Module F: Institutional-Political Dimension of Regional Planning
What can you learn from this Module on the "Political-Institutional Dimensions of Regional Planning?"

Nobody who deals with developmental issues in the final years of this millennium can get past the talk on "capacity building". Few people, however, are professionals in this, not least because this field is complicated, but also one of the most burdensome for most planners. That is reflected in the following Module. Our main messages are:

- it is overdue to sort out the gobbledegook of terminology used, which often hides (agendas) more than it unveils (them)
- capacity building has to clarify whose capacities for what with which efforts - with the view that capacities of people and institutions are always limited and seldomly the root problem (but need to be addressed in developmental context)
- the identification of suitable change agents is at stake; they can be on any level of system: private, grass-root organisation, government as well as non-governmental bodies; which one is / which ones are suitable, depends on the change that is intended to come about
- any measures should be based on data (an analysis) and take into consideration alternative options.

Ideologies play a major role. We therefore provide an extensive collection of various ideas which may help to clarify the one or other position. (Topic 1)

The institutional and legal framework of regional planning poses a framecondition to planners, which they may be able to influence, but which they have to fill with concrete plans. (Topic 2)  

{to go to Module A, after Development Objectives and Principles, before Metamethodology}

Strategic elements for institutional and organisational development discuss guiding principles for improvement on two levels: on the level of service agencies and on the level of grass-root organisations, which have a variety of names around the world: Community Based Organisations, People's Organisations, Self-Help-Organisations (we will use the latter term). (Topic 3)

The tools to decide on the suitable change agent are presented as Organisational Analysis. (Topic 4)

Support and forming measures are discussed last. (Topic 5)

After having worked through this Module, the reader can expect to be abreast with the state of discussion, have gained major arguments on which measures would be suitable, based on the information provided through analytical tools of analysing organisations and institutions.
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1.1 Cornerstones of general development and institutional development

1.1.1 Terms and definitions

**Institutions**: Agencies or mechanisms for regulating socio-economic processes.

**Organisations**: Formalised groups of several persons with a common purpose.

**Institutional development**: Improvement of the overall institutional system (including regulation mechanisms like legislation, market systems etc.).

**Organisational development**: Improvement of the organisational structure, including improving the performance of existing organisations and initiating the establishment of new organisations (government agencies, NGOs, SHOs, private enterprises).

1.1.2 Interrelation between socio-economic and institutional development

<table>
<thead>
<tr>
<th>Institutional development</th>
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<tbody>
<tr>
<td>= degree and kind of regulating socio-economic processes</td>
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</table>

- Necessities for regulating
- Effectiveness
- Interests
- Distribution of power and resources

Degree of division of labour  
Socio-economic and political structure

Socio-economic development
Explanation

1. The interrelations between socio-economic development and institutional regulation require a *complementary approach* to socio-economic development and to institutional development (but institutional/organisational development is not in itself sufficient to stimulate socio-economic development).

2. As institutional regulations are not only the result of an objective need for regulating but a result of different interests within a society, mere professional approaches to institutional promotion often *do not suffice*. Rather a political-economic approach is required. Cues: pluralism, empowerment (of disadvantaged groups).

**Development means** **deciding on** utilisation of **limited resources**

→ thus it will always involve a **struggle** between different **interest groups**.

A reasonable, professionally justifiable outcome of such a struggle in line with strategic principles of development cannot only be achieved by sound **technical analysis**. It demands wider **political understanding of a** decision-making process including aspects like

- **dialogue**
- **finding coalition partners**
- **advocacy**
- **compromise** and **conflict**
- **information / public relation** (target group oriented)
- referring to mutually agreed **policy principles**

in order to find the necessary support for mass-oriented and sustainable approaches.
1.1.3 Linking up strategies of poverty alleviation with capacity building strategies

**Service System**
- (means of production, information, markets)

**State Service Agencies**

**Problem Situation**

**Targeted Situation**

**Characteristics:**
- Overburdening of the state (insufficient outreach of services, socially and areawise)
- Monopoly of the state (limited possibilities to service disadvantaged people)
- Lack of pressure- / interest-groups of disadvantaged people
- Service provisions for individuals

**Characteristics:**
- Relieving the state (thereby strengthening it) by diversified service agencies
- Restructuring of bargaining power and self-help capacity of organisations
- Strengthening of bargaining power and self-help capacity by people’s organisations
- Service provisions for groups
1.2 Different types of organising in a society

There are 3 basic institutional orientations which can help to understand why people organise. Each of these orientations has comparative advantages with respect to the purposes they serve.

(1) Household - family orientation:
Households are advantageous for reproduction, subsistence, social networking.

(2) Private business - market orientation:
Private businesses are advantageous for production and sales of goods/services under market conditions.

(3) State administration - regulatory orientation:
Authorities are advantageous for regulating roles and responsibilities, for redistribution and transfer payments, for assuring services where markets do not function.
Types of Organisations

- **private business**
  - decreasing market orientation
  - increasing regulatory orientation
  - small scale enterprise in the informal sector
  - pressure group
  - consulting organisation
  - primary society
  - grass root organisation
  - decreasing family orientation

- **state administration**
  - decreasing market orientation
  - increasing regulatory orientation
  - public enterprise
  - parastatal organisation
  - charity organisation
  - developmental and promotion organisation
  - users' cooperative
  - mobilizing organisation
  - organisation closely linked to the state
  - partly autonomous self-administration

- **Family household**
  - decreasing market orientation
  - increasing regulatory orientation
  - decreasing family orientation

- **Decreasing market orientation**
  - Decreasing regulatory orientation

- **Increasing market orientation**
  - Increasing regulatory orientation
Matrix of Selected Organisational and Institutional Development Tasks

This matrix shows how types of development tasks vary according to type of organisation:

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<tr>
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<tbody>
<tr>
<td>1. Micro-level</td>
<td>Efficiency of a particular organisation</td>
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<tr>
<td></td>
<td>e.g. financial management, retrenchment, restructuring, staff development</td>
<td>e.g. restructuring, corporate planning, controlling, financial management, staff development, efficiency performance ...</td>
<td>e.g. marketing, product development, quality control, export promotion ...</td>
<td>e.g. mobilisation of resources, programme development, financial management, restructuring, staff development ...</td>
</tr>
<tr>
<td>2. Meso-level</td>
<td>Co-operation of different organisations, interface management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e.g. task allocation, revenue allocation, programme management, cooperation with private and “third sector” organisation...</td>
<td>e.g. divestiture, cooperation with communal agencies, cooperation with users associations, assisting regions, subsidising regions, subsidising consumer groups ...</td>
<td>e.g. trade associations, chambers of commerce, export promotion boards ...</td>
<td>e.g. co-operation with financing agencies, umbrella organisations, co-operation with government agencies ...</td>
</tr>
<tr>
<td>3. Macro-level</td>
<td>Institutional reform, devolution, decentralisation ...</td>
<td>e.g. deregulation, privatisation, employment creation, distributional questions, subsidies measures ...</td>
<td>e.g. economic reform, promotion of industrial laws, tax reform ...</td>
<td>e.g. new legislation, financing systems, empowerment ...</td>
</tr>
</tbody>
</table>
1.3 Roles of state and roles of civic society

1.3.1 State theory
1.3.2 Possible roles of civil society and of local government

**ROLES OF THE SYSTEM OF REPRESENTATIVE GOVERNMENT**
(Local Councils / City Councils)

- Budget control
- Legal authority
⇒ Final decision-making at the end of the process
⇒ Accountability towards the people (elections)

**ROLES OF CIVIL SOCIETY ORGANISATIONS**
(people’s initiatives, associations, unionism, corporations, etc.)

- Pressure groups/watch dogs
- Articulation of needs / proposals / disagreement
- Dialogue with representatives of government system
- Monitoring government action
⇒ control of own resources
⇒ accountability only towards own members

Planning laws and procedures:
- right to be heard
- right to protest

Legal System:
right to go to court

Note: the roles of representatives of local government and of civil society can be different, although both may express wishes of the people
Participatory channels which are institutionalised by the state in many cases are not sufficient for people to articulate effectively and make their interests and concerns heard.

Civil society forms of participation may be
- movements for specific goals
- legally institutionalised - requiring people's own initiative

1.3.3 Elements of decentralisation

1.3.3.1 Terms

Deconcentration = Re-deployment of central government officers to the local or regional levels to mange sub-national affairs in terms of central guidelines (central co-ordination through re-deployment).

Devolution = The central level granting lower tiers the power and resources to manage local affairs (local democracy).

1.3.3.2 Principles:

Separation of functions and machinery of local and central structures.
Interaction between structures at local and central levels.
Co-ordination of efforts of local and central level structures.
Informed and transparent interventions of centre in priority sectors/ areas.

1.3.3.3 Strategy elements:

- Discretionary funding so as to enable local level structures to set their own priorities.
- Limiting the number of local structures as a way to reduce bureaucracy.
• Capacity building at local level for planning and development through:
  − training
  − recruitment
  − promotion
  − improved service conditions.

• Reduce indirect central controls which could arise as a result of the centre being responsible for:
  − promotion and professional development of local level personnel
  − budgetary allocations
  − etc..

Conclusion:

Decentralisation is a development mechanism in which linkages between local efforts and assistance from the centre produce partnership for progress in development.

1.4 Purposes and Types of Self-Help Organisations

1.4.1 Terms and context

1.4.1.1 Terms

self help = everything that people do in order to improve their situation

Self-help takes place mainly in an individual form or within household or family units.

self help promotion = measures to support self help

principle of development cooperation

⇒ Motto: "Help for self help" = support people’s own efforts supplementarily (and hereby stimulate them), but never replace them.
self help organisation = alliance / association of people with a common purpose to improve their situation by joint activities. (synonyms: people’s organisation, grassroots organisation, community-based organisation)

To be differentiated:
- self help organisations in the narrow sense: formalised alliances
- self help groupings: informal alliances

promotion of self help organisations = measures to support self help organisations
organisational development

→ promotion of self-help is a basic principle in development
→ promotion of self-help organisations is a specialised professional area

1.4.1.2 Why ‘promotion of self-help organisations’ (from the point of view of institution building)?

The increasing importance attributed to self help organisations from the point of view of agencies is a:

* response to the criticism of external services discouraging self-responsibility
  "emancipation by self help organisations"

* response to the reduced capacities of state agencies
  burdensing duties onto the shoulders of the people

* pre-requisite for mass-orientation and reaching many poor people
  The access to institutions and services can not be organised for the mass of people on a one by one basis

* means of representation for disadvantaged groups as a precondition for sustainability
  "Empowerment" by organising

Promotion of self-help-organisations involves treading a narrow path between emancipatory ideals and burdening state duties on to the poor
1.4.1.3 Misunderstanding / more clarification on Self-Help-Organisation (and what they are not)

In any society certain tasks fall under the responsibility of governmental or non-governmental service organisations, and other tasks are under the autonomy of individuals. The clusters of tasks may mutually complement each other.

The special case of promotion of self-help organisations and related specialised promotion agencies is based on the idea that people must first be enabled to fulfil certain tasks additionally or in a better way. There are significant differences among the different types of self-help depending on the distribution of resources contributed, and decision-making power between people and support agency.

<table>
<thead>
<tr>
<th>Decision Resources provided by</th>
<th>Supporting Agencies</th>
<th>Self-Help-Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Agencies</td>
<td>A.</td>
<td>C.</td>
</tr>
<tr>
<td>&quot;Top-down spoon-feeding&quot;</td>
<td>Service delivery approach</td>
<td>&quot;Supported SH&quot;</td>
</tr>
<tr>
<td>People contribute to</td>
<td></td>
<td>Agencies support people's</td>
</tr>
<tr>
<td>support agencies' projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-Help-Organisation</td>
<td>B.</td>
<td>D.</td>
</tr>
<tr>
<td>&quot;Shifting burden&quot;</td>
<td></td>
<td>&quot;Non-supported SH&quot;</td>
</tr>
<tr>
<td>People contribute to</td>
<td></td>
<td>Self-determined and</td>
</tr>
<tr>
<td>support agencies' projects</td>
<td></td>
<td>self-reliant</td>
</tr>
</tbody>
</table>

**Rule:** Provision of resources and decision-making power should go along with each other as far as possible.

Consequently case B is rather a case of taxation than of genuine self-help. In case of C one should take care that people’s self-determination is based to a reasonable degree on people’s own contributions.
1.4.1.4 Purposes of self help organisations

Reasons for organising:

Economic purposes:

🌟 **Economies of scale**: activities or investments which exceed the capacities of individuals or which can be organised more efficiently / cheaply in a group-context.
  *e.g.*: mills, village wells

🌟 **Access to investment, markets, services**: activities in order to fulfil conditions of access
  *e.g.*: *credit only awarded if recipients group together for backing-up collateral*

Political purposes:

🌟 **Protection / cover**: activities specifically for avoiding monopolistic exploitation or dependency
  *e.g.*: *Credit groups, consumer-co-operatives or co-operatives with a joint ownership of means of production in industrialised countries (safeguarding consumers' conditions - or living conditions), street committees, self-protection units*

🌟 **Representation of interests**: in general, joint articulation of interests, complaints, proposals in order to increase chances of realisation
  especially: *co-operative unions, co-operative societies; civic organisations, also every other type of organisation*
Types of self-help organisations and their differing purposes
(SHOs from the point of view of their members)

Types

- individual self help
- neighbourhood groups
- political and cultural self-help organisations

self-help organisations

- single-purpose self-help organisations
  - temporary
  - permanent

- multi-purpose self-help organisations
  - informal
  - formalised

self-help organisations with community functions

- with joint business
  - (generally formalised)
  - cooperative society

- without joint business
  - (generally informal, service-oriented)

self-help organisations with economic aims

self-help organisations combining community functions and economic aims

self-help organisations combining community functions and economic aims

- producer groups with unpaid leadership
  - credit-/savings-groups
  - pre-cooperative groups
  - extension groups

- trade union, associations

credit-cooperative
marketing-cooperative
joint equipment
consumer cooperative
multi-purpose service cooperative
1.5 The internal functioning of organisations

1.5.1 Situation-related problem- or task-oriented approach to the assessment and promotion of organisations

The structural setting of organisations depends on

- their task(s) \(\text{(example: administration, business)}\)
- the socio-economic environment (culture) \(\text{(example: Japan)}\)
- the technology \(\text{(example: computerisation)}\)
- the size of organisation \(\text{(example: World Bank, project)}\)

\(\rightarrow\) the transferability of organisational models is limited!

1.5.2 Important aspects of analysis for a diagnosis of organisations

Aspect 1 "According to which criteria are tasks and responsibilities (decision-making power) distributed to various positions?"

Shown in: schedule of positions with job descriptions

Principle here is: utmost accord between: task - competence - responsibility

Aspect 2 "According to which criteria are positions clustered into units?"

Shown in: organisational organogram.

Note:
a. Principle of differentiation versus principle of integration:

→ To how many units is a task distributed?

<table>
<thead>
<tr>
<th>Differentiation</th>
<th>Integration</th>
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</thead>
<tbody>
<tr>
<td>Efficiency increase by specialisation</td>
<td>High-level self-steering capacity of all subsystems</td>
</tr>
<tr>
<td>Concentration of decision-making power</td>
<td>⇒ Efficiency increase by</td>
</tr>
<tr>
<td></td>
<td>- release of steering capacities for the overall system</td>
</tr>
<tr>
<td></td>
<td>- overview to staff members</td>
</tr>
<tr>
<td>Co-ordination requirements high</td>
<td>→ motivation</td>
</tr>
<tr>
<td></td>
<td>Risk: too much independence to subsystems (&quot;little kingdoms&quot;)</td>
</tr>
</tbody>
</table>

Present tendencies: partially autonomous units which do not overlap

b. Criteria for clustering:

- by function (e.g. research / extension / marketing)
- by product-groups (e.g. maize, coffee, cotton)
- by geographical areas

or

- combination of several clustering criteria: matrix organisation

→ Consequently each unit is answerable to two masters (e.g. a District Planning Unit which may by administratively under the head of the District Administration while being professionally answerable to the National Planning Commission)
Example of a matrix organisation: International organisation

Matrix organisation
* covers best the complexity of reality
* requires high efforts of co-ordination
* promotes (and demands) solving of conflicts in a productive way
* promotes creativity of staff (two dimensional thinking)

c. Organisation of a development intervention:

Creation of relatively autonomous sub-units charged with special, temporarily limited tasks

Advantages: task and objectives orientation reflected in organisation, flexibility, creativity, innovative capacity

Disadvantages: danger of becoming self-propelled, loss of reality

Consequences:
* Organisations of intervention must not compete with permanent organisations or units, but have to be charged with complementary tasks
* Organisations of intervention need clearly framed tasks, but also need a significant range of freedom to fulfil those tasks
Aspect 3  "Who can give instructions to whom and who is responsible?"
Shown in: functional relationship / lines of command / leadership structure

**Basic alternatives:**

a. **Single-line organisation:**

![Diagram of single-line organisation]

only one line of instruction and responsibility between superior and subordinate units

Advantages: straightforward demarcation of competence, clarity, security
Disadvantages: wearisome official channels, overburdening on top, bureaucratic inflexibility

b. **Multi-line organisation:**

![Diagram of multi-line organisation]

several superiors; every superior responsible for certain aspects only (e.g. in a matrix structure)

Advantages: specialisation within the management, short ways, functional authority
Disadvantages: conflicts about competence, insecurity, controlling is difficult
1.5.3 Criteria for the assessment of functional relationships:

a. Span of control:

Number of staff who are directly subordinate to a superior

b. Depth of organisation:

Number of hierarchical levels
→ the bigger the span of control, the shallower the organisational depth

A shallow organisational depth is presently seen as desirable (“lean management”)  
→ prompt official channels, high efficiency;

This tendency is limited by a superior’s capacity to steer subordinates (in administration: up to 20 persons)
Topic 2: Strategic elements for institutional and organisational development

2.1 Promotion of institutional and organisational development in general

2.1.1 Principles of institutional development

1. Institutional / organisational development is complementary measures in the frame of problem/task- and target group/user-oriented planning of interventions.

   Reasoning: Institution building alone is insufficient, as “trickle down” from promoted agencies and organisations to envisaged beneficiaries seldom, if ever, takes place.

2. Institutional / organisational development as one element within a strategy which promotes people's control and ownership (empowering disadvantaged groups.)

   Hence a socio-political approach to institutional promotion.

3. The focus for state agencies must not be on increasing their capacities, but on measures to increase their effectiveness / impact at given levels of capacity (because of limited state budgets and structural limitations of the state service system)

   That is, concentrate on more effect with reduced current cost and without increasing the workload. ("strengthening the state by relieving it from unnecessary burdens").

4. Promotion must focus on identified problems and must not be guided by model solutions derived from ideas about optimum-functioning organisations.
2.1.2 Organisational development principles

As a development intervener, understanding the following principles according to which people organise, is a prerequisite for analysing, assessing and interacting with organisations and agencies at all levels:

(1) Efficiency:
Advantages from organising must warrant the effort or the price of organising. Organising is a burden!

(2) Subsidiarity:
The organisation of activities is most productive at the lowest level of effect, of motivation. That is, whatever can be done individually or by private undertakings does not require organisations or agencies; whatever can be done by grass root organisations does not require state services; whatever can be done on communal level does not require involvement of districts; what can be done on district level, does not require provincial or national levels.

(3) Quality:
The form (type) of an organisation is to suit its function or purpose. Members of an organisation are to have homogeneous interests, a common purpose, a corporate identity (as inhabitants of a community or region, as members in a firm or a group).

(4) Distribution of benefits:
An accepted distribution of benefits or an accepted regulatory function (with respect to roles and responsibilities) ensures the stability and continuity of an organisation.
## 2.2 Promotion of state institutions and agencies

### 2.2.1 State related institutional frameconditions and promotion strategies

<table>
<thead>
<tr>
<th>Typical institutional and political frame conditions</th>
<th>Typical reactions of interventions (and their deficiencies)</th>
<th>Recommended strategies</th>
<th>Consequences for interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Structurally limited potentials for expanding capacities of state agencies</td>
<td>'By-passing' of state agencies (not sustainable)</td>
<td>Plurality: diversifying the overall service system = improving state performance by reducing state responsibilities and charging private companies/NGOs with service tasks</td>
<td>Co-ordinating between various actors (provide co-ordination mechanisms)</td>
</tr>
<tr>
<td></td>
<td>'Institution building' with agencies (by capacity-building, advice and training) (insufficient)</td>
<td>1b. Thereby: follow principle of subsidiarity</td>
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<td></td>
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<td>1c. Reorganising state services accordingly (e.g. group approach, SHO-promotion, cost-centre-approaches) = increasing the efficiency of given capacities through intelligent solutions</td>
<td></td>
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<tr>
<td></td>
<td>Focus on SHO-/NGO-promotion, capacity building (→ overburdening (SHOs and NGOs))</td>
<td>2. Promoting decentralisation efforts</td>
<td></td>
</tr>
<tr>
<td>2. Limited flexibility of bureaucracies (especially of decentralised (sub-units) for innovative changes</td>
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<td>3. Different approaches and political interests with respect to poverty orientation and sustainability</td>
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<td>4. Limited alternatives to state agencies in areas without functioning market economy</td>
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<td></td>
<td></td>
<td>3a. Empowerment:</td>
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<td></td>
<td></td>
<td>• Strengthening of target group organisations</td>
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<td></td>
<td></td>
<td>• Institutionalising participation</td>
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<td>3b. Realistic objectives (= compromises)</td>
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<td></td>
<td></td>
<td>3c. Tactical compromises/compensatory measures for (promoting acceptance of poverty-oriented approaches by) strategically important groups</td>
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<td></td>
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<td>Advocacy: for sustainable poverty alleviation</td>
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</table>
2.2.2 Strategic elements of the promotion of service agencies

1. Diversification of institutional set-up of service agencies / organisations
   (privatisation, decentralisation, non-governmental organisations, self help organisations) = pluralism according to comparative advantage of type of organisation

2. Reorganisation of the approach of state service agencies
   (group approach, decentralised implementation procedures)

3. Participation and organising the target groups / clients of services
   → increasing the chances of beneficiaries to articulate themselves and strengthening their bargaining powers

2.3 Strategic elements in promoting Self-Help-Organisations: matching people’s reasons for organising with support

2.3.1 When promoting self-help organisations the following principles of how they function should be observed:

1. General principles of organisation
   a. Principle of subsidiarity: Self help organisations function where - on the one side - they are more efficient than individuals, and where - on the other side - they are more efficient than private business or governmental service institutions
      The worse frame conditions are, the better are the chances for stable self-help organisations
b. **Principle of ‘organisation to suit its purpose’**: Self help organisations function where the type of organisation suits its purpose; they often fail, if the type of organisation is too demanding in comparison to its purpose → Danger of over-organising

c. **Principle of individual advantage**: The advantages from an organisation must warrant the efforts of organisation → organising = burden

2. **Specific principles for self-help organisations**

d. **Principle of identity of group / enterprise / beneficiaries**: "real" self help organisations are characterised by the fact that members are participating in the activities of the organisations and they themselves use the outputs and services produced (= “third sector”)

The more these three dimensions fall apart, the more organisations acquire the character of a private business or of an administrative organisation (with members becoming shareholders or paying contributions)
The identity of group, enterprise and beneficiaries is not an absolutely necessary condition for functioning; the less it is given, however, the higher the risk of a self help organisation to fall apart / get transformed.

e. **Principle of securing accessible complementary services:** The scope of a self help organisation usually is limited; therefore, self help organisations only remain functioning (sustainably) as far as their access to necessary private or governmental services is secured. Therefore, supply of complementary services by interventions (by definition short term interventions), is problematic.

f. **Principle of homogeneity of interests**

Therefore, organisations of special target groups are often more stable.

g. **Principle of the accepted distribution of benefits / income from the organisation**

Consequently, procedures which are agreed upon and can be controlled by the members have to be designed especially for newly founded organisations, and in the case of change of purpose.
3.1 Context of organisational analyses

3.1.1 Background

- Purposes of an organisational analysis:
  
  (1) Identification of appropriate implementing agencies for support measures or 
      self-help activities
      *organisational analysis during planning interventions*
  
  (2) Identification of requirements of organisational promotion
      *organisational analysis during implementation in case of friction or 
      deficiencies*

- The prerequisite for an organisational analysis is a tentative decision on general 
  development objectives and measures (e.g. from a situation- and a target group 
  analysis), as the suitability of organisations can only be assessed with respect to 
  defined tasks

- The organisational analysis will enter into intervention planning (e.g. ZOPP) in the 
  ‘participants analysis’, the ‘problem-’ and the ‘alternatives-analysis’ (assessment of 
  alternative organisations)

- The instrument of the organisational analysis can be applied with any organisation, 
  i.e. with executing, implementing, support, service agencies, as well as with self- 
  help- or people’s organisations

- Organisational analyses can be carried out by external specialists as well as 
  through a self-analysis, or by a combination of both (facilitated participatory 
  organisational analysis); in organisations which primarily operate for the interest of 
  their members, self-analysis will be more conducive; organisations which are 
  charged with public duties will be unable to avoid external diagnosis.
3.1.2 Expected results of an organisational analysis

1) Relevant problems, constraints, and potentials of relevant organisations are known

2) Necessary information for an assessment of various relevant organisations is available

3) Information for planning of measures of organisational promotion is available

3.2 Methodological orientations

The following paragraph attempts to combine awareness on the interaction between organisations and organisation development (OD) consultancy ("Cycle of change"), with the general approach to interventions presented in previous chapters ("Problem-and system orientation").
3.2.1 Orientation 1: Interaction between organisation and consultant needs analysis of parallel processes

Cycle of change of organisations and respective intervention phases

The Cycle of Change

- **Sensation / Problem**
  - contextual data
  - scanning the environment / ground
  - reality

- **Awareness / System**
  - problem focused
  - system's analysis
  - figure formation
  - desensitisation

- **Energy / Design**
  - situation adjusted
  - solutions
  - choosing what to attend to
  - tension / pain

- **Action planning / Pilot**
  - objectives oriented
  - how to move on choices
  - defense mechanisms

- **Contact / Implementation**
  - participatory management
  - change of boundaries
  - no improvements

- **Closure / Assessment**
  - evaluation
  - withdrawal
  - no withdrawal
### 3.2.2 Orientation 2: problem- / task-orientation

- **Focus of analysis:** the capacity of organisations to fulfil certain **task(s)**
  
  → (1) Context-related approach using an organisation’s capability to fulfil its tasks or to achieve its objectives as the major criterion for assessment

  (2) This is in contrast to an organisation-centred and optimising approach (which compares existing organisational structures and arrangements with 'optimal' ones),

  In the case of service-implementing agencies a problem-oriented organisational analysis starts off from an **external** point of view, specifically from the needs / demands / requirements of the target groups or clients concerning the deliverables of the organisation, or from the expectations of the commissioning / financing agency.

  In case of SHO the analysis starts from the members’ objectives.

- **Advantages of a problem- /task-oriented focus:**
  - reduced efforts and resources required for organisational analysis by concentrating on the most important aspects
  - higher acceptability from the side of the analysed organisation (due to perceivable relevance)
  - situation-related criteria for assessment
  - interventions limited to problem- / task-related aspects of an organisation

Distinct from this problem- / task-focused approach are comprehensive and normative organisational analyses. They tend to look at organisations from within, to screen them comprehensively and to appraise them according to organisational standards.

Such procedures are

- comparatively costly
- for co-operating agencies often not acceptable
- transferring culture-specific standards which may not be applicable in other cultures
- often misleading as they mix problem-related aspects with the organisation-centred view
3.2.3 Orientation 3: systems-orientation:

The problem-oriented organisational analysis is based on a systems model of organisations, which puts

- resources $\rightarrow$ activities $\rightarrow$ outputs $\rightarrow$ objectives/tasks
- into context and links them to
- $\rightarrow$ information $\rightarrow$ organisation.

The consideration of relevant interlinkages between these various functions of an organisation is safeguarded by a systems approach.

In case of capacity building measures (= measures of promoting organisations), the consideration of the systems’ interlinkages helps to appraise the effects and backward loops of interventions in the overall system.

$\rightarrow$ Systems orientation is supposed to widen the scope of analysis as far as necessary to predict consequences of interventions.
3.3 Steps in organisational analysis

**Step 1:** Analysis of outputs (deliverables) of the organisation with regard to its task(s) / the societal (developmental) objective(s) or SHO members’ objectives to which the organisation is to contribute
→ identification of successes
→ identification of deficiencies\(^1\)
(internal problems within an organisation only become relevant if they are related to those deficiencies)

**Step 2:** Analysis of the factors, which cause the identified deficiencies in the organisation
→ identification of constraints (obstacles) relevant for task fulfilment

**Step 3:** Analysis of existing but unused elements which can help to deal with the constraints identified
→ identification of potentials relevant for task fulfilment

The above described steps can be carried out from the point of view of target groups and supervising bodies (= external diagnosis) as well as from the point of view of the members of an organisation (= self-diagnosis)\(^2\) In case of SHO, a self-diagnosis is the most relevant approach. In case of organisations with public functions, external diagnosis has to come in.

For step 2 and 3 there are various checklists with relevant questions (see next page for an example). These questions or indicators, however, should not be used in a standardised, but only in a problem-adequate, task-related manner.

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1. Deficiency is understood as the negative deviation between target and reality with respect to the tasks of an organisation or with respect to the means used for fulfilling its tasks. ‘Problem-orientation’ in this sense limits interventions to organisational deficits which concern target groups / clients, or which concern the budget (in case of SHO = the members’ objectives).

2. The SWOT-Method (S = Successes, W = Weaknesses, O = Opportunities, T = Threats) for self-evaluation follows a similar sequence of steps, but rather than starting from outputs it takes off from a subjectively felt appraisal of successes, weaknesses, opportunities (= potentials) and threats (obstacles, constraints)). This is a meaningful approach for a self-evaluation of self-help-organisations. Where, however, a political / societal task is to be fulfilled the analysis should be oriented through the given task.
Example of a check list:

(a) **Task**: Clear? / in line with requirements of target groups? / accepted by staff members? / accepted by relevant partners? / interests in line with tasks? ...

(b) **Activities**: In line with tasks? / efficiency / relevance / quality ...

(c) **Staff**: Quantity / type / qualification level / qualification composition / motivation / remuneration / guidance / promotion / recruitment / corporate identity / training ...

(d) **Equipment and facilities**: Availability / quality / access of staff members / management of equipment / misuse / maintenance ...

(e) **Finances**: Availability / volume / financial planning / financial procedures / financial control / transparency ...

(f) **Allocation of resources** (personnel, material, financial) to activities and objectives

(g) **External inputs**: By whom? / adequate in quantity and quality? / provided in time? / conditioning ...

(h) **External relations**: Partners / competitors / supporters / complementary agencies / nature of relations (supportive? destructive? harmony? conflict?)

(i) **Information**: Informal level of management / of executing staff / institutionalised / informal / timeliness / appropriateness ...

(j) **Organisational set-up**: Specification of everybody’s tasks / appropriateness of organisational structure / do activities, responsibilities and decision-making power of the various positions correspond to each other? / clear-cut distribution of responsibilities / hierarchy / decentralisation or centralisation / lines of command and reporting ...

(k) **Management**: Where and how are decisions made / follow-up / monitoring / controlling / management style ...
3.4 **Identification of service structures/implementing agencies**

This involves a comparative assessment of different agencies which could fulfil the development task of delivering supplementary services to target groups. It leads to a decision on the optimal organisation or optimal network of implementing or service agencies which may be complementing each other or competing with each other.

The assessment and decision must be based on organisational analysis.

**Steps:**

1. Identify the services required from supporting agencies to achieve the objectives (these services are called the tasks of such organisations).

2. List agencies which would be appropriately suited to deliver the services (i.e. to fulfil the required task).

3. Describe their mandated tasks, their potentials and constraints with respect to the services (required tasks). Base your description on the outcome of the organisational analysis.

4. Identify suitable criteria for assessing such agencies. Keep in mind that these criteria should be specified in relation to the fulfilment of the new tasks (which may be different from the mandated tasks).

5. Select and prioritise the appropriate agencies or network of agencies for each of the services/ tasks.

**Analysis of service structures / the service delivery institutions**

- Purpose, principle, and procedure are examined as in the organisational analysis, however, not concerning a single agency but the system of agencies which are supposed to deliver services / implement measures in the frame of required outputs for reaching predetermined objectives. Objective is to identify the optimal combination of agencies.

- Apart from the effectiveness of single agencies, the following questions especially deserve attention:
  - gaps in the services provided by the services structure
  - co-ordination among the agencies
  - attribution of tasks, responsibilities and capacities among agencies
  - application of the subsidiarity principle with respect to the distribution of tasks
4.1 Strategic elements in the development of service agencies

4.1.1 Options of organisational support

Depending on tasks, objectives, and problems, the following interventions may apply:

1. Introduction of problem- and objective-oriented planning and monitoring methods
   - target-group oriented, adjusted to gender situation, participatory
   Note: methods only useful if they can be applied in the context of the organisation promoted

2. Introduction of decentralised organisational structures and implementation systems
   (e.g. bookkeeping systems for decentralised credit schemes)

3. Adapting organisations to new tasks within the frame of a diversified institutional network
   (e.g. implementation via private firms or via self help organisations)

4. Introduction of adjusted co-ordination mechanisms for co-operating agencies
   Note: minimise co-ordination efforts (i.e. identify activities which require co-ordination, offer support services in co-ordinating)
   Rule: co-ordination of planning, own responsibility of each co-operating agency in implementation
   co-ordination only acceptable if enforced, or if tangible benefits are expected (e.g. improved documents for headquarters, proposals which qualify for external support)
5. Introduction of **private business elements** for steering / controlling organisations

(*e.g. cost-centre-approach, management by objectives*)

Note: Promotion in these fields is not primarily directed towards increasing capacities or activities, but to do better within given capacities and level of activities!

### 4.1.2 Instruments

1. **Training and organisational advice:**
   
   These classic instruments of promotion should only be applied relative to a specific context

   *e.g. training in objectives oriented project planning is only meaningful for organisations which use the objectives oriented approach in planning.*

2. **Participatory elaboration of situation-adequate organisational solutions in dialogues.**

   Improvements in existing organisations and management systems (can be achieved by) the joint development of institutional innovations.

3. **Develop model solutions through pilot schemes:**

   If there are problems of acceptance

   *e.g. demonstrating the feasibility of group credits for people who hitherto are considered not to be credit-worthy.* Use 'public relation' means to spread the knowledge about a model solution and mobilise support.

4. **Mediate** among organisations where changes affect the external in relations and have to be interlinked.

5. **Advocacy planning** for those target groups who are not sufficiently represented or cannot articulate their interests themselves; (make unheard voices heard)

   In dealing with vested interests and political interference (= struggle for scarce resources) planners have to translate their professional insights into political strategies and languages and must be prepared for 'good' /tactical compromises (as opposed to foul compromises) with strategically important groups.
6. **Mobilise external support** for tasks which cannot be adequately fulfilled by local/ national agencies

*e.g. innovative tasks, pilot schemes; inform approaches / conditions; prepare proposals in a way that they may fit to priorities of various support agencies; include them in co-ordination committees.*

### 4.1.3 Determination of promotion requirements for service/ implementing agencies (= “capacity building”)

⇒ Determine means to deal with constraints

If after applying these measures of promotion, no appropriate agencies appear capable to provide the required services or fulfil the required tasks the following options should be considered:

⇒ adjusting tasks to capacities (reduction of objectives)
⇒ find easier ways to fulfil the task
⇒ initiate new agencies

Keep in mind: Organisational promotion is only one way to deal with insufficient capacities

### 4.2 Measures for the development of Self-Help-Organisations

#### 4.2.1 Procedures for identifying or initiating of self-help organisations as well as for planning and implementing support measures

Two approaches:

1. **Objectives-centred approach:** This involves taking a decision on organisational structures as a result of an overall problems- and potentialities-analysis, subsequent deduction of interventions’ objectives, and eventually conclusion on the suitable organisations.
2. **Organisation-centred approach**: Starting off from existing organisations or organisations to be initiated, the problems and potentials of the organisations and their members are analysed and intervention-objectives are derived from there. An organisation-centred approach in supporting self-help organisations usually results in over-organising them or a necessity for support. It discriminates against those who do not allocate necessary free capacity to organisational work. It also tends to ignore the key problems of the (not organised) majority.

Note: It is useful to differentiate between

- **complementary measures**
  regular service offers from private, government and non-government agencies (e.g. extension, credit, schools and health institutions and services)

  and

- **SHO-support measures**
  special (usually temporarily limited) measures for enabling SHOs (e.g. training, management advice, possibly start-up support)

Only the latter should be taken over by interventions; for complementary measures a intervention may take up a linking functions. (cf. chapter 10)

*Guiding question:*

Who does what, and who receives which services, under which conditions?

### 4.2.2 Instruments for promoting self-help organisations

1. **Organisational support** (capacity building of SHOs)

   This involves special, temporarily limited measures which are to enable an organisation or its members to fulfil their task permanently

   a. Instruments for enabling the members, e.g.:
      - participation in planning and monitoring
      - training
      - advice / extension, exchange of information (concerning management, technicalities, etc.)
      - networking
b. **Material** support for setting up and running an organisation, e.g.:
   - building construction, infrastructure
   - subsidies to the investment (compensation of expenses for representatives) or other current organisational cost

   *BE CAREFUL! Very problematic!*

c. Identification and **dissemination** of suitable types of self help organisations, their activities (mini-interventions), and respective instruments for their promotion

d. Influencing the legal, institutional and economic **frame conditions** for self-help organisations

→ Temporary tasks can be taken over by temporary agencies (interventions, NGOs), permanent tasks should be taken over by permanent agencies

2. **Complementary Support Services**

Usually the availability of complementary services from the private, governmental and non-governmental sector is needed permanently (*e.g. input supply, credit, information, etc.*).

The task of permanent service agencies is therefore to **safeguard** the necessary **complementary services**. Interventions can only **support** these agencies (or fostering of associations / networks etc.).

Only in rare and well justified exceptions may interventions take over permanent service functions, if for example a temporary provision of complementary services enables people to establish this service themselves

*e.g. inputs for establishing small farmers’ seed production units*

Hints:

Find the narrow path between over-burdening and over-feeding.

Take a decision according to the principle of subsidiarity.
4.2.3 Steps in implementing support to self-help interventions

1. **Information campaign** about possible (complementary) service offers and their conditions

2. Collect and process **applications** for external support in the frame of a "mini-intervention" (= the SHO - intervention) (have the demands articulated)

3. **Public meeting** with applicants (in an initial phase as far as possible with all people interested, not only with members of existing organisations or their representatives)

4. If necessary: support the **setting up** of new self-help organisations

5. **Planning** of the "mini-intervention" applied for (*e.g. primary school, mill, etc.*) together with the members of the self help organisation (if necessary carry out studies)

6. Put in place a **contract** on the implementation of the "mini-intervention" between the self-help organisation and the supporting organisation which provides complementary services

7. **Stepwise implementation** and monitoring.