients served, it adds power to the exit option of the poor.

Demand need not be expressed only by purchases or patronage. It also can take the form of "voice." Organizations controlled by their clienteles have to be more responsive to them. Organizations at the local level can be catalytic to development. In representing

and satisfying interests and needs, the poor, who exert little influence as individuals, gain strength in collectivities or organizations. Local organizations of the poor, such as community associations, cooperatives, and peasant unions, may be intermediaries between government agencies and communities. They can act as channels for the receipt of technical and material inputs from and the transmission of common interests and concerns to the outside world. Local organizations also can act as monitors on the performance of government programs providing accountability to public service which would otherwise generally be absent. The local people's organization, in sum, provides the institutional framework within which the energies of the poor may be given effective voice and form.

Local organizations clearly help bring about the success of development endeavors. The OED stated in 1985 that "a major contribution to sustainability (of agricultural projects) came from the development of grassroots organizations" (World Bank, 1985c). Samuel Paul relates the experience of food production in Zimbabwe which has successfully incorporated small farmer organizations. Because of the effectiveness of these organizations as conduits for technical and material assistance, farmers who were in groups had higher yields and sales of maize than unorganized farmers. Particularly significant, in a district with poor soil and rainfall, where presumably the poorest farmers live, "there was a threefold difference in output between members and non-members" (Lewis and Uphoff, 1988). Irrigation is the agricultural sub-sector where farmers' organizations most commonly receive credit for contributing to success. Here, water users' associations have been deemed most important to the development of this activity. "They have improved irrigation productivity and management, helped spread the benefits of irrigation, increased cost recovery, and reduced the cost burden on governments" (World Bank, 1989e).

The social sectors also receive actual or potential major benefits from local organizations. In education, combining parents and teachers into associations has been found effective in increasing demand (seen in Chapter 2 to be an inherent problem in this sector) and in mobilizing local resources (World Bank, 1989a). Rural water and sanitation have been seen as oriented entirely to the process of "community management" which, in turn, depends completely on the degree and quality of community organization. In the PHN sector, the need for organized community involvement appears to be pronounced in family planning, an activity for which there is little expressed demand. A representative community committee can provide a channel for expressing the interests and needs of the commu-

nity as well as managing activities undertaken by and for the community. Examples of the latter are planning and managing the work of service providers and mobilizing resource contributions of service users and others.

This sort of organized community involvement in family planning is very rare. Among the very few countries where such organizations exist is the community-based system operating in Korea, the Saemaul Women's Association (SWA). Very active in family planning, the SWAs are engaged in broader civic improvement activities as well; they are part of the larger Saemaul Undong, a national community development effort begun by Korea's president in the early 1970s. SWAs are particularly interested and knowledgeable about family planning matters because these evolved out of the Mothers' Clubs organized by the nongovernmental Planned Parenthood Federation of Korea. The SWAs support government field workers delivering services by motivating and informing potential users. Being of the community and having a long institutional association with family planning and being involved in other activities of recognized value to the community, the SWAs are most effective propagators of the family planning message (United Nations, 1988).

The poor are more likely to invest resources or labor in an organization's work if they have a voice as to what it is doing. Testimony to the positive interrelationship between community involvement and local resource mobilization comes from all sectors. The recent call for privatization and community management in rural water supply and sanitation is most emphatic on the important benefits accruing from this form of involvement: "When rural communities contribute little or nothing of their funds, time, or other resources to a project, it is not theirs. Their sense of

ownership in the whole undertaking and interest in maintaining the system in operational condition are likely to be limited" (Churchill, 1987). In education, parent-teacher associations can mobilize community resources for school operation and improvement; the greater the degree of parental participation, the greater the flow of local resources for teachers and schools<sup>4</sup> (World Bank, 1989a). One of the most comprehensive and effective examples of this multi-institutional approach to education, with an emphasis on equity, is provided by Korea (see Box 2). The focus on achieving primary education for all through a trilateral partnership of government, the private sector, and parents, who mobilized many of the needed resources (as well, presumably, as the motivation for their children to attend schools), is noteworthy.

One dramatic demonstration of the close links between community organization and local resource mobilization and their joint-effect on participatory development processes comes from the National Irrigation Administration in the Philippines. That participation served as an incentive to raising funds from the farmers is seen in the far greater "equity contributions," a portion of the cost of construction of the irrigation, paid by those in participatory systems, an average of 357 pesos per hectare, than paid by the farmers in non-participatory systems, averaging 54 pesos per hectare. This equity contribution not only lowered the cost of the irrigation system for the Government but led to an increased concern for and involvement in all phases of the construction work, acting as a "grassroots check on the common tendency of irrigation agencies to install more sophisticated and more numerous facilities than are actually required for effective irrigation" (Korten and Siy, 1988).

One of the best, and best known, examples of the government-community partnership is the Malawi

## Box 2. Financing Universal Primary Education: The Korean Experience

Korea's achievement of universal primary education is due in great measure to successful local resource mobilization. Parents, local institutions, the private sector, and national government share responsibilities, producing an education system that is internally efficient, has equitable and broad-based financing mechanisms, and allows the central government budget to concentrate on primary education.

In order to provide primary education to all, the government allocates three-fourths of the national public education budget to compulsory education, depending on private schools and parents' willingness to pay for secondary and tertiary education. Grants are made to local schools for compulsory edu-

cation, with efforts to equalize public expenditure among primary school districts across the country. This is done by formulas that distribute national funds on the basis of local need and ability to pay.

Local institutions—especially Parent-Teacher Associations (PTAs)—have been mobilized to play an important role in the finance of primary education. As early as 1949, PTAs were supplementing teacher salaries and becoming involved in school decision-making. Initially contributing up to 75 percent of the funds for local schools, with local governments contributing another 10 percent. PTAs more recently have contributed around 28 percent of primary education expenses.

Rural Water Supply Project (see Box 3). Of particular note in this case is the strong dedication of the Malawi government to maintaining a service posture, not imposing or mandating to the communities but assisting them with the provision and maintenance of water supply which all recognize will ultimately become the primary responsibility of the communities themselves. A similar example comes from Colombia, which is reputed to have the best rural water supply program in Latin America. As in Malawi (the best in Africa), much of this program's success is due to the "effective cooperation between villagers and government." Local beneficiaries are actively involved at every stage of the process of water provision, from initial preparatory study and preparation to construction and maintenance. Intermediation is carried out by 24 decentralized sectional offices. The service posture is further enhanced, beyond the proximity afforded by these numerous offices, by catalytic promoters who carry out multifaceted roles with beneficiary communities which include: socioeconomic analysis, community organization, facilitating contacts with local government, auditing, and a referral service for technical problems to the sectional office (Briscoe and de Ferranti, 1988).

The nature of a local organization determines the form and extent of resource mobilization in the community. This significant and subtle interrelationship was clearly evidenced in a Bank-financed urban upgrading project in La Paz, Bolivia. The project provided water, sewerage, and street widening at close to full cost recovery. The community residents were to

complete the infrastructural improvements, street paving, drainage, and community center, with their own time, labor and money. For over three years, long after the project work had been completed, these complementary community works remained largely unfinished, the roads during the rainy season being as muddy as ever, and the community center remaining no more than an idea. At last, towards the end of the fourth year, road paving and drainage were done and construction was about to begin on the community center.

The sudden improvement in this La Paz community was brought about by a drastic change in the makeup of the local organization. As the residents of the area put it, there was a *coup*, (the community association, formerly all male, was taken over by women). These women had become exasperated by the dissension, and the drinking, which had prevented the men from mobilizing the area residents for communal work. The women, mindful of the potential value of paved and drained streets to the cleanliness of their houses and the saving of their own time and labor, were strongly motivated and united in encouraging their families and neighbors to work together. Until the coup, the project had failed to involve the women in any way, always dealing through the male-dominated community association. The extent of local resource mobilization foreseen in the project had to wait for a major change in the composition of the local organization.

As the example makes clear, simple provision for "voice" is not enough. Care must also be given in respect to *whose* voice is being heard and to the forum

### Box 3. Malawi Rural Water Supply Project

Malawi has the most successful self-help water supply scheme in Africa. Its sustained operation and expansion is due to a demand orientation and a strong government-community support structure. Starting with two villages and 3,000 participants in 1969, the program now benefits over 1 million people throughout the country. The government supplies parts and assistance; the communities provide voluntary labor for construction and maintenance.

The pilot phase generated both government and genuine grassroots demand and commitment to the concept of a self-help water supply. It also contributed to the development of workable institutional arrangements. Resources go into the training of field staff in technical and community development skills. There is a strong team spirit reinforced by close communication among all levels of project staff. High-quality staff are cultivated through careful recruitment, appropriate training, and an emphasis on staff motivation.

Staff are trained to assist community committees with proposal design, work program planning, post-project maintenance plans, and other aspects of the project. Formation of the committees is left to established community leadership so that members will feel a responsibility in decisionmaking.

There have been social benefits resulting from a reduction in distance to water sources from 8 km to .5 km. Economic benefits accrue as the area of land under cultivation increases. Health benefits include improvement in general hygiene, as well as a demonstrable decrease in the spread of epidemics in water-supplied villages. Its continued commitment to water supply on a large scale gives government appreciable political benefits.

Sources: Glennie, 1983. Briscoe and de Ferranti, 1988.



in which it is heard. After all, the poor usually are disadvantaged not only in respect to money, but also in respect to power. Unless caution is exercised, "voice" may yet be only another forum in which the poor are ignored. Different organizational arrangements can lead to a responsiveness to quite different types of clienteles. The broader and larger the organization the more likely it is to have heterogeneous clients and to be dominated by local elites. These attributes can create problems where goals are complex, technologies are still being developed and resources are limited. Organized client demand is similar to market competition in applying pressure to the organization. If simple inattentiveness to client's needs is the problem, the "voice" route will be likely to improve the situation. But, if the problem is organizational overload, lack of clarity of goals or deep conflict about them, the "voice" option could make things worse. The poor record of producer's cooperatives should give reason for pause. Where the cooperative was not serving a relatively homogeneous group, "voice" did not seem to work well and the organization either became fragmented or exploited by whichever group was able to capture control of it (Peterson, 1982; Hyden, 1973; and Inayatullah, 1972). In other words, only when political control is exercised by a group that is small or homogeneous enough to have a disciplined and relatively consensual goal-setting process, is it likely to result in organizational goals that are simplified and clarified. Otherwise the goal structure is likely to become fuzzy and fragmented, with negative consequences for performance.

Similarly, domination of an organization by local elites, a serious problem in some situations, may be an asset in others. If local elites and the poor share common interests, it is sensible for them to pursue them together, for the greater assets and influence of the former will aid the latter. Such shared interests tend to arise when the benefits to be created are indivisible and have a wide impact, or when they are linked to the use of a resource the poor have in abundance. However, the danger that the management of a benefit will lead to increased inequality increases if:

- the individual rather than the community is the unit of consumption;
- demand far exceeds supply;
- service quality can be improved at the expense of quantity; or
- other, scarce inputs are necessary to use the service effectively. As the incidence of these conditions increases the poor come to be better served by more homogeneous organizations that exclude elites (Leonard and Marshall, 1982). As such organizations tend to be small and vulnerable, they need to be supported by intermediary

organizations that are particularly dedicated to their existence. This is one of the roles that non-governmental organizations (NGOs) often perform well.

## NGOs

The role of NGOs in development continues to be important yet ill-defined. Much has been written on NGOs and increasing attention is being given to them at the Bank, in staff resources (the unit in the International Economic Relations Division), through involvement in Bank projects (from an average of 14–15 projects with NGOs during the 1972–87 period to 50 such projects approved in FY89), and in documentation (Cernea, 1988; Brown and Korten, 1989; and Salmen and Eaves, 1989). The emerging wisdom on NGOs is that they are most effective when working in close association with the communities of the poor and the bureaucracies of government. Few NGOs, however, appear to perform this dual micro-macro task well, for lack of commitment, ability, or both. Judith Tendler's study on poverty alleviation in activities in livelihood, employment, and income generation found that NGO programs "typically do not make significant inroads on poverty in a particular country" (Tendler, 1987). She attributes the low poverty impact of NGOs to "diseconomies of scale" which may be generalized to a rather parochial concern with guarding one's turf from incursions by other NGOs or government and preserving highly-valued autonomy by lying low and obtaining support from foreign donors (Cernea, 1988; Brown and Korten, 1989; and Salmen and Eaves, 1989).

The strength of NGOs is found in their role as catalytic change agents operating to activate a base community by creatively linking it to institutions of the broader society, as done by the Grameen Bank. In Peru, Hernando de Soto and the Instituto Libertad y Democracia (ILD), which he heads, are attempting to transform the legal system of that country to be more dynamic and responsive to the needs of the poor, in housing, transportation and industry, so that law becomes an institution that helps create rather than redistribute wealth: "A state which does not realize that wealth and resources can grow and be promoted by an appropriate system of institutions, and that even the humblest members of the population can generate wealth, finds direct redistribution the only acceptable approach" (de Soto, 1989). Like Grameen with the institution of credit, the ILD is using its in-depth understanding of the conditions of the poor—seen through their eyes—to recreate the legal institution to be more conducive to poverty reduction.

There is increasing interest in examining the most effective ways to integrate NGOs into government and donor-initiated poverty alleviation strategies. This



stems from the growing attention to the factors that have made NGO-initiated strategies successful, as well as fear of overfunding and overexpanding NGO activities relative to institutional capacities. The strengths that such organizations can bring to development tend to be detailed knowledge of local conditions, experience in community development, willingness to experiment with non-traditional forms of credit administration or service provision, and staff commitment to poverty alleviation. These strengths are well illustrated by the innovative work of the NGO World Vision in heightening the awareness of Malian farmers to their natural environment (see Box 4). In some cases, enthusiasm to inject these traits into large-scale projects propelled NGOs or NGO umbrella organizations into the forefront as administrators of large-scale, multi-component project tasks which go beyond their initial mandates and capabilities. NGO strengths are best integrated into strategies involving government, donors and community groups and using sound analysis and appropriate institutional linkages.

Microenterprise credit programs provide interesting illustrations of how NGO intermediaries can be effectively integrated. Such schemes typically involve intermediary financial institutions as well that function to link micro-enterprises with formal financial institutions by reducing transaction costs of depositing savings, credit delivery, and repayment collection. The reasonably successful experiences in Indonesia, Thailand, and the Philippines resulted from NGO cooperation as brokers and catalysts, and meant that the financial institutions were able to restrict themselves to finance. These institutional linkages (which vary according to local conditions) help to avoid institutional difficulties that arise from programs that require both operationally empathetic outreach and strict financial discipline and efficiency (Dessing, 1988).

NGO strengths can be effectively combined with those of government and community groups to make basic social services accessible to the poor. NGOs can assess or generate the demand for services, especially in such areas as preventive health care and family planning where demand is rarely articulated. They may also work with government or private institutions to develop the methods that will best supply goods and services to the poor. An example of a government-run program in which NGOs are strategically linked is Kenya's Population Program, in which the National Council for Population and Development (NCPD) serves as a coordinator and administrator of government and NGO-run family planning services. NGOs were identified as partners because of their rural base, experience, and institutional capacity. They have taken on the responsibilities of community level information, education, and communication, and in some

cases, the community-based distribution of contraceptives. The challenge of involving NGOs in large-scale poverty programs is in determining the kind of inter-institutional linkages which best draw on existing strengths and complementarities as well as in expanding the scope of NGO activities in relation to established institutional capacity.

### Catalysts and Training

In development programs, the aim of training should be catalytic to bring about change. This means training all the different actors involved in poverty projects (managers, staff, beneficiaries, local communities, and NGOs) to carry out their own particular tasks, but also training these different actors in relation to each other. Those in charge of delivering a service will not only be trained in the technical delivery skills required but also learn to adapt the delivery mode to the specific beneficiaries.

Bureaucracies and technology, on one side, and grassroots institutions and culture, on the other, too often fail to come together at a central common ground. The catalyst can play a most effective brokerage role in bringing these more and less formal kinds of institutions and their derivatives to first understanding and then concerted action. The important role of the "bike bankers" in the Grameen Bank, as outreach agents who both came to understand the context in which the landless borrowers lived and worked and served as facilitators for these borrowers in their small agricultural endeavors, has already been described. The Philippine National Irrigation Administration (NIA), by now a well-known case of successful participatory development, partially supported by the Bank, also employed catalysts, "irrigation community organizers," who served as links between the villages and the NIA engineers. The organizers lived in the villages and saw to it that technical staff listened to the farmers' concerns at each stage of project development (Korten and Siy, 1989). Persons conducting beneficiary assessments in various countries have performed similar catalytic roles interpreting between technical and traditional institutional cultures.

More active catalysts, similar to Grameen, were employed in the Small Farmer Development Program (SFDP) of Nepal set up by the Agricultural Development Bank of Nepal with support from the FAO. Here, Group Organizers were trained and sent into communities to create groups of 10 to 15 small farmers, including landless laborers, to whom credit would be made available without collateral (again, like Grameen) to improve incomes. Incomes did increase, 20 to 30 percent; there was reduction in ethnic and caste discrimination and improvement in the status of women; and an increase in the political influence of small farmers

#### Box 4. World Vision: The Menaka Integrated Development Project (Mali) Creating Motivation for Environmental Preservation

Traditionally the people of Menaka Cercle have depended on their herds for milk, meat, and barter against cereals. During the drought of 1984–85, almost all the livestock was lost. Consequently families found it difficult to meet basic needs and to maintain breeding stock. The drought effectively disrupted nomadic patterns of life, pinning families to dry season water points and making them dependent on World Vision (wv) food distributions. This placed additional pressure on the already fragile Sahelian environment, as families foraged for firewood and animals destroyed young growth. Community leaders expressed a need to diversify the groups' income base. World Vision responded by developing a group of integrated interventions which addressed the most pressing needs in the short term, as well as more long-term goals of sustainable agriculture and environmental protection. The interventions (livestock production, land regeneration, forestry, and nutritional education) involved low levels of technology and high levels of community participation.

On the premise that behavioral changes and sustainability of development efforts depend on community ownership, wv has developed the Participatory Evaluation Process (PEP) to help communities identify and order their needs and the processes necessary to reach their goals. There are four steps: *description*, *investigation*, *analysis*, and *decision*. In the *description* phase, the community is asked to "take a picture" of itself. World Vision has found the process of drawing a map to be an effective way of reaching all ages, literate and illiterate. *Investigation* means taking a close look at community problems through, for example, nutrition charts on which members indicate the types and frequency of foods eaten, or voting to see which

problems the community as a whole considers most important. *Analysis* looks at the causes and consequences of problems, resources that can be used for solutions and obstacles. *Decision* means deciding which needs to address first and delineating a strategy. The community establishes a monitoring system for evaluation and commits to a periodic assessment of progress.

In addition to PEP, development workers saw that work towards the long-term goals of environmental sustainability would require increased sensitization: discussion groups, interactive formal interviews, photography, and casual conversation between wv staff and community members. One effective method was the use of projected slides of images filmed in the region, thus featuring sights and people familiar to the viewers. Slides used for the land regeneration project showed the progressive deterioration of the land and the forest due to unchecked forces of nature and interventions with emphasis on soil and water conservation methods.

A mid-term evaluation concluded that, while success in terms of hectares regenerated was small relative to the speed of deterioration, the change in attitude of the people of Menaka has been substantial. After centuries of living in equilibrium with their environment, people found that the balance had been destroyed by droughts and increasing population pressure. The project demonstrated that they need not be helpless victims of natural forces, but that they could create interventions, which, while not recreating the traditional lifestyle, could help them adapt to new conditions in ways offering potential help to both themselves and their environment.

in their communities and in government-sponsored cooperatives. The Group Organizers were given considerable freedom according to an evaluation of the International Fund for Agricultural Development, a natural consequence, according to Norman Uphoff, of the operational style of the Agricultural Development Bank of Nepal characterized by "innovativeness, flexibility and sense of responsibility," qualities which were transmitted through the Group Organizers to the villagers. The organizers' various roles encompassed: "motivator, mobilizer, credit and investment officer, extension agent, spokesman with government departments, conciliator and arbiter of conflicts, data and information gatherer, evaluator, thinker, philosopher and friend" (Uphoff, 1984).

Concerted attention should be given to the increasing use of lower-cost paraprofessionals, particularly from the areas of the population being served, given the high expense and low availability of professional help and the enormous unmet needs of poor populations for public services. One statistic from India illustrates the need: "89 percent of currently married persons and their family members had never been visited by any health or family planning worker" (Stout, 1989). Community-based health workers have been found to be more positively biased towards low income and remote beneficiaries and their services have a lower average cost than comparable clinic-based services. The level of institutional support in training and management was the most significant determinant of the effectiveness of the local health

workers (Berman, 1986). The most famous example of local paramedic personnel is the barefoot doctor component of the public health program of China. The Chinese government relied increasingly on these doctors, who were trained from three to six months, as a way to save both costs and scarce professional manpower, yet attend to the health needs of a large and diversified population (Paul, 1982). It is difficult to tell how much of the motivation in this Chinese program came from a unique statist regime. Nevertheless, this Chinese combination of commitment from leadership

and good, moderate training of local people familiar with their own communities made for what has probably been, in terms of poor persons served, the most effective and far-reaching public health program of all time.

#### Note

4. A positive correlation between parental participation in school activities and household contributions to education was found in a recent study in Thailand.

## 4. Operational Implications

Institutions referred to in this paper, those of the poor, largely informal, and those that might better involve the poor in their own development, largely formal, are increasingly discussed in the Bank. Still it is admitted that "we lack adequate knowledge on how best to reduce poverty through direct interventions. There is more to this problem than mobilizing additional resources. . . ." (Karaosmanoglu, 1989).

The institutional dimension of poverty reduction encompasses both the context and the process of change. Poverty is a product of a multiplicity of factors—climate, values, resources, interrelationships, and history—which are fundamentally contextual and, as such, vary from place to place. Poverty reduction takes place over long periods of time as a function of the interaction between institutions, formal and informal, and people's values and behavior. Development organizations are often inept at responding to local diversity and being supportive of a change process. They are often apt to standardize and impose models of their own. The OED papers point to the failure of the Bank's tendency to build its own implementing institutions rather than supporting those already in place: "Institutional development has suffered most when reliance on autonomous or semi-autonomous project management units has substituted for line agencies instead of strengthening them" (Chopra, 1989).

Effective approaches to poverty reduction sensitive to both process and diversity build on energies expressed at the local level by reinforcing them from the center. Thus, the proper responsive and facilitating role of a central authority requires the identification and strengthening of the local institutions conducive to needed change. An appropriate role for the Bank is to help build up both the center and the local institutions in relation to each other, creating or strengthening linkages between the two in such a way that the poor are increasingly enabled to improve their own conditions.

The Bank should explore ways to strengthen the components of local institutional pluralism. Through

lending and policy dialogue, the Bank could encourage borrowing governments to support the development of what Sheldon Annis calls the "thickening social web" of nongovernmental organizations, including community associations, cooperatives, church groups, peasant leagues, and the like, (Annis, 1987) in relation to state agencies operating at the local level, that is, extension services and local government. One such initiative is the Philippine Health Development project recently financed by the World Bank. This project has one component devoted to supporting NGOs through grants so as to build partnerships with local health offices and local governments through interaction in serving communities, building on the complementarities of each kind of institution (service provision and finance from central through local health unit, education and motivation by the NGO in the community; resource mobilization and ancillary public works by local government). Process documentation, an indigenous form of beneficiary assessment, will be carried out by local research institutions to provide ongoing feedback on the effects of this institutional interaction on the communities. This will help the continuing improvement of the process. Such strengthening of local institutions, supported and facilitated by central government, gives greater voice to people's concerns and, over time increases their opportunities for self-development.

The Bank and its borrowers will need to go through an inversion of attitude to deal effectively with the challenge of poverty reduction. While retaining existing institutional strengths at the macro level, such an inversion will require more concerted efforts at understanding and supporting those institutions through which poor persons act, often at the micro level. To bridge this macro-micro gap, the Bank and its borrowing governments will need to provide increasing support to intermediary organizations. They will then learn about the context of poverty work in qualitative and inductive, as well as quantitative and deductive, ways—for example, to understand the perspectives and motivations of people in communities as ex-

pressed by them. Finally, they will need to build theory upon this understanding and view the poor in terms of aggregate statistical indicators and develop a staff increasingly attuned to the multi-faceted nature of poverty reduction activities. Costs which arise from this inversion should be more than warranted by the resulting effectiveness and sustainability of such poverty-oriented lending.

### The Learning Stance

The learning process approach to development discussed in Chapter 1 requires thorough, grounded inquiry at every working stage of the project. Given the importance of context and history, of understanding what has worked and is working and why in each place of interest, the inquiry carried out during project identification is most important to the eventual success of the endeavor. The manner in which the activity is implemented, its methods for involving intended beneficiaries, and their linkages with various institutional forms and levels, also require considerable scrutiny for proper understanding. Realizing the necessary changes a project will undergo as it evolves, the design stage for appraisal may not be more important than other project phases in terms of learning or staff time. Yet, at present, more staff time and resources go into appraisal than either identification or supervision. The Bank could take a number of measures to improve the effectiveness of its learning for operational use.

First, integrate qualitative learning into every phase of project and policy work. Qualitative research must include numbers. The contribution of the qualitative approach is that it provides the numbers with meaning, representing the perspective of those about whom understanding is sought. If attempts at improving a school curriculum lead to increased enrollment, what induced how many parents to send how many children to school, compared to other particulars which still do not convince how many other parents? For action to be directed at change, information on the why is as important as on the what. Yet the Bank, similar to most other large development institutions, has been shy to enter the qualitative arena.

An increasing number of projects use a variety of qualitative research techniques: focus-group interviewing, aimed at eliciting peoples' attitudes by guided group discussions (used in the preparation of the Nigeria Imo State Health project); social marketing is being introduced to the human resource work of the African Region of the Bank; and beneficiary assessment interviews and participant observation have assisted various phases of projects (in Bolivia, Mali, and Zaire, among others).

Second, increase the use of local personnel in the field and in all phases of project and policy work. The requisite understanding about the context in which a developmental activity is to evolve will take far more learning than can be done by Bank staff alone during several two to three week missions each year. The work of the task manager must become one of orchestrating the various players necessary for the needed learning to occur. These include:

- greater use of local independent consultants, working individually or in groups. All 21 of the beneficiary assessments done to date have relied in whole or in part on local consultants, some under the auspices of NGOs or research institutions, others as individuals. Seeking information from groupings, formal or informal, of intended beneficiaries and of key service providers, such as extension workers will be of special interest;
- strengthening the local project implementing unit to perform added supervisory tasks with the help of a routine reporting form (to be developed jointly with Bank staff), thus freeing supervision missions to concentrate more on substantive matters affecting poverty reduction (Heaver, 1988); and
- fuller use of country Bank offices in gathering information on local conditions and institutions. For example, to help supervise the Emergency Social Fund (ESF) in Bolivia, a research analyst was posted to the resident mission for a year; her responsibility was to understand the involvement of local institutions, particularly NGOs, as outreach mechanisms facilitating interaction with the poor. This assistance was instrumental in bringing greater clarity to the Bank regarding both the ESF and potential opportunities for future poverty reduction work in Bolivia.

Third, fund poverty reduction activities at a scale and scope so that the potential for learning, and later replication, is enhanced. The size and complexity of many Bank-financed projects at present defy easy or rapid assessment, as well as often obstructing implementation itself<sup>5</sup> (Simmons and Maru, 1988). The learning process approach has been seen to rely on a considerable degree of experimentation to understand how technology and culture can best interact over time. Education programs that incorporated limited testing or first-phase experimentation increased the likelihood of large-scale second phases avoiding major mistakes (Verspoor, 1989). Where there is a large degree of uncertainty, as in much poverty work, small, focused pilot or experimental projects, or, where feasible, project components, could both enhance learning and avoid costly and highly visible

failures. To achieve this experimental scale of operations within the context of the Bank's present mode of operation, the Bank will need to identify, develop and fund intermediary organizations. These intermediaries can serve as "wholesalers" for the Bank and provide the sensitive support, evaluation, and modulated finance which the Bank finds it difficult to achieve with small endeavors.

Commitment to such a learning stance will involve trade-offs and costs for the Bank and its borrowers. Particularly in the short-term, the use of additional local consultants to provide greater understanding of grassroot realities and, to a far greater degree, the time and cost involved with experimental pilot activities may well be more costly than the present mode of operations. In the longer run the failure to adequately understand the institutional (formal and informal) environment in which a project must operate can easily lead to development activities which do not take hold and are not sustained in the beneficiary population. The true costs of this learning stance must be weighed against this long-term risk of failure in sustainability.

### Staffing

What is said here applies equally to the staff of an international development agency as to a national line agency working on poverty reduction. In gaining an understanding of poverty and what might be done about it, there is no substitute for experience which provides exposure to the poor. Problems surrounding poverty and its eradication cannot be resolved by abstract theory, by any one academic discipline, or by input-output orientations. Several among many aspects of poverty which defy purely objective, quantitative analysis are the fear of debt arising out of great insecurity from unstable employment and earnings (Chambers, 1988); the importance of the family in determining school attendance rates and decisions regarding family size; the role of local elites in decisions regarding local participation, the nature and extent of distribution of goods and services, and relations with institutions of government. One may recognize the importance of such issues but feel that they are matters for others, anthropologists or social workers hired as consultants, to bring to the development agency. Such reasoning avoids the question of how those staff engaged in project preparation, appraisal and supervision, are to be able to identify crucial issues such as these without direct observation of the conditions of the poor themselves. Regarding the Bank, in particular, a number of changes could help to bring about the inversion called for at the outset of this chapter.

First, staff need to know that the Bank values effective work on poverty reduction. Richard Heaver, in his

paper "Reaching People at the Periphery," observes that "project staff have not been sent strong signals by management that project designs should make a particular effort to reach the disadvantaged" (Chambers, 1988). Given the importance of poverty reduction to the work of the Bank, as repeatedly stated by senior management, and the acknowledged complexity of the task, a clear set of incentives in support of poverty work needs to be established.

Second, work on poverty reduction must become increasingly interdisciplinary. This is not merely a matter of including a sociologist or institutional specialist on a trip, advisable as that may be, but of imbuing staff with those elements of each discipline, as tested in practice, which all operations staff need to know to do effective antipoverty work. Different disciplines have their own biases, in theory and in methodology—economists, for instance, are often abstract and deductive, trained to develop sophisticated theoretical models, while anthropologists are more grounded and inductive, evolving rudimentary theory from field observation. Both of these approaches have merit, as do those of other fields of study; no one discipline alone gives the understanding of the others needed to appreciate the full dimensions of poverty reduction work. The task manager in operations will need to become a generalist, albeit with a particular professional strength in one area, so as to approach the problem of poverty comprehensively. This will necessitate an emphasis on training across areas of competence.

Third, experience must be given its due, in both hiring and upgrading staff. The value of firsthand extensive experience in combating poverty at ground level with the poor is undeniable. This paper has discussed successful projects which depend on project designers and implementors obtaining sound and protracted understanding and interaction at the local level. How is the Bank to know which interventions to finance or how to design the most effective project if a critical mass of its staff does not have some direct exposure to the poor itself? The following are two modest proposals for bringing experience with poverty further into the mainstream of the Bank.

- Allow more exploratory time during project identification. This is a crucial time for gaining the understanding of local conditions and institutions, as well as central government, which will predicate the eventual form, and to a large degree, the impact of the project. Bank staff should be encouraged to spend considerable time in getting to know the lay of the land, spending time away from the beaten path. Such exploratory work will not take the place of local-hire consultants or the increased use of Bank field offices, but

it may well provide the kind of exposure to the local situation necessary for a well-focused, directed poverty endeavor.

- Provide sabbaticals directed to increase Bank staff exposure to poverty conditions and activities. This is not a new idea<sup>6</sup> and it is being explored by at least one Bank department, but it has yet to become part of Bank policy. The enrichment that might come from sabbaticals for Bank staff, working in association with NGOs, local research institutions, or even as *ex-officio* members of community associations in areas of Bank-financed project activity (with the support of the borrowing government, of course) would be invaluable.

The first step in the introduction of a new approach is to raise new questions. The nature of inquiry determines the direction of change. While the discussion of institutional dimensions of poverty reduction in this paper raises few new issues—learning process, demand, and organizational matters are all amply treated in the literature—these are still not in the mainstream of Bank operations. Pertinent questions which might be addressed to operations staff during project preparation to increase awareness and competence in dealing with these issues might concern: a) the degree and manner in which demand, and demand mobilization is addressed; b) the extent to which users or community groups may lead to cost-effective design or facilitate cost recovery during implementation; and c) the exploration of institutional channels beyond central government (NGOs, private sector, local gov-

ernments) which might enhance the “exit” and “voice” of the poor. Raising and answering such questions as a normal function of Bank operations will do much to address the institutional dimensions of poverty reduction.

This paper has called for an inversion in the operating norms and procedures of the World Bank. This inversion will gain effect as Bank operations build in processes for understanding the poor, design programs which respond to their demands, and involve the poor and those who work to serve them in all phases of project and policy development. The goal is to create an enabling environment in which poor people may become self-reliant members of the societies of which they are a part. In this sense the poor cease to be beneficiaries, passively receiving largesse from government, but more like customers in good standing who must be enabled to pay the costs for what they see will bring about their own betterment with their time, labor and capital. If the Bank comes to view the poor as its principal customers, it will be more effective at helping the public sector share this vision of development as a process of enabling clients to move themselves out of poverty.

## Notes

5. Delays in the start of implementation of Bangladesh Population Project III have been attributed at least in part to its large size.

6. Several Bank staff associated with the Friday morning group on “spiritual values and development,” notably Nancy Farmer, Virginia Hitchcock, and Temesgien Gobena, have written memoranda or made presentations on this kind of sabbatical.

# References

- Agar, Michael H. 1986. *Speaking of Ethnography*. Sage University Paper series on Qualitative Research Methods, Vol. 2. Beverly Hills, CA: Sage.
- Akin, John S. and Nancy Birdsall and David de Ferranti. 1987. "Financing Health Services in Developing Countries; an Agenda for Reform," A World Bank Policy Study. World Bank, Washington, D.C.
- Annis, Sheldon. 1987. "The Next World Bank? Financing Development from the Bottom Up". *Grassroots Development*, 11:1.
- Ayres, Robert. 1983. *Banking on the Poor: The World Bank and World Poverty*. Cambridge, MA.: MIT Press.
- Berman, Peter A. *et al.* 1986. "Community-based Health Workers: Head Start or False Start Towards Health for All?" PHN Technical Note 86-3, World Bank, Population, Health and Nutrition Department.
- Briscoe, John and David de Ferranti. 1988. "Water for Rural Communities; Helping People Help Themselves," The World Bank, Washington, D.C.
- Brown, David L. and David Korten. 1989. "Understanding Voluntary Organizations: Guidelines for Donors". Washington, D.C.: Country Economics Department, World Bank.
- Castaneda, Tarsicio. 1989. "Innovative Social Policies for Reducing Poverty: Chile in the 1980s." Unpublished paper. World Bank, Washington, D.C.
- Cerne, Michael M. 1988. "Non-Governmental Organizations and Local Development," Washington, D.C.: World Bank.
- Chambers, Robert. 1988. "Poverty in India: Concepts, Research and Reality," Discussion Paper No. 241. Institute of Development Studies.
- Chester, Lauren A. 1985. "Monitoring and Evaluation Components in Completed Population Projects". PHN Technical Note 85-2. World Bank, Washington, D.C.
- Chopra, Ram K. 1989. "Institutional Development: the Unheralded Dimension of Development Lessons of Experience". World Bank, Operations Evaluation Department, Washington, D.C.
- Churchill, Anthony A. 1987. "Rural Water Supply and Sanitation: Time for a Change". World Bank Discussion Paper No. 18. Washington D.C.
- de Soto, Hernando. 1989. *The Other Path; the Invisible Revolution in the Third World*, New York: Harper & Row.
- Dessing, Maryke. 1988. *Entrepreneurship and Private Sector Development: Support to Small and Microenterprises*. World Bank, Industry and Energy Division, Africa Technical Department, Washington, D.C.
- Heaver, Richard. 1988. "Reaching People at the Periphery; Can the World Bank's Population, Health, and Nutrition Operations do Better". Policy, Planning and Research, Working Papers. Working Paper Series No. 81. World Bank, Population and Human Resources Department, Washington, D.C.
- Hirschman, Albert O. 1970. *Exit, Voice and Loyalty; Responses to Decline in Firms, Organizations, and States*. Cambridge, MA.: Harvard University Press.
- \_\_\_\_\_. 1984. *Getting Ahead Collectively; Grassroots Experiences in Latin America*. New York: Pergamon Press.
- Hyden, Goran. 1973. *Efficiency vs. Distribution in East African Cooperatives: A Study in Organizational Conflicts*. Nairobi: East African Literature Bureau.
- Inayatullah, ed. 1972. *Cooperatives and Development in Asia: A Study of Cooperatives in Fourteen Rural Communities of Iran, Pakistan and Ceylon*. Vol. III of *Rural Institutions and Planned Change*. Geneva: United Nations Research Institute for Social Development.
- International Institute for Environment and Development. 1988. *RRA Notes*. Sustainable Agriculture Programme. June, No. 1.
- Israel, Arturo. 1987. *Institutional Development: Incentives to Performance*, Baltimore: John Hopkins University Press.
- Karaosmanoglu, Attila. 1989. "On the Record: Operational Approaches to Asia's Development Agenda," *The Bank's World*. (August).
- "Kingdom of Nepal: Small Farmer Development Programme—Mid-Term Evaluation Report". 1984.



- Rome: International Fund for Agricultural Development.
- Kirk, Jerome and Marc L. Miller. 1986. *Reliability and Validity in Qualitative Research*. Sage University Paper series on Qualitative Research Methods, Vol. I. Beverly Hills, CA: Sage.
- Korten, David C. and Rudi Klauss. 1984. "Rural Development Programming: The Learning Process Approach". *People Centered Development*. West Hartford, CT.: Kumarian Press.
- Korten, Francis and Robert Siy Jr., eds. 1988. *Transforming a Bureaucracy: The Experience of the Philippine National Irrigation Administration*. West Hartford, Conn.: Kumarian Press.
- Leonard, David K. and Dale Rogers Marshall, eds. 1982. *Institutions of Rural Development for the Poor*. Berkeley: Institute of International Studies, University of California.
- Lewis, John Prior and Norman Thomas Uphoff. 1988. "Governments and Grassroots Organizations: From Coexistence to Collaboration". *Strengthening the Poor: What Have We Learned*. New Brunswick, NJ: Transaction Books.
- Lipton, Michael. 1988. "The Poor and the Poorest: Some Interim Findings". World Bank Discussion Paper No. 25. Washington D.C.
- Middleton, John and James Terry and Deborah Bloch. 1989. "Building Educational Evaluation Capacity in Developing Countries". Policy, Planning and Research Working Papers, Education and Employment. Working Paper Series 140. World Bank, Population and Human Resources Department, Washington, D.C.
- Middleton, John et al. 1986. "Management in World Bank Education Projects: Analysis of Experience," Education and Training Series No. EDT 42. Operations Policy Staff, World Bank, Education and Training Department, Washington, D.C.
- Paul, Samuel. 1982. *Managing Development Programs: The Lessons of Success*. Boulder, Colo.: Westview Press.
- Peterson, Stephen B. 1982. "Government, Cooperatives and the Private Sector in Peasant Agriculture," in *Institutions of Rural Development for the Poor*. D. K. Leonard and D. R. Marshall, eds.
- Rondinelli, Dennis. 1983. *Development Projects as Policy Experiments: An Adaptive Approach to Development Administration*. London and New York: Methuen.
- Salmen, Lawrence F. 1987. *Listen to the People*. Oxford University Press.
- \_\_\_\_\_. 1989. "Beneficiary Assessment; Improving the Design and Implementation of Development Projects". *Evaluation Review*, Vol. 13, No. 3, (June).
- Salmen, Lawrence F. and A. Paige Eaves. 1989. "World Bank and Nongovernmental Organizations". Washington, D.C.: Country Economics Department, World Bank.
- Simmons, George and Rushikesh Maru. 1988. "The World Bank's Population Lending and Sector Review". Policy, Planning and Research Working Paper. World Bank, Population and Human Resources Department, Washington, D.C.
- Stout, Susan. 1989. "Family/welfare Strategy in India: Changing the Signals". Report No. 7900-IN. (June 23): iii. World Bank, Population, Human Resources, Urban and Water Operations Division, Washington, D.C.
- Tendler, Judith. 1987. "What Ever Happened to Poverty Alleviation?" Annex 1: 5. Ford Foundation.
- Uphoff, Norman T. 1986. *Local Institutional Development: An Analytical Sourcebook with Cases*. West Hartford, CT.: Kumarian Press.
- United Nations. 1988. "Report of the Study on the Organizational Issues in Community Participation in National Family Planning Programmes: a Comparative Analysis of Five Countries in the ESCAP Region". Asian Population Studies Series No. 87. Economic and Social Commission for Asia and the Pacific. United Nations Population Fund. Bangkok, Thailand: Economic and Social Commission for Asia and the Pacific, United Nations.
- UNDP. 1983. "Social Feasibility Analysis in Low-Cost Sanitation Projects". TAG Technical Note No. 5. UNDP Interregional Project INT/81/047.
- Veneracion, Cynthia C. (ed.). 1989. *A Decade of Process Documentation Research: Reflections and Synthesis*. Quezon City: Institute of Philippine Culture, Ateneo de Manila University.
- Verspoor, Adriaan. 1989. "Pathways to Change; Improving the Quality of Education in Developing Countries," World Bank Discussion Paper 53. World Bank, Washington, D.C.
- World Bank. 1985a. "Built-in Project Monitoring and Evaluation: An Overview". Operations Evaluation Department, Washington, D.C.
- \_\_\_\_\_. 1985b. "The Smallholder Dimension of Livestock Development: A Review of Bank Experience". Operations Evaluation Department, Washington, D.C.
- \_\_\_\_\_. 1985c. "Sustainability of Projects: First Review of Experience". Operations Evaluation Department, Washington, D.C.
- \_\_\_\_\_. 1988a. "FY88 Annual Sector Review; Population, Health and Nutrition". (October 21). Population and Human Resources Department, Washington, D.C.

- \_\_\_\_\_. 1988b. "Rural Development: World Bank Experience 1965-86". Operations Evaluation Department, Washington, D.C.
- \_\_\_\_\_. 1988c. "The World Bank's Population Lending and Sector Review". Policy, Planning and Research Working Papers. Population and Human Resources Department, Washington, D.C.
- \_\_\_\_\_. 1989a. "Improving the Quality of Primary Education in Developing Countries". Draft. Education and Employment Division, Population and Human Resources Department, Washington, D.C.
- \_\_\_\_\_. 1989b. "Recent World Bank Poverty Studies: A Summary of Approaches, Coverage and Findings". Policy Analysis and Review Division, Strategic Planning Department, Washington, D.C.
- \_\_\_\_\_. 1989c. *Structural Adjustment and Poverty*. Social Dimensions of Adjustment Project Unit, Africa Region, Washington, D.C.
- \_\_\_\_\_. 1989d. *Sub-Saharan Africa: From Crisis to Sustainable Growth: A Long-Term Perspective Study*, Washington, D.C.
- \_\_\_\_\_. 1989e. "Water Users' Associations," *Agricultural Horizons*, Volume 2, Number 1. Policy, Planning and Research, World Bank, Washington, D.C.
- Yunus, Muhammad. 1988. *Grameen Bank: Organization and Operations*. Chaka, Bangladesh: Grameen Bank.

## Distributors of World Bank Publications

**ARGENTINA**  
Carlos Hirsch, SRL  
Galeria Cuermes  
Florida 165, 4th Floor-Ofc. 453/465  
1333 Buenos Aires

**AUSTRALIA, PAPUA NEW GUINEA,  
FIJI, SOLOMON ISLANDS,  
VANUATU, AND WESTERN SAMOA**  
D.A. Books & Journals  
648 Whitehorse Road  
Mitcham 3132  
Victoria

**AUSTRIA**  
Gerold and Co.  
Graben 31  
A-1011 Wien

**BANGLADESH**  
Micro Industries Development  
Assistance Society (MIDAS)  
House 5, Road 16  
Dhanmondi R/Area  
Dhaka 1209

*Branch offices:*  
156, Nur Ahmed Sarak  
Chittagong 4000

76, K.D.A. Avenue  
Kulna 9100

**BELGIUM**  
Jean De Lannoy  
Av. du Roi 202  
1060 Brussels

**CANADA**  
Le Diffuseur  
C.P. 85, 1501B rue Ampère  
Boucherville, Québec  
J4B 5E6

**CHINA**  
China Financial & Economic  
Publishing House  
8, Da Fo Si Dong Jie  
Beijing

**COLOMBIA**  
Infoenlace Ltda.  
Apartado Aereo 34270  
Bogotá D.E.

**COTE D'IVOIRE**  
Centre d'Édition et de Diffusion  
Africaines (CEDA)  
04 B.P. 541  
Abidjan 04 Plateau

**CYPRUS**  
Cyprus College Bookstore  
6, Diogenes Street, Engomi  
P.O. Box 2006  
Nicosia

**DENMARK**  
SamfundsLitteratur  
Rosenørns Allé 11  
DK-1970 Frederiksberg C

**DOMINICAN REPUBLIC**  
Editora Taller, C. por A.  
Restauración e Isabel la Católica 309  
Apartado de Correos 2190 Z-1  
Santo Domingo

**EGYPT, ARAB REPUBLIC OF**  
Al Ahram  
Al Galaa Street  
Cairo

The Middle East Observer  
41, Sherif Street  
Cairo

**EL SALVADOR**  
Fusades  
Alam Dr. Manuel Enrique Araujo #3530  
Edificio SISA, 1er. Piso  
San Salvador 011

**FINLAND**  
Akateeminen Kirjakauppa  
P.O. Box 128  
SF-00101 Helsinki 10

**FRANCE**  
World Bank Publications  
66, avenue d'Iéna  
75116 Paris

**GERMANY**  
UNO-Verlag  
Poppeladorfer Allee 55  
D-5300 Bonn 1

**GUATEMALA**  
Librerías Piedra Santa  
5a. Calle 7-55  
Zona 1  
Guatemala City

**HONG KONG, MACAO**  
Asia 2000 Ltd.  
46-48 Wyndham Street  
Winning Centre  
2nd Floor  
Central Hong Kong

**INDIA**  
Allied Publishers Private Ltd.  
751 Mount Road  
Madras - 600 002

*Branch offices:*  
15 J.N. Heredia Marg  
Ballard Estate  
Bombay - 400 038

13/14 Asaf Ali Road  
New Delhi - 110 002

17 Chittaranjan Avenue  
Calcutta - 700 072

Jayadeva Hostel Building  
5th Main Road, Gandhinagar  
Bangalore - 560 009

3-5-1129 Kachiguda Cross Road  
Hyderabad - 500 027

Prarthana Flats, 2nd Floor  
Near Thakore Baug, Navrangpura  
Ahmedabad - 380 009

Patala House  
16-A Ashok Marg  
Lucknow - 226 001  
  
Central Bazaar Road  
60 Bajaj Nagar  
Nagpur 440010

**INDONESIA**  
Pt. Indira Limited  
Jl. Sam Ratulangi 37  
P.O. Box 181  
Jakarta Pusat

**ISRAEL**  
Yozmot Literature Ltd.  
P.O. Box 56055  
Tel Aviv 61560  
Israel

**ITALY**  
Licosa Commissionaria Sansoni SPA  
Via Duca Di Calabria, 1/1  
Casella Postale 552  
50125 Firenze

**JAPAN**  
Eastern Book Service  
Hongo 3-Chome, Bunkyo-ku 113  
Tokyo

**KENYA**  
Africa Book Service (E.A.) Ltd.  
Quaran House, Mfangano Street  
P.O. Box 45245  
Nairobi

**KOREA, REPUBLIC OF**  
Pan Korea Book Corporation  
P.O. Box 101, Kwangwhamun  
Seoul

**MALAYSIA**  
University of Malaya Cooperative  
Bookshop, Limited  
P.O. Box 1127, Jalan Pantai Baru  
59700 Kuala Lumpur

**MEXICO**  
INPOTEC  
Apartado Postal 22-860  
14060 Tlalpan, Mexico D.F.

**NETHERLANDS**  
De Lindeboom/InOr-Publikaties  
P.O. Box 202  
7480 AE Haaksbergen

**NEW ZEALAND**  
Hills Library and Information Service  
Private Bag  
New Market  
Auckland

**NIGERIA**  
University Press Limited  
Three Crowns Building Jericho  
Private Mail Bag 5095  
Ibadan

**NORWAY**  
Narvesen Information Center  
Book Department  
P.O. Box 6125 Etterstad  
N-0602 Oslo 6

**PAKISTAN**  
Mirza Book Agency  
65, Shahrah-e-Quaid-e-Azam  
P.O. Box No. 729  
Lahore 54000

**PERU**  
Editorial Desarrollo SA  
Apartado 3824  
Lima 1

**PHILIPPINES**  
International Book Center  
Fifth Floor, Filipinas Life Building  
Ayala Avenue, Makati  
Metro Manila

**POLAND**  
ORPAN  
Palac Kultury i Nauki  
00-901 Warszawa

**PORTUGAL**  
Livraria Portugal  
Rua Do Carmo 70-74  
1200 Lisbon

**SAUDI ARABIA, QATAR**  
Jarir Book Store  
P.O. Box 3196  
Riyadh 11471

**SINGAPORE, TAIWAN,  
MYANMAR, BRUNEI**  
Information Publications  
Private, Ltd.  
02-06 1st Fl., Pei-Fu Industrial  
Bldg.  
24 New Industrial Road  
Singapore 1953

**SOUTH AFRICA, BOTSWANA**  
*For single titles:*  
Oxford University Press  
Southern Africa  
P.O. Box 1141  
Cape Town 8000

*For subscription orders:*  
International Subscription Service  
P.O. Box 41095  
Craigshall  
Johannesburg 2024

**SPAIN**  
Mundi-Prensa Libros, S.A.  
Castello 37  
28001 Madrid

Librería Internacional AEDOS  
Consell de Cent, 391  
08009 Barcelona

**SRI LANKA AND THE MALDIVES**  
Lake House Bookshop  
P.O. Box 244  
100, Sir Chittampalam A.  
Gardiner Mawatha  
Colombo 2

**SWEDEN**  
*For single titles:*  
Fritzes Fackboksforetag  
Regeringsgatan 12, Box 16356  
S-103 27 Stockholm

*For subscription orders:*  
Wennergren-Williams AB  
Box 30004  
S-104 25 Stockholm

**SWITZERLAND**  
*For single titles:*  
Librairie Payot  
1, rue de Bourg  
CH 1002 Lausanne

*For subscription orders:*  
Librairie Payot  
Service des Abonnements  
Case postale 3312  
CH 1002 Lausanne

**TANZANIA**  
Oxford University Press  
P.O. Box 5299  
Maktaba Road  
Dar es Salaam

**THAILAND**  
Central Department Store  
306 Silom Road  
Bangkok

**TRINIDAD & TOBAGO, ANTIGUA,  
BARBUDA, BARBADOS,  
DOMINICA, GRENADA, GUYANA,  
JAMAICA, MONTSEERRAT, ST.  
KITTS & NEVIS, ST. LUCIA,  
ST. VINCENT & GRENADINES**  
Systematics Studies Unit  
#9 Watts Street  
Curepe  
Trinidad, West Indies

**UNITED KINGDOM**  
Microinfo Ltd.  
P.O. Box 3  
Alton, Hampshire GU34 2PG  
England

**VENEZUELA**  
Librería del Este  
Aptdo. 60.337  
Caracas 1060-A







## RECENT SDA WORKING PAPERS

- No. 1 Grootaert and Kanbur, *Policy-Oriented Analysis of Poverty and the Social Dimensions of Structural Adjustment: A Methodology and Proposed Application to Côte d'Ivoire, 1985-88* (also available in French)
- No. 2 Kanbur, *Poverty and the Social Dimensions of Structural Adjustment in Côte d'Ivoire* (also available in French)
- No. 3 Alderman, *Nutritional Status in Ghana and its Determinants*
- No. 4 Sahn, *Malnutrition in Côte d'Ivoire*
- No. 5 Boateng, Ewusi, Kanbur, and McKay, *A Poverty Profile for Ghana, 1987-88* (also available in French)
- No. 6 Scott and Amenuvegbe, *Effect of Recall Duration on Reporting of Household Expenditures: An Experimental Study in Ghana* (also available in French)
- No. 7 Dubois, *Think Before Measuring: Methodological Innovations for the Collection and Analysis of Statistical Data*
- No. 8 Appleton, Collier, and Horsnell, *Gender, Education, and Employment in Côte d'Ivoire*
- No. 9 Ferroni and Kanbur, *Poverty-Conscious Restructuring of Public Expenditure*
- No. 10 Johnson, McKay, and Round, *Income and Expenditure in a System of Household Accounts*
- No. 12 Marchant and Grootaert, *The Social Dimensions of Adjustment Priority Survey: An Instrument for the Rapid Identification and Monitoring of Policy Target Groups* (also available in French)
- No. 13 Levinson, *Addressing Malnutrition in Africa: Low-Cost Program Possibilities for Government Agencies and Donors*
- No. 14 Delaine and others, *The Social Dimensions of Adjustment Integrated Survey: A Survey to Measure Poverty and Understand the Effects of Policy Change on Households*

## **The World Bank**

### **Headquarters**

1818 H Street, N.W.  
Washington, D.C. 20433, U.S.A.

Telephone: (202) 477-1234  
Facsimile: (202) 477-6391  
Telex: WUI 64145 WORLD BANK  
RCA 248423 WORLD BK

Cable Address: INTBAFRAD  
WASHINGTONDC

### **European Office**

66, avenue d'Iéna  
75116 Paris, France

Telephone: (1) 40.69.30.00  
Facsimile: (1) 40.69.30.66  
Telex: 640651

### **Tokyo Office**

Kokusai Building  
1-1 Marunouchi 3-chome  
Chiyoda-ku, Tokyo 100, Japan

Telephone: (3) 3214-5001  
Facsimile: (3) 3214-3657  
Telex: 26838

