

**Centre for Development Studies
University of Wales Swansea**

**Order and Diversity:
Representing and Assisting Organisational Learning
in Non-Government Aid Organisations.**

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Summary of Thesis

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The aim of this thesis is to develop a coherent theory of organisational learning which can generate practical means of assisting organisational learning. The thesis develops and applies this theory to one class of organisations known as non-government organisations (NGOs), and more specifically to those NGOs who receive funds from high income countries but who work for the benefit of the poor in low income countries. Of central concern are the processes whereby these NGOs learn from the rural and urban poor with whom they work.

The basis of the theory of organisational learning used in this thesis is modern evolutionary theory, and more particularly, evolutionary epistemology. It is argued that this theory provides a means of both representing and assisting organisational learning. Firstly, it provides a simple *definition* of learning that can be operationalised at multiple scales of analysis: that of individuals, organisations, and populations of organisations. Differences in the forms of organisational learning that do take place can be *represented* using a number of observable attributes of learning which are derived from an interpretation of evolutionary theory. The same evolutionary theory can also provide useful *explanations* of processes thus defined and represented. Secondly, an analysis of organisational learning using these observable attributes and background theory also suggest two ways in which organisational learning can be *assisted*. One is the use of specific methods within NGOs: a type of participatory monitoring. The second is the use of particular interventions by their donors: demands for particular types of information which are indicative of how and where the NGO is learning

In addition to these practical implications, it is argued that a specific concern with organisational learning can be related to a wider problematic which should be of concern to Development Studies: one which is described as "the management of diversity". Individual theories, organisations, and larger social structures may not survive in the face of diversity and change. In surviving they may constrain and / or enable other agents, with feedback effects into the scale and forms of diversity possible. The management of diversity can be analysed descriptively and prescriptively, at multiple scales of aggregation.

Declaration

This work has been not been previously been accepted in substance for any degree and is not being concurrently submitted for any degree.

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Statement

This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

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Glossary

autopoiesis	autonomous self-creating systems (See Maturana and Varela, 1980)
ADAB	Association of Development Agencies in Bangladesh
AFFHC	Australian Freedom from Hunger Campaign
BPHC	Bangladesh Health and Population Consortium
BRAC	Bangladesh Rural Advancement Committee
CAA	Community Aid Abroad
CCDB	Christian Commission for Development in Bangladesh
CDSC	Conference of Directors of Special Courses
CEO	Chief Executive Officer
CIDA	Canadian International Development Agency
CIIR	Catholic Institute for International Relations
CO	Community Organiser
DAC	Development Assistance Committee (of the OECD)
DFID	Department for International Development (Used only in reference to post mid-1997 events and documents)
DIA	Dutch Inter-church Aid
dol	group (Bangla)
EZE	Evangelische Zentralsettle fur Entwicklungshilfe (English unknown)
HMSO	UK Govt Stationary Office
HOPE	Human and Organizational Potential Enhancement program, of CCDB
ICCO	Interkerkellijke Organisatie voor Ontwikkelingssamenwerking (Inter-Church Organisation for Development Cooperation)
IDS	Institute for Development Studies
IIED	International Institute for Environment and Development
INGO	International NGO
IPP	Indicative Program Proposal
JFS	Joint Funding Scheme, run by DFID
LISA	Local Initiative Support Action program, of CCDB
MRDP	Multi-sectoral Rural Development Program, of CCDB
NGO	Non-Government Organisation
NGOAB	NGO Affairs Bureau, Bangladesh
ODA	Overseas Development Administration (Now DFID)
OECD	Organisation for Economic Cooperation and Development
PCM	Project Coordination Meeting
PMS	Participatory Monitoring Systems
PO	Project Office (refers mainly to PPRDP)
PPP	People's Participatory Planning
PPRDP	People's Participatory Rural Development Program
PRA	Participatory Rural Appraisal
PRF	People's Representative Forum
RTM	Round Table Meeting
samiti	association or society (Bangla)
SRF	Samiti Representatives Forum
SSCI	Social Science Citation Index
reference people	intended beneficiary (CCDB term)

Glossary (cont.)

RDRS	Rangpur-Dinajpur Rural Service
RRMP	Rural Roads Maintenance Program
TBA	Traditional Birth Attendants
thana	Bangladesh government unit of local government administration, smaller than a district and larger than a village
UNDP	United Nations Development Programme
upazilla	Equivalent to thana, but an older term
USP	unique selling proposition
VSR	variation-selection-retention (the evolutionary algorithm)
WCC	World Council of Churches

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CHAPTER ONE. INTRODUCTION

"In my own thinking they have never been separate. Motivation for the purer theory came almost exclusively from preoccupation (and fascination with) 'applied' problems; and the clarification of theoretical ideas was absolutely dependent on an identification of live examples"

(Schelling, T.O., 1980:vi)

1.1 Objective and Argument

The aim of this thesis is to develop a coherent theory of organisational learning which can generate practical means of assisting organisational learning. The thesis develops and applies this theory to one class of organisations known as non-government organisations (NGOs), and more specifically to those NGOs who receive funds from high income countries but who work for the benefit of the poor in low income countries. Of central concern are the processes whereby these NGOs learn from the rural and urban poor with whom they work.

The basis of the theory of organisational learning used in this thesis is modern evolutionary theory, and more particularly, evolutionary epistemology. It is argued that this theory provides a means of both representing and assisting organisational learning. Firstly, it provides a simple *definition* of learning that can be operationalised at multiple levels of analysis: that of individuals, organisations, and populations of organisations. Differences in the forms of organisational learning that do take place can be *represented* using a number of observable attributes of learning which are derived from an interpretation of evolutionary theory. The same evolutionary theory can also provide useful *explanations* of processes thus defined and represented. Secondly, an analysis of organisational learning using these observable attributes and background theory also suggest two ways in which organisational learning can be *assisted*. One is the use of specific methods within NGOs: a type of participatory monitoring. The second is the use of particular interventions by their donors: demands for particular types of information which are indicative of how and where the NGO is learning.

In addition to these practical implications, it is argued that a specific concern with organisational learning can be related to a wider problematic which should be of concern to Development Studies: one which is described as “the management of diversity”. Theories, organisations and larger social structures must all manage diversity. They must sustain a degree of order and coherence, while being responsive to important differences in their environment. In managing to do so they may constrain or enable others, affecting the scale of diversity possible thereafter. The management of diversity can be analysed descriptively in retrospect, and prescriptively in anticipation, at multiple levels of aggregation.

The thesis has four sections. The first section of three chapters is theoretical. Chapter Two argues why the subject of organisational learning is relevant to Development Studies. In Chapter Three evolutionary theory is introduced as a means of addressing a general problematic in Development Studies as well as the specific one of understanding organisational learning. In Chapter Four the implications of this basic theory are elaborated through an analysis of the existing literature on organisational learning.

The second section, made up of Chapter Five, provides a bridge between theory and application. It is argued that NGOs have particular inherent problems and that their global growth and proliferation makes the study of organisational learning in NGOs especially relevant.

The third section is more empirical. Chapter Six analyses the NGO sector in Bangladesh in 1992 in terms of the learning taking place at what is called the population level, that of relationships between organisations. Chapter Seven develops a representation of organisational learning within one particular NGO within that population, the Christian Commission for Development in Bangladesh (CCDB). Chapter Eight describes a specific intervention within one CCDB programme, which is designed to assisting organisational learning. All three chapters are informed by the theory developed in Chapters Three and Four.

The final section, made up of Chapter Nine, returns to a wider perspective. The core of the developed theory is summarised and the implications for practice by NGOs and their donors are reviewed. It is argued that the theory does provide a means of both representing and assisting

organisational learning in NGOs in a way that has not previously been developed within Development Studies.

1.2 The Fieldwork

Bangladesh was chosen as the site for field work because of the large scale of the NGO sector and its accessibility by outside researchers. Chapters Six, Seven and Eight are based on field work carried out in Bangladesh between 1992 and 1995. The fieldwork involved a series of six visits which varied from one week to three months in duration. The first phase took place between January and March 1992 and focused on structured interviews with the chief executive officers (CEOs) of 32 of the largest NGOs. Chapter Five is based on an analysis of the results of that survey. The 1992 visit also led to the selection of CCDB as the case study NGO.

Chapter Six and Seven are based on the second phase of field work which focused specifically on CCDB and was carried out through a series of visits between 1993 and 1995. This consisted of three stages: an initial exploratory visit in early 1993, a series of three visits in 1994 focusing on the development of a participatory monitoring system and a final visit in March 1995 when a brief evaluation of that system was carried out. Following this work contact has also been made with two of the donor NGOs who have been funding CCDB over the last ten years and consultancy work has been carried out with two other NGOs in Bangladesh (Proshika and ActionAid). Some use has also been made of experiences of aid organisations in Somalia, where I worked for six years prior to the beginning of this thesis.

The thesis was written in between periods of consultancy work, from 1995 to early 1998. The model that was developed became more specific, and was more evident in practice, as the fieldwork progressed. Initial applications of the developing model were revised and the results of earlier field work were reinterpreted. In the field work for the population level analysis in Chapter Six the initial focus was on individual NGO projects as units of variation, selection, and retention, as seen within the evolutionary framework. This subsequently changed to a focus on differences in key actor's interpretations of the NGO population as the units of selection, and also

to a focus on change in the more macro-level structural features of the sector. Within the CCDB case study an early and consistent concern was the nature of staff members' awareness of events at the field level. This was subsequently complimented by greater attention to the nature of organisational structure as the past result of, and current framework for, that process. Being the final concern in the fieldwork process, the model implemented in the participatory monitoring system has changed the least. However, what has since developed is a small family of related methods for use with individuals and groups.

The main thrust of the thesis argument will be summarised below, chapter by chapter.

1.3 An Overview of the Chapters

Chapter Two. Development Theory and Organisations: Managing Diversity

Development Studies is an inter-disciplinary field of study. As such there are inherent difficulties in defining it as a coherent field. One source of commonality is the fact that the subject of development as addressed by Development Studies is often in practice the study of aided development. Even when interpreted in the widest sense Development Studies theories and organisations are deeply enmeshed. Almost all theories are developed and sustained within specific organisational contexts and their effects are mediated by those contexts. Understanding how organisations learn is relevant to the analysis and development of development theories.

The future funding for development aid is under threat on a global scale. Evidence of the positive impact of aid is weak. In these conditions, the organisations dependent on those funds must either re-invent the rationale for aid, provide better evidence of its effectiveness, or improve its effectiveness. It will be argued that the international aid sector is in effect facing a crisis of representation. The same term has been used to describe failures of past theoretical frameworks within Development Studies and the social sciences more generally. A common feature of both development organisations and theoretical frameworks is a failure to manage diversity, to develop a single coherent and widely acceptable account that gives adequate recognition of the

diversity which exists in their environments. Such a comparison is valid because organisations are a form of theory. They are collectively constructed interpretations of the world, which change over time.

It will be argued that the management of diversity is potentially a unifying problematic for Development Studies. It requires description but also implies some prescription. It contains both enabling and constraining dimensions. It is one that can be investigated at multiple levels of analysis: nation states, organisations and individuals. It is also appropriate to the analysis of organisational learning.

Chapter Three. Individual and Organisational Learning: An Evolutionary Perspective

The most famous and widely accepted theory of diversity is Darwin's (1859) *Origin of Species*. Darwin was able to provide a non-theistic and non-teleological explanation of its origins. Intrinsic to that explanation is a theory of change over time, on a scale much larger than that covered by development theory or theories of organisational learning. In its core form, evolutionary theory has now survived for almost 140 years. Nevertheless, evolutionary theory contains some diversity and is evolving over time, along with its subject matter. Evolutionary processes are no longer seen as solely biological, but capable of being substantiated in a variety of media, including computer software. Evolution is now seen much more in terms of a process involving information, and as "essentially a learning process" (Jantsch, 1987:7). In this context, and in this thesis, learning is defined in the most elemental sense as the *selective retention of information*.

It will be argued that evolutionary theory is of value for two reasons. Firstly, it provides a sophisticated means of understanding diversity. On the one hand, it explains the *origins* of diversity in a way that requires both freedom and constraint. Neither is sufficient on its own. This is visible in the evolutionary algorithm which is at the heart of evolutionary theory: the repeated iteration of variation, selection and retention. Complementing this is the fact that the *management* of that diversity is crucial to the survival of the individual entities concerned. By

selectively attending to and structuring information about that complex world entities learn to survive. Their survival in turn affects the level of diversity in the system as a whole. Survival is a minimalist definition of learning which is enabling, not simply banal. Within that which survives new variants and embellishments can emerge, and in turn be selectively retained. The emergence of multiple levels of structure become possible.

The second reason for valuing evolutionary theory is that it has generated a number of constructs about learning which can be operationalised at both an individual and organisational level. This is possible because these learning processes are homologous. Entities with common origins share some common structural features (Jantsch, 1987). Processes of *variation*, *selection* and *retention* can be identified at both individual and organisational levels. Because learning is costly (in the form of wasted variants) its use is typically limited. As a result, the *frequency* and *direction* of learning can be identified. Within individuals and organisations it is possible to identify different *levels* of learning, which enable information to be managed on a progressively larger scale. Different forms of multi-level structures, described as *hierarchies* and *heterarchies*, embody different degrees of *openness* to new learning, and the nature of learning that has been achieved to date.

Chapter Four. Contending Perspective on Organisational Learning

In Chapter Four the basic theory developed in Chapter Three will be elaborated through an analysis of the strengths and weaknesses of the emerging body of social science literature concerned with organisational learning. The most well-known application-oriented theories (Senge, 1990; Argyris, 1992) make substantial use of the concept of levels of learning but have not developed it further. Their analyses focus on new learning in the face of change, but ignores the important question of how organisations can also manage to retain past knowledge.

Within the less market driven analyses there has been a stream of literature reviews but a limited sense of accumulating theory. Most importantly, there is little agreement on implications for intervention, apart from the need for openness to error (variation) and second-order (assumptions

level) learning. The most integrative work has been by March (1991,1994), a widely recognised organisation theorist. His emphasis on the ambivalence of learning (and thus difficulties of prescribing action) stems from an evolutionary analysis. Although he is able to identify parameters of the learning process which can be varied what remains underdeveloped in his work is the significance of structure as a means of managing diversity on a large scale. Other related theories of evolutionary economics and autopoiesis address structural issues, but in static and dichotomous terms. A more appropriate solution based on a continuum of structures, from teams to hierarchy, will be proposed.

The Development Studies literature on organisational learning is smaller, more variable in its use of terminology, and has produced few review papers. The main strength of the widely read analyses of development projects by Korten and Rondinelli has been the recognition of the weakness of existing “blueprint” approaches and the need for an alternative “learning process” approach. However, their views of that process have either been unjustifiably normative (Korten, 1980) or lacking in usable detail (Rondinelli, 1983). Where there have been attempts to borrow models from outside the social sciences these have not generated practical implications for improving organisational learning (Uphoff, 1992).

Within the field of evaluation, especially in social development projects implemented by NGOs, there has been a continuing but unresolved discussion of how to identify and represent what is of value i.e. to learn (Marsden and Oakley, 1990, 1994). Confusion exists over how evaluations should be socially constructed, and how to manage (qualitative) information whose meaning is highly variable. These issues of structure and process will be addressed in Chapter Seven and Eight. More recently, the documented experiences of attempts by two international NGOs to encourage organisational learning have highlighted not only the importance of appropriate use of structure, but also the significance of information demands by other parties. The latter is also recognised in the earlier analyses by Korten and Rondinelli, and will be explored in detail in the analysis of CCDB in Chapter Seven.

Chapter Five. The Problematic Nature of Non-Government Organisations

Evolutionary analyses of learning stress the cost of learning, and the significance of particular environments in determining where those costs will be invested (Johnston and Pietrewicz, 1985).

In Chapter Five NGOs will be identified as a distinct form of organisation by focusing on their relationships with other important groups in their environment, and how they differ from those of government and business. It will be argued that the separation of the roles of purchaser and user of services found in NGOs creates a particular set of problems which affects their capacity to learn from their beneficiaries. Additional problems are caused by the nature of the services being provided, and the means used to overcome lack of monetary feedback from users about the value of services.

The significance of these problems has been accentuated by the growing size of the NGO sector, nationally and internationally. As a result of this growth the distance between original purchaser and end user of services has been increased, and at the same time, the most successful NGOs are having to manage relationships with much larger numbers of beneficiaries. With the growth of bilateral and multilateral funding of NGOs there is some possibility that these donors can have more leverage in their relationships with NGOs. But more assertive demands by donors for information may have negative as well as positive effects. How these emerging problems are resolved could mean the difference between NGOs being seen as an organisational form that has reached its natural limits, or as an innovative development with potentially wider application. This is especially important since, on the basis of the analysis at the beginning of this chapter, they can be seen to occupy the middle ground between state and market based forms of service delivery.

Chapter Six. Learning at the Population Level: The NGO Sector in Bangladesh.

In Chapter Five a population level perspective is developed by examining the relationships between the NGOs making up the Bangladeshi NGO sector in the early 1990's. The focus is specifically on those NGOs registered with the Bangladesh government as eligible to receive

funding from overseas organisations. The first part of the chapter looks at population level structures and processes as the embodiment of past learning. These features include the survival and proliferation of NGOs, the size hierarchy of NGOs, the prevalence of generalist and specialist NGOs, and the emergence of specialist inter-NGO networks. It will be argued that all but the latter suggest that the learning which is taking place at the population level is limited and largely unrelated to NGOs' performance in poverty reduction. Relationships with donors have been a major influence on this development.

The second half of the chapter examines learning within the NGO sector from the point of view of the actors who are located within the sector, specifically through the eyes of the CEOs interviewed in the 1992 survey. The focus here is on the prevalence of interpretations of structures and processes. Their views on important static differences between NGOs, and between themselves and other NGOs, are treated as a reflection of what has been learned to date (information retained). Their views of the significant changes that have more recently taken place, within their own and other NGOs, provide a perspective on more current processes of learning, that of selection from a range of new possibilities.

An important part of this section is the first experiment with the use of the variation-selection-retention algorithm as a means by which a small group of respondents could analyse the significance of changes taking place in the NGO sector. The participatory monitoring system described in Chapter Eight was based on this experience.

The CEO interviews suggests that NGOs see themselves in ways that are self-centred and short-sighted. The achievements of the largest NGOs are seen in terms that are largely unrelated to beneficiary interests, though these NGOs are seen to have a major effect on what other NGOs learn. Significant changes that could reduce poverty were identifiable by NGOs but the capacity of NGOs to learn from these achievements was constrained by individual NGO histories. The ways in which NGOs perceive and reconcile self-interest with that of the interests of their beneficiaries is explored in detail in Chapter Seven.

Chapter Seven. Learning within one NGO: The Christian Commission for Development in Bangladesh

Chapter Six is a case study of the Christian Commission for Development in Bangladesh. It was assumed that CCDB's participatory ideology and its relationship with donors made it ideally placed to orient itself to the needs of its beneficiaries and learn from them. Analysing organisational learning in this specially selected case might help define the edges of what was possible. The case study identifies the extent to which CCDB was learning from beneficiaries in the early 1990's and the factors effecting that process. Difficulties were expected both in the scale of the task, (the diversity of beneficiaries involved) and also the need to resolve other competing demands both within and outside CCDB.

The case study will seek two kinds of evidence of past organisational learning. The first type of evidence is found in the shape of CCDB organisational structure, which has literally been informed by past experience. The enduring differences within this structure reflect what CCDB see as the important distinctions in its world, and where it most needs to specialise its knowledge. The second type of evidence is in the organisational routines enacted within CCDB and in relationship with other organisations. Particular attention will be given to heterarchical routines, involving meetings of staff normally separated by their specialist roles and line managers. These routines are a major mechanism through which CCDB updates its knowledge of the world on different scales and in different locations.

Two related conclusions will be drawn. Firstly, the assumptions made about the value of a participatory planning ideology and donor non-intervention were not supported by the case study analysis. There were a number of significant weaknesses in CCDB's ability to learn from its beneficiaries. Secondly, there is substantial evidence that external information demands by other parties can have a major effect on what an organisation attends to, and how it processes the information that is available to it.

Chapter Eight describes the design and implementation of a participatory monitoring system (PMS) designed to aid the process of organisational learning within CCDB. The chapter begins with an explanation of the background context: developments amongst CCDB's donors and within CCDB itself which have increased the relevance of testing new approaches to monitoring.

The next section describes the design of the participatory monitoring system in detail, describing the core concepts and the structure of the system as it was implemented. The participatory monitoring system is an innovative approach to monitoring based on an evolutionary theory of learning. In contrast to many conventional monitoring systems used in development projects the participatory monitoring system did not require the use of predefined indicators (Abbot and Guijt, 1997).

The outline of the design of the participatory monitoring system is then followed by an extensive analysis of the performance of the participatory monitoring system, once it was established. The contents of the information produced by the system are analysed in terms what appeared to be the key areas of agreements and disagreements over their meaning. This is balanced by a more quantitative analysis of the behaviour of the participants in the participatory monitoring system in order to identify the factors which affected the type of information produced by the participatory monitoring system.

This section is then followed by an overall evaluation of the participatory monitoring system from the point of view of its value to CCDB, and the interests of CCDB's beneficiaries. From the point of view of CCDB and the theory underlying the participatory monitoring system it has been successful. It has been retained and replicated on a wider scale. It is sustainable, and meets the needs of different parties within CCDB. Analysed in terms of the capacity to embody a learning process the PMS structure has significant flexibility. When its actual use by CCDB is examined, some areas of strengths and weaknesses in CCDB's learning behaviour can be identified. Some of these problems can be related to CCDB's perception of external information demands by its donors. These could be resolved if donors' demands for information were redesigned and focused on NGOs' *capacity to know*.

Chapter Nine. Conclusions: Representing and Assisting Organisational Learning.

The aim of this thesis is to develop a coherent means of *representing* organisational learning which can also generate practical means of *assisting* organisational learning. In this final chapter it will be argued that this objective has been achieved.

The overall argument about the value of an evolutionary approach to understanding organisational learning is re-stated. The foundations of the model of organisational learning developed in this thesis are reviewed, especially the way in which organisational learning has been defined. This is followed by a detailed summary of six structural features of organisational learning that were differentiated during this thesis, and the observations that could be made in those terms about organisational learning by NGOs in Bangladesh. Some areas of application which have further potential for development are noted.

This is followed by a return to the context of learning, which is seen as an essential influence on the process of organisational learning. Factors effecting the nature of learning are revised, including those that affect people developing theories of organisational learning.

The chapter ends with a return to the wider problematic identified in Chapter Two: the management of diversity. The relationship between the concerns of Development Studies, NGOs and wider processes in the biosphere are revisited. NGOs may manage to survive in a complex environment, but not recognise or meet the diversity of needs amongst their beneficiaries. They may cope with diversity but not enable it. Alternately, donors may make information demands which would align NGO survival needs with those of beneficiaries. Donors could be asking for information about what NGOs are learning from their beneficiaries.

By inquiring about *capacity to know* donors would be moving their analysis of NGO performance up one level of abstraction. In doing so it would enable them to manage relationships with a diversity of NGOs, without limiting their capacity to respond differently, to local conditions. The terms used to represent how organisations learn would themselves become a means of assisting organisational learning. Ideally, this could be complemented by funded NGOs adopting the

monitoring system such as CCDB's PMS, which would enable each NGO to manage a diversity of qualitative information about their own beneficiaries, on a large scale.

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CHAPTER TWO. DEVELOPMENT THEORY AND ORGANISATIONS: MANAGING DIVERSITY

2.1 Introduction

The aim of this introductory chapter is to explain why a study of organisational learning is relevant to development studies. The first section examines the relationship between development theory and organisations. Because Development Studies is an inter-disciplinary field of study there are inherent difficulties in defining it as a coherent field. One source of commonality is the fact that Development Studies is often in practice the study of aided development. Development Studies theories and organisations are deeply enmeshed. Looking further afield, almost all theories are developed and sustained within specific organisational contexts and their effects are mediated by those contexts. Understanding how organisations learn is therefore relevant to the analysis and development of development theories.

The next section looks at trends in official aid flows and their consequences. Evidence available in the 1990's indicates that the survival of development aid and all the organisations involved in that broad project are under threat. The options of re-inventing the rationale for aid, providing better evidence of aid effectiveness, and improving aid effectiveness are explored in turn. All involve problems of representation, both within aid organisations themselves and externally. A more abstract crisis of representation is faced by academics working on theory in development studies, and more generally, in the social sciences. In contrast to the physical sciences there is a diversity of theory, but little evidence of their progressive integration.

The section that follows examines some responses to the challenge of managing diversity. In the humanities one reaction has been to move the analysis up a level, such that modes of representation are the subject of concern (Marcus and Fischer, 1986:9). In Development Studies some writers have questioned the assumed function of representations, to explain homogeneity. In its place is the task of explaining diversity, of which there is abundant evidence. It argued that diversity also has practical relevance, both as an expression of choice, but also of inequality.

These can both be contained in a general problematic which can be described as the management of diversity. Diversity has to be coped with, but can also be enabled. It can be viewed descriptively and prescriptively. Such a problematic is appropriate to both theories, organisations and larger social structures. Theories must recognise the particular but also provide some integrating order. Organisations must reconcile the need for some central command with the need for local adaptability to client needs. On a larger scale, social structures must balance the need for forms of order and the value given to individual choice.

2.2 Development Studies in Context

Development Studies is an inter-disciplinary field of study. While this allows a wide latitude in the choice of theory and method it has its problems. It has been claimed that “There is no consensus on what the subject of development research covers” (Martinussen, 1997:3). While development literature typically focuses on developing countries, almost all disciplines which are represented would claim their theories and methods are not limited to those countries alone. This is especially the case with economics, although it has been argued that “the predominance of neo-Marxisms within development studies’ constituent disciplines” has been one source of coherence (Buttel and McMichael, 1994). While differences in per capita GNP gave some justification for talking of underdeveloped countries as a class in the 1950's the economic differentiation of what was then the Third World has increased substantially since then. Few would now see any major similarities between the East Asian economies and those of Sub-Saharan Africa. Third World countries were also so defined because of their location as contested political territory in-between two archetypal development models - developed capitalism and communism. Associated with the demise of the Soviet Union and the transformation of the Chinese economy that distinction has become less important and differences between forms of capitalism have been given more attention (e.g. Albert, 1992; World Bank, 1993a). Bauer (1981) has argued that the only thing that the Third World, and its synonyms, still do have in common is that they request and receive development aid.

Development aid also contributes significantly to the existence of the academic institutions that

specialise in and promote Development Studies, funding students, research and consultancy opportunities. For example, the Institute for Development Studies in the UK, the International Development Research Centre in Canada and the National Centre for Development Studies in Australia. As aid has become available on a large scale to the ex-Soviet Union, the foci of development studies' teaching and research concerns have adapted flexibly in response (CDSC, 1996). In practice, the subject of development as addressed by development studies is often *aided* development, either on a macro or micro level. This association dates back to the immediate post war period, when President Truman introduced the rationale for the Marshall Plan in terms of development, an event which Esteva (1995:6) argues publicly launched the modern usage of this word. While the idea of development as a potentially directable process has an important earlier "genealogy" (Crush, 1995:8), Truman's speech was an important punctuation point in its development. Development as a project was publicly legitimised and financially enabled on a scale never seen before.

In this context the study of (aided) development is not an abstract exercise, but one very much embedded in a specific organisational context, one involving a host of inter-related multilateral, bilateral and non-governmental organisations, their Third World partners (government and non-government), and other interested parties. While there are theories of development involving macro-economic change and political development, as well as micro-level NGO project level interventions, these are all projects in the larger sense, each with their own advocates seeking their wider adoption and implementation. This is most visible in the operations of the World Bank and UNDP, which market their own identifiable views on the role of the state and markets in their widely publicised annual reports. Views on development are specialised not at random but within particular organisational contexts. Nevertheless, there is also recognised to be some diversity within organisations and change in the dominance of certain views over time. The World Bank has switched from a focus on basic needs (late 1970's), towards more aggregate growth (1980's) and back towards a greater poverty focus (early 1990's). Some of the diversity that exists is itself institutionalised in particular locations, in the form of funding to academic institutions whose staff consider they "have a mandate and even a duty to look beyond the distinct ideological character ..(of development studies)...and to criticise mainstream aid policies" (Clarke, 1996).

Criticisms of development theory and policy can be of limited value because in practice their persistence and impact is mediated by their organisational contexts. My experience with NGOs' operations in Somalia and Yemen in the 1980's was that these organisations could be remarkably obdurate in their official beliefs, in the face of manifestly contrary evidence. CIIR in Yemen had held onto a belief in its capacity for enabling radical social transformation (imported from its Latin American experience) in the face of powerful day to day evidence that they were dealing with a very entrenched semi-feudal society. In Somalia two NGOs, one after the other, established a Primary Health Care Programme in cooperation with regional government authorities, that was based on the Alma Ata model (WHO, 1978). Both were clearly financially unsustainable by the Somali government.

This persistence of such inappropriate responses is not unique to NGOs. In his analysis of the World Bank's views of the subsistence nature of the Lesotho economy in the 1980's, Ferguson has shown a similar process of importation of belief, in the face of a very different and well documented local reality. A more recent and dramatic example is given in the history of the World Bank's funding of the Narmada Dam in India. "Virtually all the flaws and problems it discovered in the project had already been reported to the Bank by staff technicians and consultants and simply ignored by those higher up the chain of command" (Caufield, 1997:26). This pattern was neither new nor unique. In its 1985 review of the provision of technical assistance the UNDP/World Bank Technical Cooperation Assessment Mission (TCAM) to Somalia concluded that: "In terms of impact on Somali institutions, on the capacity for managing its own development and on the transfer of knowledge and skills to Somalia ...the results of this massive effort can only be characterised as disappointing. Externally funded technical assistance projects tend to continue for long periods and to leave few visible results when discontinued. Many institutions that have received assistance for a long time show few signs of being able to function without continued help." (UNDP 1985:14).

There is now a modest literature that gives a warts and all view of development in practice (Klitgaard, 1990; Morris, 1991; Porter et al, 1991; Maren, 1997). In these accounts it is clear that there is another problem as well, that organisations involved in aided development may not in fact even be following any explicit theory at all, or that any theory that does exist is cobbled

together in the course of events. Agency resistance to proposals for urban social research in Somalia in the mid-1980's was explained to me briefly in terms of concern about urban bias, a reference that was upon further questioning no more than a sound-bite version of Lipton's original work (Lipton, 1977). Awareness of development theories was not common amongst the staff of the many NGO, multilateral, or bilateral organisations in Somalia in the 1980's. Further afield, the World Bank's own official history shows that espoused theories can often follow rather than lead organisational behaviour. "It was the availability of financing for such [infrastructure project] undertakings that stimulated philosophising about the vital role of economic infrastructure in the development process, rather than the reverse" (Caufield, 1997:15).

The need to look at the organisational contexts of development ideas has a parallel with the criticisms of classical economics put forward by writers on the new institutional economics (Martinussen, 1995:251-6). It is argued that economies can be better explained by giving attention not only to the relationships between flows of money but also the social institutions supporting the operations of particular markets, and the internal logic of the firm, the basic economic actor in developed economies. The value of this approach is its capacity to explain the persistence of what otherwise appear to non-optimal practices, such as some forms of share cropping contracts, and even the existence of the firm (Martinussen, 1995:255).

These and other analyses of aided development (e.g. Hulme, 1989) suggest that examining the functioning of development theories within organisational contexts will give a more immediate view of their effectiveness and value. It might also help by highlighting the existence and nature of the more tacit theories-in-use (Argyris and Schon, 1978) present within organisations. The prevalence and influence of both forms of ideas within development aiding organisations lies within the domain of theories of organisational learning.

While attention has been paid to the contextualised analysis of development discourse in recent years (Crush, 1995; Sachs, 1992) an analysis based on organisational learning provides a significantly different perspective. It is less exclusively focused "on the texts and words of development" (Crush, 1995:3) and gives attention to organisational structures as vehicles of

knowledge as well. This more inclusive approach enables a movement forward to action which discourse focused analyses seem to be so visibly lacking (Escobar, 1995). This is still important because for all the deconstruction that has taken place, largely in academic contexts, ““needs” undeniably persist (they at least, are not an idealism)” (Porter, 1995:85).

2.3 The Survival of Aid (Organisations): Threats and Responses

The influence of development theories via organisations is not merely academic. When measured in real terms the trend for aid expenditure by OECD countries in the mid-1990's has been downwards. AIDWATCH (1995, 1996a) has documented declines in real terms of aid from OECD donors of 5% in 1993, 1.8% in 1994 and 9.3% in 1995. In 1996 the UK ODA budget for 1997/8 was set at a figure representing a 8.4% cut in real terms. In Canada, possibly the worst case, aid funding has fallen by 24% between 1993 and 1996 (INTRAC, 1995). Many donor countries are now calling for a reduction in aid with an increased reliance on free markets and incentives for private investments (AIDWATCH 1997). Major centres of development studies such as IDS in the UK are now having to compete for their research funding, and can no longer rely on dedicated core funding from aid budgets.

In these circumstances aid (dependent) organisations have a number of non-exclusive options: to reinvent the rationale of aid in a form suitable to a post cold war environment; to provide more convincing evidence of its effectiveness; or to improve the effectiveness of aid that is being delivered. Reinventing aid has not been widely discussed but the traditional structure of the aid delivery process is problematic in a relatively anti-statist post cold war environment. Bilateral and multilateral aid is typically aid to and or through government structures. Market friendly policy reforms as advocated by the IMF and World Bank are not problematic, but in themselves they involve very little in the form of aid transfers. Although they can be encouraged by the use of loan and grant conditionalities, it is being argued that reform generally succeeds most when it is accepted without coercion (Killick, 1995). While expanded funding to NGOs is consistent with ideological preferences for a reduced role for the state (Devine, 1996), in most underdeveloped countries there is a problem of their absorptive capacity. In countries such as

Ethiopia and Kenya, donors like the ODA have had to fund parallel initiatives under the rubric of institutional strengthening or capacity building in order to expand this capacity (Campbell and Clarke, 1996; Davies, 1996a).

As bilateral donors have shown increasing interest in direct funding of NGOs from their country programmes northern NGOs, especially those dependent on government funding, “are now trying to wrestle with the question of what is their own comparative advantage. This is often in terms of what they add to the funds as it goes through their hands - as opposed to what they take from these funds” (ONTRAC, 1997:1). In Scandinavia, where NGOs have been particularly dependent on government funding NGOs are now trying to rekindle a constituency of support amongst the public, to defend themselves against official cuts of the sort which have such a devastating effect on NGOs in Canada. (ONTRAC, 1997:1).

The alternative, of reinventing these organisations in forms that do not require the management of large aid flows, does not seem to have been attractive. Despite prominent calls to do so since the 1970's (Lissner, 1977), efforts with the developed country NGO sector to re-orient their activities around development education and advocacy in their own countries, rather than funded projects overseas, have not been conspicuously successful. In Canada development education focused NGOs were the worst effected of all by the dramatic cuts in government aid budget in 1995. “In reaction to the perceived slowing down of their income several large NGOs in the UK and Canada have closed down development education centres” (ONTRAC, 1997:1). My own experience with two NGOs in Australia (CAA, AFFHC) showed a similar pattern within organisations when public donations declined in the early 1980's and early 1990's. Development education and advocacy staff suffered the greatest cuts.

The second option, to provide better evidence of effectiveness, also has its difficulties. The recent evidence that is available for the effectiveness of aid is not overwhelming. Paul Mosley and John Hudson's review of UK ODA “Aid Effectiveness” found that aid was having a “just significant” influence across the sample of 19 countries (AIDWATCH, 1996b). DFID's own self-evaluation, documented in 89 Project Completion Reports in 1996, has indicated that only half of the immediate and long term objectives of these projects were achieved (DFID, 1997). In

Carlsson et al's (1994) analysis of the use of evaluation tools in international aid programs, they commented that "One of the major problems with aid is that we are not too sure about its impact on the economies of developing countries". This is despite the fact that this question has been on the agenda for the last 30 years.

More relevant to this thesis which focuses on NGOs, the OECD/DAC Expert Group on Aid Evaluation (Kruse, et al, 1997) have recently published their own synthesis study of evaluations of NGO projects. A major part of the report is based on an analysis of 60 reports on 240 projects undertaken in 26 developing countries. One significant conclusion reported on the first page of the Executive Summary was that "...there is still a lack of firm and reliable evidence on the impact of NGO development projects and programmes"(Kruse, et al, 1997:1).

The third possible response to the threat to funding for aided development is to improve effectiveness. One strategy that has been underway since the early 1980's (Korten, 1980) has been to try to encourage less reliance on blueprint approach to development projects and to think more in terms of a process approach (Rondinelli, 1983; Mosse, et al. 1998). Another has been to call for more participation in project planning and development by the intended beneficiaries (World Bank, 1995a). Another has been to place more emphasis on monitoring, evaluation and impact assessment, especially participatory approaches (Broughton and Hampshire, 1997; Concern, 1996; Abbot and Guijt, 1997). These each help address a basic problem, that of the availability of appropriate information which can help ensure that the project is appropriate to beneficiary needs and surrounding conditions.

They each have their problems as well. Senior managers and governments may want to know how a process approach can be differentiated from simple ad hocery. Extending participation in projects raises complicated questions of how to assess whose voice is being heard (Mosse, 1994). Attempts to develop monitoring and evaluation capacity raises questions of how to manage differences of viewpoint and unpredictable events. These are not resolved simply by the continuing search for appropriate indicators (Goyder et al. 1998). Associated with all these efforts to improve effectiveness are issues of representation, of events taking place within projects and in the lives of what can be large numbers of intended beneficiaries.

2.4 Parallel Crises

The DAC's conclusions about NGO impact could be seen as evidence of the aid sector's own "crisis of representation" (Marcus and Fischer, 1986:7). It is a dual one, of how to assess internally and how to present externally the value of their work. It is a crisis with potentially long term negative consequences both for aid organisations and for their ostensible beneficiaries, poor people in aid recipient countries. Marcus and Fischer define this form of crisis, in the social sciences and humanities as a failure of any one view of how to represent the world to achieve and retain dominance, that is both near universal recognition and use. In their view this crisis is epitomised by terms such as post-modernism, exemplifying the fact that "Present conditions of knowledge are defined not so much as what they are as by what they come after" (1986:8). In development organisations the now apparently wide agreement on the importance of participation suggests that the crisis is not so acute there. However this word is in a sense an icon with limited practical use, its minimal meaning is that unilateral representations of development activities are no longer acceptable. Reflecting mainly on their own field of anthropology they question whether the loss of paradigmatic dominance is a problem at all, and applaud diversity where it involves some degree of self-consciousness and experiment (e.g. the work of Geertz, 1993). But as with development theories the existence of this type of response needs to be seen in its particular (academic) organisational context. There are many others where a plurality of representations of the common enterprise would not be tolerated (e.g. most businesses and political parties).

A similar type of crisis has been noted in two other fields specifically related to this thesis, development theory and organisation theory. In development theory the problem has been described by Booth (1994) and Schuurman (1993) as an "impasse" in theorising on development. In organisation theory, the problem has been described as one of "analytical fragmentation" and "paradigm heterodoxy" (Hassard, 1995:2). In both cases the initial problem was the failure of a previously very influential model: Neo-Marxism in development studies and Parsonian functionalism in organisation theory. Aspects of this failure in development studies include theory not matching the reality of development (both the diversity and unexpected nature of

developments), a failure of generativity, and a long term failure to achieve and sustain widespread acceptance. In functionalist sociology failure was seen in similar terms: in accounting for change (as distinct from equilibrium) and conflict (internal differences) (Willmott, 1995:50). In both cases there was the additional failure of any of the new approaches achieving dominance in turn. Diversity has been a significant problem at two levels: diversity in observed behaviour which is not accounted for in the dominant theory, and a diversity of theories emerging in their place, none of which achieved dominance, and thus can offer undisputed guidance. Ironically, even this summary itself risks not acknowledging the variety of levels on which diversity is a problem. There are levels of discourse within theory, concerned with methods of observation and measurement, and also meta-theory, concerned with differentiating quality of theories (Jary and Jary, 1991).

2.5 Responses: The Management of Diversity

In the section that now follows we will briefly examine how these forms of crisis have been responded to, and the relevance of these responses to this thesis.

Marcus and Fischer have pointed out that in the absence of encompassing paradigms "...the most interesting theoretical debates in a number of fields have shifted to the level of method, to problems of epistemology, interpretation, and discursive forms of representation themselves employed by social thinkers. Elevated to a central concern of theoretical reflection, problems of description become problems of representation" (1986:9). One common form of this response has been to treat academic representations as essentially a particular form of literature and to analyse these accounts as objects in terms of their literary features, such as genre (e.g. White, 1973; with history; Jefcutt, 1991, with organisation theory). With more practical goals in mind others in the field of organisation theory (Morgan, 1986; Oswick and Grant, 1996) have focused on the use of metaphor. Describing and analysing organisational theories in terms of metaphor is seen to be of value in two respects. It keeps open radically alternative ways of thinking about an organisation, and it is also a way of explicating tacit assumptions, both in written texts (Morgan) and in the form of views held by people within organisations (Oswick and Grant). To varying

degrees diversity has been legitimated but at the same time managed by developing an encompassing analysis at a higher level, about the range of different forms of representation and their usefulness (Hassard, 1995). The term manage can be seen to have both a minimalist and optimal sense. At the very least it means coping with diversity, at best it means making full use of diversity.

In development studies one approach to the problem of an apparent impasse was to challenge the apparent task at hand. Buttel and McMichael (1994) argued that the impasse exists not because of problems with the *explanans* (the explaining framework), but because of an inappropriate problematic or *explanandum*. The *explanandum*, often implied rather than explicitly stated, was an assumed homogeneity within the Third World. The solution they proposed is to recognise the existence of diversity and to see its existence as problematic and something which needs to be accounted for. Significantly, they associate the drive to generalise about commonalities in the Third World with the need “for this knowledge to be used (or to be made available to those who wish to use it) for development practice” (1994:44). In their view “...the problematic or *explanandum* of development sociology has been shaped so centrally by particular praxis-related normative considerations - that is , by an agenda to accomplish certain social goals in the Third World - that its social scientific foundation has been seriously compromised” (1994:47). It will be argued later in Chapter Seven that similar tensions can be seen within individual organisations, between concerns within individual NGOs about the requirements for their organisational survival, and the capacity that exists within them to recognise and respond to local diversity.

Apart from Buttel and McMichael’s concern about the appropriate foundations of a discipline, there are clearly good reasons for giving attention to diversity in development studies. Firstly, an accumulation of empirical research within and outside neo-Marxist frameworks has shown that the actions of both peasants and states are very diverse, far more than macro-level theory in development studies (both modernising and radical interpretations) has suggested should be the case (Booth, 1993:53). This has been perhaps most noticeable in the form of increased variation in the economic performance of economies, within Asia, Latin America and Africa. What homogeneity that has existed globally, in the form of major power blocks aligned to ideologies,

had fragmented by the early 1990's. While a neo-liberal economic ideology is now globally dominant it is one that stresses, in its purist forms, the importance of a multitude of independent economic actors, and a very limited role for the state. At the same time increased legitimacy has been claimed by, and given to, a plurality of political actors in addition to major political parties. Single issue politics is being pursued by organisations whose membership, and often financial base, is larger than the mainstream traditional political parties based on comprehensive ideologies. Public action has been bought by individual subscription to, and by governmental subcontracting of, a wide range of organisations both profit making and non-profit making. There is no shortage of evidence of diversity.

However, “An interest in the variety of things” as Booth (1994:11) has put it, in itself is hardly a substantial problematic. Carrithers (1992) has argued that for anthropologists the scale of diversity is a problematic because “No other species exhibits such intricacy and fecundity of forms of common life” but this may be more a reflection of species self-preoccupation than reality. Within the context of social development theory and practice Booth sees diversity (especially under conditions of apparently common constraint) as a significant *explanandum* because of its potential to both elucidate and legitimate choice in development. Diversity in behaviour can in effect be seen as indicator of agency. Contrary to Buttel and McMichael, he has argued that “...because of the association of diversity with choice, an agenda constituted this way is relevant to the world of practical concerns in a way that previous agendas were not, and this is surely a good thing” (Booth, 1993:68). Privileging diversity may even “contribute to the demise of political cultures based on appeals to spurious necessity and the denial of choice by leaders and political movements” (Booth, 1993:54). However diversity has other less positive dimensions. Schuurman (1993:30) has objected to the voluntaristic sense in the use of the term diversity and wants to see a focus on inequality as a specific aspect of diversity which should be of common and central concern within development studies . While this still addresses the more interventionist needs of development studies theory it risks being locked into, or seen to be locked into, specific culturally based conceptions of what is equitable, e.g. being Eurocentric. It is clear that there are a number of possible interpretations of how diversity can be seen as a problematic.

The concerns of Booth, Schuurman and others can be accommodated in a wider perspective which would allow for cultural variations in concerns about diversity while still retaining relevance and coherence. This would focus on *the management of diversity*. This phrase includes a descriptive and normative perspective, how diversity is and should be managed. As suggested above, the term manage can also be used in a minimalist and more expansive sense. Firstly, how is diversity coped with and to what extent is it constrained in the process? Secondly, to what extent is diversity given full recognition, and actually enabled? This differentiation implies two, if not more, levels of analysis: individual agents responding to diversity and the collectivity of other agents making up that diversity. This framework can be seen as a practically oriented phrasing of the structure and agency polarity in social theory (Giddens, 1984). It is also one which is consistent with the evolutionary perspective on learning that is introduced in Chapter Three.

2.6 The Relevance of Diversity as a Problematic

The management of diversity is a problematic that can be investigated at multiple levels of analysis. Individuals developing theories must manage the tension between diversity and order. Constructs used to summarise phenomena (to bring order) run the risk of *essentialism*. Essentialism is a term deriving from Plato concerning ideas which allegedly or implicitly have an existence independent of their variously observed manifestations. While the use of terms on this basis may allow it very wide application it renders a theory impervious to disproof. Charges of essentialism can be applied to neo-liberal references to “the market”, to much contemporary development aid discourse, such as that concerning “participation”, and to the use of the phrase “Learning organisation” by management gurus, such as Senge (1990a). To avoid this problem constructs must be linked to observables, to be operationalisable. The view of organisational learning developed in this theory can be operationalised, and as a result it can be used as a means of intervention as well as representation.

At the opposite extreme to essentialism is the problem of “particularism”. A preoccupation with actor self-descriptions can prevent any development of more generalised categories which are a

necessary basis for wider understanding. While they can generate local insights into people's concerns, and processes of causation, developing generalisations from such material can be problematic. What is needed is a structure that can aggregate this information into larger units, without losing valuable detail. A key construct which will help the process of meso and macro level theorising in this thesis is the idea of homology: entities with common origins having similarities of structure.

At the level of organisations, the pyramidal structure of many modern organisations embodies a tension between a large number of front line staff dealing with a diversity of consumers, suppliers and investors, and a single or small executive body held responsible for maintaining a degree of order and direction. Companies must make sense of their interactions with large numbers of people, including all the contradictions between their needs, in a way that ensures the survival and growth of their organisation. This problem of diversity of needs is shared by NGOs, especially those which have grown to a very large size such as those found in Bangladesh and trans-national NGOs such as Plan and CARE. In the analysis of CCDB in Chapter Seven attention will be focused on the factors which effect an NGO's capacity to have an enabling response to the diversity of needs amongst their beneficiaries.

Individuals developing theories and organisations dealing with their day to day experience both face the question of how to structure and aggregate a wealth of field information. For researchers there is a choice (not necessarily made consciously) about the extent to which key ideas should be allowed to emerge from the data, or be sought according to a pre-conceived schema? In organisations there are similar choices about the nature of who participates and their degree of delegated authority to interpret and report versus follow predefined reporting and processing obligations. The relationship between these processes is close and enmeshed, they are not separate. Organisations contain theorising individuals but organisations are themselves socially constructed interpretations of the world.

The management of diversity is also a problematic relevant at the level of whole societies containing multiple organisations and individuals. It is particularly relevant to a post-Cold War world where internal cohesion rather than external threat has become the most widespread focus

of anxiety, both in more and less developed countries. Difficult questions about appropriate structures of governance have been raised by ethnic differences both in developed countries (e.g. Canada), ex-countries such as Somalia, and others in transition such as Ethiopia. There is intense debate about appropriate government responses to income and asset inequality within developed countries such as the UK (Hutton, 1996). The increased ethnic diversity in the UK has prompted calls for a common set of civic values to provide a form of countervailing order (Ignatieff, 1998). All of these responses have the potential to be coping and constraining, or enabling.

2.7 Resolution

It will be argued in Chapters Three and Four that organisational learning is closely related to the processes of survival, growth and proliferation. As organisations grow in size they can be faced with increased internal diversity, and a greater diversity of customers. How they respond to that diversity must, at least, be consistent with their own prospects for survival. In the analysis of NGOs in Chapter Five it will be argued that it will be their capacity to recognise and respond to the different interests of large numbers of beneficiaries which will define the limits of NGOs as a significant alternative class of organisation to that of government or business.

Most large formal organisations are hierarchically structured, despite the well-publicised advocacy of other forms such as teams (Peters, 1992). Their prevalence may suggest the usefulness of this form as means of managing a diversity of activities and customers. In their responses to problems of diversity outlined above, organisational and development studies theorists have also used a form of hierarchy. Theories about events become second order events, which are then subject to theorising themselves. In Chapter Three an evolutionary perspective on learning will make use of the concept of hierarchy, and its major variants, as a means of structuring and representing information. It will be argued that survival and development of these forms of order in the face of diversity and change can be seen as a learning process, one which takes place both within organisations and within conceptual structures.

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CHAPTER THREE. INDIVIDUAL AND ORGANISATIONAL LEARNING: AN EVOLUTIONARY PERSPECTIVE

“The evolutionary epic is probably the best myth we will ever have”

(E.O.Wilson, 1978.)

3.1 Introduction

The aim of this chapter is to introduce an evolutionary perspective on learning which can be applied at multiple levels of analysis: individuals, organisations and populations of organisations. This will address the general problematic identified in Chapter Two and provide the framework for analysis in the remainder of the thesis. The chapter starts with an introduction of evolutionary theory in terms of how it meets some general criteria used to assess theories. This is followed by a detailed explanation of one development of evolutionary theory known as evolutionary epistemology, and related developments which can be used to extend its value. The chapter will then end with a summary of the practical implications for observing and analysing organisational learning.

It will be argued that evolutionary theory is of value for two reasons. Firstly, it provides an explanation for the origins of diversity and the role of learning within that process. Secondly, it is able to generate concepts of learning which can be observed at the level of individuals and organisations. In subsequent chapters these will be used in the analysis of learning in NGOs in Bangladesh. They will also suggest methods of assisting organisational learning.

3.2 The Nature of Evolutionary Theory

The Darwinian theory of evolution is the most widely accepted theory of the origins of diversity (Dennet, 1995). An essential part of this theory is a theory of change over time. This theory has been successfully applied on temporal and geographic scale much larger than that covered by either development theory or theories of organisational learning. The basic structure of this body

of theory has now survived for more than 140 years.

Not only has it survived but it continues to attract the interest of disciplines other than biology. In the last decade evolutionary theory has been applied in the fields of economics (Andersen, 1994; Delorme, 1994; Hodgson, 1992), sociology (Burns and Dietz, 1992; Hannan and Freeman, 1989), political science (Axlerod, 1984), international relations (Modelska and Poznanski, 1996), organisation theory (Baum and Singh, 1994), psychology (Cosmides et al. 1992; Edelman, 1987; Dennet, 1991), cosmology (Smolin, 1997), the philosophy of science (Hull, 1988), epistemology (Cziko and Campbell, 1990), and theories of organisational learning (March, 1991). It is increasingly an inter-disciplinary body of theory, a point which should be in its favour in a inter-disciplinary field such as Development Studies.

There have been many criticisms of the use of evolutionary theory (Sanderson, 1990; Dietz, Burns and Buttell, 1990). Many of these involve assertions about appropriate criteria of value for widely applicable theories of change. Rather than explore these criticisms in depth the remainder of this section will briefly introduce evolutionary theory in terms of some of these criteria. The sections that follow will then look at a more specific interpretation of evolutionary theory, and how it can be of use.

Evolutionary theory is not a *uni-linear* theory of history. The basic metaphor is of a branching structure. Change is seen as an open ended process involving a diversity of agents but one where the entities concerned have common historical origins. Evolutionary theory is not *teleological*. However, contrary to some interpretations (Economist, 1998), while purpose is not required for the process as a whole, it is not the case that individual agents must operate without purpose. Contemporary evolutionary theory does not embody a questionable notion of *progress*. It has been suggested that the appropriate metaphor for the shape of evolutionary change is not even a branching tree but a “moorland with lots of stunted bushes but only a few trees” (Cohen and Stewart, 1995:327). This image more accurately reflects the fact that the fate of the vast majority of lineages in the history of life has been extinction.

Evolutionary theory is not excessively *functionalist*. An over-emphasis on the concept of

adaptation fails to take into account the “inefficiencies of evolution” (March, 1994), the variations in capabilities within species which ironically is the very source of evolution’s flexibility. Evolutionary theory is not inherently *conservative*. It recognises both homeostatic and chaotic relationships, but does not privilege either (Dennet, 1995). The former are more characteristic of conditions within individual organisms, and the latter best describe relationships between organisms, especially prey-predator relationships. Although originally conceived by Darwin as an *incremental* process subsequent evolutionary theory has also been able to incorporate revolutionary rates of change (Ray, 1994; Eldredge, 1985).

Darwin’s own theory was not *reductionist*. It did not attempt to explain the history and diversity of organisms by their constituent chemistry or physics. His focus was on the relationships between organisms. Evolutionary theory does not require a simplistic *ontology*, centred on genes alone. There is an active discussion centred around the idea of hierarchies of entities of different scale, each subject to some form of selection pressure by their environments: cells, organisms, demes, species, etc., (Allen and Starr, 1982; Buss, 1987, Eldredge, 1985; Schull, 1990). Within this framework the notion of individuality is seen as a complex one, clearly conditioned by the scale of the observer relative to the observed and the span of time under examination (Gould, 1990).

The current debate on the *directional* nature of evolution is on the degree to which increasing diversity is intrinsic to the evolutionary process (Wilson, 1993, versus Gould, 1994) and whether species diversity contributes to ecological stability or not (Cherfas, 1994). The latter question is closely related to the management of diversity problematic introduced in Chapter Two.

When applied reflexively to the development of scientific theories (Campbell, 1986; Hull, 1988) evolutionary theory is *tolerant*. Contending theories are to be expected, as is diversity within evolutionary theory itself. The quotation from Wilson at the beginning of this chapter captures an awareness of its dual status. It is a major theory of the world, but also just another human story. Although it appears post-modernist, it will be argued in this thesis that it can be used to generate practical implications for action.

It is possible to evaluate evolutionary theory in more forward looking terms than discussed above. Developments in computer capacity in the last twenty years have now made it possible to explore evolutionary theory on an experimental basis, in addition to the traditional method of naturalistic observation. This has dramatic consequences for the ability to explore evolution both as a theory and as a process that can be adapted into a form of technology.

Computers, with their very large memories and fast processing speeds, make it practically possible to simulate the actions of large populations of agents that react locally to each other according to particular rules, which can vary between agents. Crucially, computers also allow time to be built into models. This development has allowed the study of how stable social structures can emerge from the actions of individual agents. The most well known of these is the work of Axlerod (1984) on the emergence and persistence of cooperation amongst selfish agents.

Within the new field of artificial life (Langton, 1989) computer simulations of evolutionary processes are shedding light on how complex ecosystems emerge over time from simple beginnings, exhibiting complex mixes of relationships including competition, cooperation, parasitism and symbiosis (Ray, 1994). It is important to note that both Axlerod and Ray's approaches involve a *synthetic* rather than reductionist approach to the study of complex behaviour. They are based on the manipulation of *relationships*. The results generated have also re-affirmed another attraction of evolutionary theory: the creativity and open-endedness of the process of evolution, as originally identified by Darwin (1859).

A wide range of practical applications have also emerged, in association with the increased availability of sophisticated computers. Since the mid-1970's (Holland, 1975) a class of software known as genetic algorithms has been under development which can be used to solve complex optimisation problems (i.e. involving multiple conflicting requirements). These embody a process of simulated evolution, where a large population of potential solutions compete to produce the best solutions to specified problem. The fittest of these interbreed and mutate over a series of generations, until a satisfactory level of performance is achieved. Genetic algorithms have been applied in a wide range of fields: business decision making (Mathews, 1995), engineering (Holland, 1975), computer hardware design (EPLF/LSL, 1995), computer software design (Forrest 1990; Koza, 1992; Johnstone, 1995), architectural design (Frazer 1995), graphic

art (Geake, 1993), and music (Johanson, 1997). An important lesson from these developments is that the evolutionary process is not intrinsically biological in nature, but as an abstract conception, can be embodied in a variety of media.

Not only is there diversity within evolutionary theory, as suggested above, but evolutionary theory itself is undergoing change. In his appropriately titled essay, *The Evolution of Evolution* James March (1994), a significant contributor to theories of organisational learning, has summarised a number of important changes in the way the ideas of evolution have been used.

"As ideas of evolution have developed, they have moved away from outcome conceptions of evolution to process conceptions. They have moved from conceptions of evolutionary processes as "efficient" instruments of adaptation to an appreciation of their "inefficiencies". And they have moved from an emphasis on using evolutionary theories to predict history to an emphasis on the engineering of history." (March, 1994:39-49)

It is the potential of this latter use which has led to the exploration of evolutionary perspectives developed in this thesis. The participatory monitoring system that is described in Chapter Eight is an attempt to embody the same basic evolutionary process within the structure of an NGO. The process was designed with the intention of enabling CCDB to manage a wide diversity of accounts of events taking place in the lives of its beneficiaries, in a way that was in their interests.

3.3 Evolutionary Epistemology

The particular development of evolutionary theory that will be developed below has been described as evolutionary epistemology (Cziko and Campbell, 1990). Its most well known advocates have been D.T. Campbell (1974), an eminent American psychologist, and the philosopher, Karl Popper (1979). Although the focus will be on Campbell's views some use will also be made of the recent work of Henry Plotkin (1994), a British psychologist and evolutionary epistemologist. Some potential problems with the application of evolutionary epistemology are then managed by introducing some ideas developed by Gregory Bateson (1979), a social

anthropologist. The social dimensions of the theoretical framework will then be elaborated by making use of the work of Burns and Dietz (1992), sociologists who have developed what they call a rule based conception of cultural evolution.

Evolutionary epistemology has been defined as “the biological study of knowledge...the study and understanding of knowledge through the use of evolutionary theory” (Plotkin, 1994:2). It can be distinguished from other approaches by the fact that it is naturalistic, inductive and descriptive rather than foundational, deductive and prescriptive in its approach. It argues that “evolution - even in its biological aspects - is a knowledge [accumulation] process and that the natural selection paradigm for such knowledge increments can be generalised to other epistemic activities, such as learning, thought and science” (Campbell, 1974:413).

The nature of the process of natural selection, in its abstract form, is detailed in Campbell's 1969 paper titled “Variation and selective retention in socio-cultural evolution”. There he outlines the key elements of what will be called in this thesis the evolutionary algorithm. It consists of the iteration of the following three events:

1. “The occurrence of *variations*: heterogenous, haphazard, "blind", "chance", "random", but in any event variable (the mutation processes in organic evolution and exploratory responses in individual learning).
2. Consistent *selection* criteria: selective elimination, selective propagation, selective retention, of certain types of variations (differential survival of certain mutants in organic evolution, differential reinforcements of certain individual responses in learning).
3. A mechanism for the *preservation, duplication, or propagation* of the positively selected variants (the rigid duplication process of the chromosome-gene system in plants and animals, memory in learning).” (Campbell, 1969: 73).

According to Campbell (1969:73) “If there are representatives of these three requirements at the level of social forms and customs, then a socio-cultural ‘learning’ process is inevitable”. In this

context Campbell has in effect defined learning as the *selective retention of past forms*. This definition is central to the view of organisational learning developed in this thesis. What survives is what has been learned. This view equates forms, or more correctly their selected and retained adaptations over time, as knowledge itself.

In the words of another psychologist, Plotkin (1994:xv) “..adaptations are themselves knowledge, themselves forms of "incorporation" of the world into the structure and organisation of living things. Because this seems to misappropriate a word, ‘knowledge’ with a widely accepted meaning - knowledge usually just being something that only humans have somewhere in their heads - it makes the argument easier if the statement reads "adaptations are biological knowledge, and knowledge as we commonly understand the word is a special case of biological knowledge.”

He explains with the example: “...the relationship of fit between parts of the organisation of an organism, its limb structure for instance, and some feature or features of the world in which it lives, such as the terrain or medium through which it just move, is one in which that organisation is in-formed by the environment”. The environment, by favouring appropriate variations in an organisms functioning, and not favouring others, *makes a difference* to the structure of the population of those organisms. At the individual level (of learning) non-fatal experiences can similarly effect current and future behaviour.

There are two advantages of this epistemology. One is its avoidance of a form of dualism that privileges human experience: one where there is a split between a human mentalistic experience of knowledge and the rest of the world simply existing as the object of knowledge. This non-dualistic conception of knowledge is also a recognised characteristic of the ideas of Gregory Bateson (Harries-Jones, 1995:175), which will be explored below. It enables us to legitimately think about organisations learning as well as individuals. It also enables us to think about knowledge being retained in other forms than texts and speech, for example, organisational structure. The idea of structures being in-formed also implies that new learning may be at the cost of old learning, and thus need to be undertaken strategically.

The second advantage is the minimalist nature of the definition of learning. In his review of

work in the field of artificial life, Belew (1991) has emphasised this feature in his claim is “The dumbest smart thing you can do is stay alive”. The minimalism of this definition also makes it an enabling definition. Once the requirement of survival is met further variations may take place and these lead to the emergence of further structure. For example, in architecture a column may fulfill an essential structural role, but then also be used for various aesthetic purposes.

Having outlined the evolutionary algorithm Campbell suggests that evidence should then be sought for the embodiment and co-existence of these three processes of variation, selection and retention, within human cultures. Variation is the least problematic, being evident in his view between social groups (in the form of social organisation or items of material culture), between members of specific groups (e.g. in the execution of a common custom), and between occasions (e.g. in the resolution of a particular problem). Mechanisms for the transmission of past experience can also be readily identified: writing, oral poetry and song, story telling, rituals and routines of behaviour.

Campbell's main reservations concerned the nature of the selection processes: "*The potential selective systems are so numerous and so intertwined, and the selective criteria so difficult to specify, that quite respectable intellectual grounds are provided for a denial of the existence of a socio-cultural evolutionary process*" (1969:74). A selection process can be broken down into entities which are subject to selection and criteria or rules which account for their selection. The former are described in discussions of evolutionary theory as units of selection. Within biology there are some entities, for example single organisms, that are universally recognised as units of selection, whereas the existence of others, such as species and sub-groups (demes) are still subject to continuing debate (Schull, 1990).

In human cultures there are problems with both aspects of the selection process, with identifying the units of selection as well as the criteria for their selection. As Campbell pointed out “We know the physics of the air, water and light to which swimming, flying and seeing apparatuses of the lower animals must conform. For the study of social evolution we have no such semi-independent descriptions of the selective criteria” (1969:75).

In fact Campbell is even understating the difficulties of understanding selection processes in

biological systems. It is important to recognise that much of biological fitness is to do with how an organism fits into the biosphere, i.e. the complex of other life forms in its neighbourhood, not simply the geosphere. This secondary level of fitness can emerge because there is typically more than one way for organisms to meet their basic physical requirements (a sustainable metabolism). This is especially the case in ecosystems located in environments with high rainfall and solar energy, such as the Amazon. In environments where there are high densities of species and high levels of species diversity it is the responses of many other life forms that determine its fitness and survival. These are mediated by processes of perception and communication, which themselves are subject to evolution.

Unlike the physical world and its rules, the world of the surrounding biosphere is also evolving, in addition to that of the organism of concern. In recognition of this fact Van Valen (1973) has proposed the Red Queen hypothesis, that an ecosystem is an Alice-in-Wonderland where organisms have to run as fast as they can simply to keep in the same place (i.e. survive, let alone proliferate). The process whereby one organism evolves in response to the evolution of others is known as co-evolution.

One implication of the concept of co-evolution is the possibility that environments may vary in their rate of change, and this may have implications for how organisms need to be able to adapt. Campbell (1974), Plotkin (1994) and others have argued that evolution (in species) and learning (in individuals) are methods of adapting to different rates of changes. They suggest there is a temporal hierarchy of processes of adaptation which is ordered by the speed with which the different variation-selection-retention (VSR) processes takes place. According to Plotkin and Odling-Smeel (1979) the capacity for short term behavioural variation is an evolved capacity to deal with short term unpredictabilities in the environment that cannot be dealt with by variations generated during the longer cycle of reproduction.

At a higher level of abstraction Plotkin and Smeel argue almost paradoxically that “environmental unpredictability must be reliably present in certain situations”, in order for behavioural flexibility i.e. learning to be selected for. One general implication of this perspective is that explanations for particular learning behaviours that are observed should be sought in the nature of the changes

taking place in that environment. It is this view which has led to a move in psychology, since the 1960's, away from general process theories of learning towards more ecologically situated theories (Johnston and Pietrewicz, 1985). In Chapter Seven attention will be focused on the periodicities of behaviour within an NGO, and how they relate to the frequency of events within that NGO's environment.

Another consequence of this hierarchical view of learning is that "*the learning process* [i.e the behavioural variation within individuals] never starts de novo, but always starts on the basis of phylogenetic priming i.e. on physical adaptations that have been inherited up to that point. Those accumulated adaptations specify the range of variations possible and also the criteria by which variations in behaviour are selected as valuable or not, e.g. forms of pain and pleasure. The existence of those particular criteria themselves are simply one of many trials at the level of the species. Variations are likely to exist within the species, and even more so, between species. It seems feasible to extend this concept of constraint located within temporal hierarchies of selection processes into the realm of organisations of individuals. Within organisations the range of possible interpretations of particular roles and routines is limited by wider conceptions of the overall organisational structure which contain these roles. The job of a clerk in a Finance unit could not easily be altered into one of graphic artist. Deliberate variations in the form of those defining structures may take place much less frequently.

Campbell's and Plotkin's hierarchical conception of VSR processes does not limit itself to a one way process of causation, the results of longer cycles simply constraining the settings of shorter cycles. Campbell (1974) also describes what he calls "downward causation". At the minimum, successful learning processes [i.e. rapid VSR cycles] within individuals will support the continued existence of the longer cycle processes (e.g. of reproduction of their species) in which they are embedded. But if that learning process is able to expand the range of conditions in which the individual can survive then changes in longer cycle processes will be possible (e.g. rates of reproduction), so long as they do not undermine the survival prospects of the individual. In biology this process is known as the "Baldwin effect" (Abercrombie, et al. 1990:54). The homology of this process can be seen in human organisations. People whose roles are located within particular structures can perform in ways which not only allow the continued survival of

these roles and structures but they can also achieve significant changes in those structures, if they are consistent with their own survival.

Plotkin and Odling-Smee (1979:9) and Waddington (1969) have argued that the process of mutual or co-evolution present in the biosphere generates a positive feedback cycle “with the consequence that change itself generates change and tends to do so at ever increasing rates.” However, all biological life depends on energy inputs and these are finite, even in the tropics. These act as a constraint on the continued escalation of co-evolutionary processes. The point has been made by Mayley et al. (1996) and others that learning (behavioural variability) has an energy cost that is greater than that of fixed (e.g. instinctual) behaviour. This analysis suggests there may be a particular value in investigating the highest frequency forms of learning in organisations. If they are more costly, what is so important about their contents?. In his analysis of information in organisations Stinchcombe (1990) has argued we should “analyse the structure of organisations as determined by their growth towards sources of news, news about the uncertainties that most effect their outcomes”(1990:6) In particular, “the protection against error that an organisation builds into its information systems tells us a lot about what the organisation really wants to know” (1990:15)

This temporal perspective on evolution and learning takes the focus of attention in the opposite direction to that taken in the past, by 19th century social evolutionist (Spencer, 1893) and neo-evolutionary social science in the 20th century (Parsons, 1951). These were concerned with the nature and fate of whole societies, and over long spans of time. Instead it suggests the need for much more micro-level analysis. For example, the temporal structure of information processing within individual organisations. At this stage it is appropriate to return to the question of what it is that is being selected by these selection processes, and the contribution of Gregory Bateson, a social anthropologist but the son of a biologist.

3.4 Bateson's Ecological Epistemology

The phrase "units of selection" suggests there are unambiguous, if not solid, entities out there, waiting to be selected. Bateson's view on the evolutionary process takes the opposite direction and focuses on *information* which he sees as the very opposite of what we think of as substantial matter. Information is about the relationship between things, more particularly, about differences. "Information consists of differences that make a difference" (Bateson, 1979:99). The idea of difference is a key idea in Bateson's work, and one which he has used to develop his theory on the ecologically embedded nature of mental processes, as developed in his later work (1972, 1979). In Bateson's view the units of selection are information, not objects per se. Campbells definition of learning can now be refined: *learning is the selective retention of information* (in-formation).

Bateson argued that we do not see things, but rather differences. This is visible in the operations of the human sensory system, such as the retina, which is most sensitive to edges (spatial differences) in the centre of our vision and movement (changes over time) in our peripheral vision, and where any constant sensation quickly becomes adapted to and effectively invisible (in practice prevented by micro-movements of the eye). Current attempts to physically model visual perception are based on this recognition (Mahowald and Mead, 1991). In the process of perception the structure of differences initially perceived by sense organs such as the eye undergo an immensely complex series of transformations as a result of subsequent interconnectedness of the rest of the human nervous system. Some of those interconnections are inherited structures, the priming referred to above, developed as a result of evolution to date. Others are known to be affected by the process of epigenesis, or maturation associated with growth to adulthood. Others are thought to develop during the process of learning . Although Bateson does not go on to speculate about the nature of the processes within the human brain, though others have, such as the psychologist Edelman (1987), in his theory of Neural Darwinism.

Bateson's conception of difference, and the subsequent transforms of difference, is integrated through the use of the idea of "logical types", an idea taken from Whitehead and Russell's Principia Mathematica (1910-13). A logical type is a class of information of the same type. Bateson suggested that information can be structured in terms of a hierarchy of different logical

types (1979:127-142). At the base, notionally speaking, there are differences, above that is a different logical type of information: differences between those differences. Above that level is another logical type of information: differences between those differences between differences, and so on. An example within the field of development aid is the difference between project performance, evaluations and meta-evaluations. The latter treats evaluations as the subject of scrutiny, not project performance.

Bateson argued that this structure can be seen to exist in nature and not just as a human conceptualisation. In Bateson's words when the biosphere is examined "Instead of a hierarchy of classes we face a hierarchy of orders of recursiveness." (1979:222). Differences at one level are subject to selection by differences at another level. This is the basis of his idea of deutero or second order learning, which has been both borrowed and re-conceived as a key idea within a number of theories of organisational learning (Argyris, 1976; Lovell and Turner, 1988; Shrivastava, 1983; Senge, 1990) Deutero-learning involves what he describes as a different logical type of learning. What is subject to variation and selective retention are the settings, or criteria which govern what is considered successful or fitting behaviour. This conception relates closely to the ideas of Campbell and Plotkin, introduced earlier.

There is an important additional dimension to this process which complements the views of Campbell and Plotkin. In deutero learning, instead of behaviour being subject to selection, as in ordinary learning, what is being selected are "categories of contextual organisation of behaviour", wider categories of experience (Bateson, 1979:149). For example, whether the situation is a "game" or "life and death situation", "casual" or "formal". This view relates closely to Wittgenstein's idea of different language games, that there are different rules for the use of language and their application depends on the setting, or rather the perception of the setting (Grayling 1988). Furthermore, Bateson argues that children learn more macro differences such as "play" and "not-play" earlier than they learn the specific rules of language. This is consistent with the fact that many animals distinguish between play and not-play, but do not have a language as we know it. Children are also known to learn to develop a gender identity before they develop their identify as specific individuals. What is important about this argument is that conceptions of the world are not built up out of atoms of language (Cohen and Stewart, 1995) or

“memes” as suggested by Dawkins (1976). Instead what is involved is a progressive differentiation of constructs, of key differences in the world.

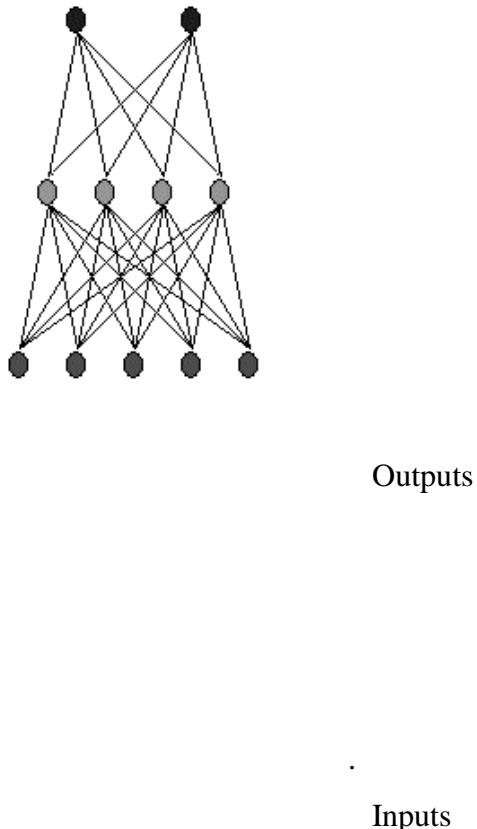
This view corresponds with our common sense idea of expertise, that a person who is a specialist in a particular field is able to differentiate entities or aspects in that field to a far greater extent than a normal person. Often this associated with a specialisation in the language being used (e.g. that of the wine enthusiast). This view of the structure of learning parallels the idea of human learning as involving differentiation of smaller units of time, referred to earlier. The process is homologous with that of speciation: “...a taxonomic tree [of biological life] tells us about the distribution of the capacity to construct organisms, with the most basic capacities being at the top [read root] of the tree while more specialised capacities exist at the bottom [read leaves]” (Benzon, 1996:2). There is also some similarity (but not an identity) with the structure of knowledge in organisations, with generic knowledge held by the CEO at the top, and different forms of specialist capacity located in each of the branches of the structure.

The argument above is at risk of suggesting an overly rigid and thus unrealistic view of human constructs of the world. This is of a hierarchical and branching structure some parts of which differentiate over time more than others, but which are otherwise independent of each other. It may be more realistic to see human constructs in terms of a heterarchy. A heterarchy is a form of structure which is in between that of a network with no overall authority and a hierarchy with a single clearly defined authority. In a heterarchy agents may participate in a number of different hierarchies, either at different times or to a different extent at the same time. A simple example would be a person who undertakes different roles in their relationships to different organisations during the same day (e.g. parent, staff member, shareholder). The amount of attention they give to each role may vary from day to day, as may the attention that others give to them in that role.

The concept of heterarchy is embodied in the structure of a typical artificial neural network. These are typically used to learn complex discrimination tasks, such as speech recognition (Aleksander and Morton, 1991). A simplified example is show in Figure 3.1 below. Learning in neural nets involves the tuning of the strengths of the different relationships between nodes in a heterarchy through trial and error, according to how the response of the whole network fits the

task. The basic structure of a neural network can be designed or evolved using genetic algorithms. Learning then takes place within the parameters of that particular structure. The neural network metaphor is quite consistent with learning as a VSR process, and of one involving a hierarchy of logical types of information. There are multiple levels of nodes and at each level there are choices between which links will be used, and then emphasised, more than others.

Figure 3.1 A simplified artificial neural network as an example of heterarchy



Source: Neural Planner, Windows-based neural network software.

The initial structure of a given artificial neural network (e.g. above) can be described as generalist, it can be applied to a number of different circumstances. As it learns to recognise a particular set of conditions there is what could be called a process of specialisation. Some links are eliminated and some are retained, some are given more weight than others. The resulting

combination is a unique representation of the conditions the neural network has adapted to. The heterarchy in effect becomes more like a hierarchy. The proviso being that more complex recognition tasks tend to require more complex structures. This is consistent with Ashby's (1958) Law of Requisite Variety: a model can only model something to the extent that it has sufficient internal variety to represent it.

In biological evolution a similar process of transition can be noted. Within one species the relationship between members of different generations is typically heterarchical. The genes of one ancestor can be inherited by many descendants. One descendant may have genes from many different ancestors. The process of speciation involves the introduction of a permanent separation between groups of these members, where there was none before. Some linkages, and thus combinations of genes, are no longer possible. There is in effect a move towards hierarchy and specialisation. Each group becomes a new branch on the larger genealogical hierarchy of organisms. As discussed above, this process of biological speciation is typically associated with greater specialisation. The origin of a diversity of species and processes of learning by individual actors in that process seem to be homologous, if not identical.

It is not difficult to find examples of heterarchy in organisations. Meetings can be organised to bring specialist staff, and their line managers, together to deal with more general issues. Ad hoc teams can be pulled together to work out strategies for dealing with new problems. The concepts of hierarchy and heterarchy will be returned to and elaborated in the discussion of other contending theories of organisational learning, in Chapter Four.

3.5 Evolutionary Processes in a Social Context

The process of learning is not something that occurs in isolated monads. Even at the level of biological evolution interactions within populations of organisms are central to the process. Within the lives of individual human beings the ability to learn from each other, and not just their own immediate experience, is a major feature which has enabled humans to adapt effectively to their world. It is an advantage Campbell has described as an “economy of cognition” (Campbell,

1969:82). The social context is also the primary source of emergent complexity, that is possible when large numbers of similar entities have to co-evolve because they are part of each others environment.

One way of situating the process of learning in organisations is to see that process as a form of localised cultural evolution. As Raymond Williams (1990:87) has noted “Culture is one of the two or three most complicated words in the English language”. In the section below the focus is on one specific interpretation of culture, chosen because it fits closely with the epistemology that has already been outlined. However the range and overlapping of meanings noted by Williams is itself quite consistent with the view that will be elaborated below.

Burns and Dietz (1992) theory of cultural evolution can easily be linked to Bateson's views of information. Burns and Dietz base their “approach to action and social structure on the interpretation and use of rules by human actors” (1992:261). In their view "rules are viewed as the basic pieces of information on which evolutionary processes act". Their definition of rules is wide ranging including prescriptive, descriptive and evaluative rules. However, their conception of rules can be related to Bateson's definition of information as a difference that makes a difference. This is an elemental definition of a rule, an if-then statement in the most logical sense, or simply a statement of association in its simplest sense. Their views on rules can also be related to the idea of behavioural routines as the basis of embodied knowledge in organisations, used by Nelson and Winter (1982) in their evolutionary theory of economic change. Routines are fixed structures of if-then rules.

Burns and Dietz “consider the culture of a group to be the set of rules held by members of that group. A culture includes rules that assign meaning and make what is observable interpretable”. Within this perspective “Cultural change is a change in the frequency distribution of rules in the population. Cultural diversity is the variance in rule frequency in the population” (Burns and Dietz 1992:261).

More contentiously, “*cultural fitness*” is defined in terms of an increased prevalence of a rule in the population, relative to other rules. “Cultural fitness in this sense is not identified with long

term-survival of individuals or social groups, or with any other normative or ethical standard” (1992:278). They are not proposing a biologically reductionist perspective on human culture. There are two arguments behind the idea of prevalence as fitness. One is historical: that proliferation to date is indicative of greater fit between the rule and the various contexts where it can be applied. The other, which is more arguable but has some basis in observation of natural ecosystems, is future oriented: that proliferation across of diversity of environments favours the longer term survival of a species because it is a way of hedging bets against unpredictable nature of future change in particular locations. Nelson and Winter (1982) have made a similar distinction between survival, which describes the fate of individual organisations, and viability, which describes the “share of the market” of a given organisational form. Burns and Dietz’s conception of fitness is quite consistent with the minimalist definition of learning introduced earlier.

Burns and Dietz do not see culture as a singular integrated structure. However they do recognise the existence of structures (plural) wherein some rules are governed by meta-rules. “The complexity of life favours frequent use of meta-rules that generalise across specific contexts and thus avoids the need for a new rule for every situation and problem. Strong meta-rules that subsume larger sets of more specific lower order rules generate, indeed are, cultural structure” (Burns and Dietz, 1992:261). Examples given of meta-rules include those governing the use of language and genres of representation. In that respect their view is compatible with Campbell, Plotkin and Bateson’s idea of a hierarchy of selection processes outlined above, although this conception is relatively underdeveloped in Burns and Dietz’s work. Given that people in societies may participate in many different groupings it would be more realistic to see this cultural structure in terms of a heterarchy rather than a hierarchy.

Use of the term “rule”, and the idea of structures of rules, does run the risks of conveying a view of people as “cultural dopes” (Jary and Jary, 1991:204) whose actions are totally determined by the structure of their culture and their location within it. Burns and Dietz compensate by emphasising that all individuals are socialised into particular local sub-sets of rules. They argue that the complexity of many social settings means choices over appropriate rules are not straightforward. There is also likely to be error in the learning of rules and in their

implementation. “Rules must be interpreted to be used in a particular context, and this in turn involves defining, and even socially constructing, the context” (1992:263). While realistic this explanation appears to give a residual role for agency, being that which is left over.

The variability of actors’ interpretations can be seen as more central to the process when located in a wider context, that of information transmission in biological systems. In organisms inherited (learned) information is encoded and transmitted in the form of genes, whose form is called the genotype. In the process of birth and maturation the genotype is transformed through its interaction with its immediate environment into a new living organism, whose form is known as the phenotype. It is the survival of that phenotype which governs whether the genotype also survives and proliferates. Speech, texts, ritualised and routinised behaviour can be seen as the cultural equivalent of genotypes, relatively stable and standardised entities whose meaning emerges out of their interaction with observers within particular contexts. The meaning of these events, as experienced by individuals, can be seen as their phenotypal expression. This event in turn governs the likelihood of the further reproduction of these genotypes in the future. A similar interpretation has been proposed by Benzon (1996) in his own exposition on cultural evolution. This view is quite consistent with phenomenological and post-modernist views which stress the equivocality of meaning in situations and the joint role of the reader and writer in the construction of meaning in texts (Cuddon, 1991:770). An additional feature, which will be explored in practice in Chapter Eight, is that when multiple actors are involved a single event can carry multiple meanings at the same time.

In this context variation is not simply an epi-phenomenon. Burns and Dietz argue that evolutionary theory *requires* the notion of agency, in the sense of activity not evidently determined by surrounding contexts. Without that degree of freedom there simply would not be any process of evolution. “Evolutionary processes are based on variability in the rule system of a culture and in interpretation and application of rules” (Burns and Dietz, 1992:275).

Burns and Dietz make an important point that “... agency [is] a continuous rather than a categorical property of all actors” (1992:274). They argue that the degree of agency a particular actor has in a particular context is a matter to be determined empirically. However they do not

specify how this could be done. One way to do so is to take forward Booth's argument that diversity can be indicative of human agency. Rather than seeking some insight into the voluntary nature of an individual's behaviour our attention should be focused instead on the level of diversity of behaviour within particular groups or populations of people who are sharing particular common conditions. For example, in the case beneficiaries of NGO credit programmes a diversity of loan use could be seen as indicative of users empowerment both in relationship to their local economy, and the aiding NGO.

3.6 Conclusions: Observing and Representing Learning Processes

The aim of this chapter is to argue the value of evolutionary theory, as: (a) an explanation for the origins of diversity and the role of learning in that process, and (b) as a source of concepts of learning which can be observed at the level of individuals and organisations.

It has been argued that there is close homology between the process of evolution and learning. This exists at the level of mechanism and tendency. Both evolution and learning can be understood in terms of the iteration of variation-selection-retention. Within evolution the process tends towards a diversity of species, and within individual and organisational learning it tends towards specialisation of knowledge.

The theory of learning explored above also offers a number of implications for how we can observe and interpret the process of learning in organisations. Firstly, information is retained over time by in-forming structures, by making a difference. We should look for evidence of this process. Bateson's concept of logical types suggests there are at least three different types of structures that may be in-formed and which we could attend to: individuals, organisations, and populations of organisations. Individuals differ in the distinctions they make about the world. Organisations differ in their organisational structure, the distinctions between people making up the organisation. Populations of organisations differ in the structure of the relationships between organisations within them. Each of these levels will be examined in the field work analysed in Chapters Six, Seven and Eight.

The process of learning has been presented as one involving increasing specialisation: progressive differentiation of events taking place in particular areas and occurring at particular frequencies. That specialisation is a consequence of the fact that learning is expensive and therefore has to be rationed. At least, this process must meet the need to survive in a particular environment. This view suggests that we should look where individuals and organisations have specialised their knowledge and relate it to the nature of their environment.

The process of learning also involves balancing the needs for the retention of past knowledge and the acquisition of new knowledge. The presence of significant variations in practice, and awareness of those variations, may signify the location of new individual learning. The distribution of heterarchies may signify the location of new learning within organisational structures. As above, that distribution should be related to the environment in which the actors are located.

Bateson's concepts of logical types of information and hierarchies of recursiveness also suggest a means of differentiating what has been learned *within* individuals and organisations. Not only will there be detailed and up to date knowledge in a particular area, but a person or organisation may be able to meta-evaluate that knowledge, identify differences of higher logical types than just the original phenomenon themselves.

In addition to suggesting features of organisations that can be observed by an outsider, the evolutionary epistemology introduced in this chapter can also provide a means for more participative interpretations of what has been learned within an organisation. In Chapters Six and Eight two accounts will be given of how the basic evolutionary algorithm (variation-selection-retention) can be used to design a social process which enables a number of people to summarise a diversity of experience into a small volume of significant information.

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CHAPTER FOUR. CONTENDING PERSPECTIVES ON ORGANISATIONAL LEARNING

“A metologue is a conversation about some problematic subject. This conversation should be such that not only do the participants discuss the problem but the structure of the conversation as a whole is also relevant to the same subject.”

(Bateson, 1972:1)

4.1 Introduction

Outside of the large literature on evolutionary theory and epistemology (Cziko and Campbell, 1990) there is an emerging body of social science literature that focuses specifically on organisational learning. The aim of this chapter is to examine some key writers in this field and relate their work to the theory introduced in Chapter Three. This comparison will help identify the strengths and weaknesses of the theory, and further implications for representing and assisting organisational learning.

Two bodies of literature will be examined. The first is the social science literature accessible via the Social Sciences Citation Index (SSCI). Where this literature does have a practical orientation or an empirical basis it is generally focused on business firms and, to a lesser extent, government bodies. Because of the volume and diversity of this literature some selectivity has been necessary in order to make the review task manageable. Attention has been given primarily to writers whose work has been widely cited within the field of organisational learning, an approach consistent with the evolutionary view of learning outlined in Chapter Three. The second section looks at the much smaller body of literature that has been generated within Development Studies, which focuses primarily on the operations of aid organisations and the client organisations they work with. This includes a significant amount of grey literature that is not published in academic journals and noted by the SSCI.

4.2 The Emergence of Organisational Learning

“Organisational learning” as a phrase describing a field of concern has only entered into common usage in the social sciences since the late 1980's, though the wider issues of organisational performance have been around for many years (Cyert and March, 1963). An examination of social science journals covered by the Social Sciences Citation Index, by Crossan and Guatto (1996) in 1995, shows that the number of social science journal articles specifically mentioning organisational learning averaged around 5 per year in the 1980's, twice the level of the 1970's. However, from around 1990 the number grew year by year, reaching more than 50 a year by mid-1997. The number of published articles was increasing at a rate faster than the growth of academic publications (Crossan and Guatto, 1996). By the mid-1990's approximately seventy different social science journals had published articles on organisational learning. A similar trend was present in doctoral level research, especially in the USA. Although there were only occasional references in the 1980's, in the early 1990's an average of 19 American thesis abstracts a year referred to organis(z)ational learning.

The area where the growth in interest in organisational learning has been most noticeable is in the publications of books on management themes. In the words of Tom Peters, an internationally known and highly paid management guru (Huczynski, 1993:5) “Learning organisations have become a hot topic” (Peters 1992:383). Over the last few years a number of popular management books have been published specifically on the topic of organisational learning, mainly written from a prescriptive perspective and with the interests in mind of managers of businesses who want to improve performance (Wright et al. 1989; Senge, 1990a; Garrat, 1990; Argyris, 1992; Casey, 1993; Marguardt and Reynolds, 1993; Swieringa and Wierdsma, 1993; Burgoyne et al. 1994; Cunningham, 1994; Dixon, 1994; Grundy, 1994; Howard, 1994; Leeuw et al. 1994; Licari, 1994; and others).

The vast majority of this literature is outside the field of development studies. The most common types of organisations examined or referred to are firms, then government bodies. There are only occasional references to aid projects or projects (e.g. Hopkins, 1990). This may be partly an artefact of the various different terminologies being used in the development studies literature. In

Development Studies work that relates to organisational learning has been variously labelled as “learning process approach” (Korten , 1980; Uphoff, 1992), “adaptive administration” (Rondinelli, 1983:89), “learning from experience” (Edwards, 1989; Hulme, 1989), “organizational learning” (Edwards, 1997), “institutional learning” (Bergdall, 1996; Roche, 1995; Slim, 1993), and “building learning systems” (Bawden, 1992). Much of the literature is not published in journals, but in papers circulated internally, or at conferences and workshops. These features of diversity and informality suggest that discourse in this particular area of Development Studies is at a relatively early and inchoate state. In contrast to the continuous stream of literature reviews on organisational learning outside of Development Studies (see below), so far there has been only one such review within development studies (Edwards, 1997). While there are some well known published writers on the related subject of learning process approaches to development projects, such as Korten (1980) and Rondinelli (1983), their contributions have not informed the body of literature on organisational learning documented in the various SSCI cited reviews of organisational learning (Levitt and March, 1988; Huber, 1991; Easterby-Smith, 1997).

4.3 Influential Writers Outside of Development Studies

The focus of this first section is the SSCI indexed literature that explicitly addresses organisational learning. Table 4.1 below provides a list of all the authors whose work has been cited 50 or more times within the SSCI literature on organisational learning in the 1994-7 period, and who have produced individual papers that have been cited 20 or more times within that same literature. The period up to 1993 has been analysed separately by Crossan and Guatto (1995). The most frequently cited authors for this earlier period are identified in the same table by the brackets after the authors name, which contain their rank order position as of 1993.

Table 4.1: Authors and their papers most widely cited in the literature on organisational learning

Author	Years (when papers were produced)	Number of Citations by main author*	Main Year	Main Paper / Book that year.	Number of Citations by December 1997
Argyris (3)	17	174.	1978	Organizational Learning	72
Senge	6	84.	1990	The Fifth Discipline	54
Huber	8	69.	1991	Organizational learning: The contributing processes and the literature s	53
March	15	152.	1991	Exploration and exploitation in organizational learning	33
Levitt and March*(2)			1988	Organizational Learning	47
Nelson & Winter*	10	50.	1982	An evolutionary theory of economic change	39
Daft and Weick*(1)	19	104.	1984	Towards a model of organizations as interpretation systems	22
Nonaka	8	56.	1994	A dynamic theory of organizational knowledge creation	21

Within the list there are some significant differences. The two most cited writers, especially Senge, differ from the rest in that they have explicitly tried to sell their ideas, to companies wanting to improve their performance in the market place. They are part of a wider growth in the proportion of papers focusing on application, as distinct from analysis, synthesis and review noted by Crossan and Guatto (1996). The next two (Huber, 1991; and Levitt and March, 1988) are more academic in orientation. Unlike the first two which have tried to offer a “unique selling proposition”, differentiating their product from others, the papers by Huber and March are synthesising studies, trying to bring a meaningful order to the diversity of all the previous work done in the field. The next two sets of papers, by March (1991) and that of Nelson and Winter (1982), are both influenced by evolutionary theory. Daft and Weick (1984) are representative of a more interpretative and less systems oriented perspective on organisational learning (e.g. Fiol and Lyles, 1985; Fiol, 1994). The paper by Nonaka is more independent in its development, only giving acknowledgement to one of the other writers on this list (Argyris). It is conspicuous because although only recently published it has been widely cited. Although work by leading organization theorists such as Williamson, Pfeffer, Mintzberg, Simon (Padgett, 1992) and others is referred to in the organisational learning literature it has not been on the same scale as those mentioned above. James March is the only widely recognised organisation theorist who has specialised in this area.

Overcoming Organizational Defences: Chris Argyris

Argyris and Senge are proactive writers on organisational learning. They are advocating views on how organisations can learn more effectively, not simply describing organisational learning as they see it. Their confident advocacy of particular prescriptions (Edmondson, 1996) is in contrast to the evolutionary view of learning, introduced in Chapter Three, which suggest that the presence and type of learning behaviour that can be found will always be dependent on context, on the local ecology. Argyris partly justifies his prescription for improved learning by assuming that almost all companies are facing a rapidly changing environment and (implicitly) that the primary problem facing companies is not the retention of past lessons, but the acquisition of new

knowledge. Even if change is endemic this is questionable. As well as being proactive or simply passive, organisations may also be victims of excessive change. Retaining existing competencies and past knowledge can be difficult when there are high levels of staff turnover (Carley, 1992). Uphoff (1992:11) reports “an attrition rate of 95 per cent” over four years amongst the village level workers’ employed in the USAID funded Gal Oya irrigation project in Sir Lanka. Even the World Wide Web which is seen as the epitome of change, is based on an invention (hypertext) that was initially developed to cope with the loss of information caused by high levels of staff turnover in a large research institution (Naughton, 1998).

Argyris’s theory of learning is based on one major distinction which has been widely quoted, rediscovered and reformulated in the literature on organisational learning, and one which is often attributed to Bateson (Argyris, 1976; Sutton, 1994; Easterby-Smith, 1997). This is the distinction between single loop and double loop learning. “When a thermostat turns the heat on or off, it is acting in keeping with the program of orders given to keep it to the room temperature, let us say, at 68 degrees. This is single loop learning, because the underlying programme is not questioned. The overwhelming amount of learning done in an organisation is single-loop learning because it is designed to identify and correct errors, so that the job gets done and the action remains within stated policy guidelines” (Argyris, 1992:115-6). In contrast, second order learning involves questioning of the underlying objectives and policies. In much of his discussions of organisational learning he regards the most significant organisational learning as being the capacity to engage in double loop learning. He assumes that many organisations do not have this capacity, and almost axiomatically that more is better (Argyris, 1992). However, while the ability to question and think about other goals and criteria of performance can undoubtedly enable greater flexibility and adaptability by an organisation, Argyris does not give attention to the risks posed by a great diversity of views at that level. In excess such diversity would actually be disabling, preventing any effective joint action.

Argyris’s overall analysis of learning is social-psychological rather than sociological or micro-political. The blockages to learning are what he calls “organizational defensive routines”. “These consist of all the policies, practices and actions that prevent human beings from having to experience embarrassment or threat and at the same time, prevent them from examining the

nature and causes of that embarrassment or threat" (1994:80).

There are two limitations to his focus on this problem. One is the assumption of pathology, the other limited scale of the analysis. Argyris has described defensive routines in terms that are analogous to the idea of defence mechanisms used by individuals to manage their own anxieties. However, less negatively phrased, they also bear some relationship to the everyday social practices documented by Goffman (1959), whereby people successfully manage their interactions with each other, with minimal cost. Seen from the long term point of view of the organisation they may be maladaptive defences, but from the immediate interests of the participants they may be highly adaptive. Argyris's bias here may be linked to the fact that his analysis of the behaviour of firms is derived from consultancy work contracted by CEOs wanting to change their organisation's performance, not contracts with individuals within the organisation who may have more immediate and local interests.

The other limitation is that the analysis is limited to face to face interactions between individuals. Argyris does not give significant attention to the role of conflicts between sub-groups within organisations which may be affecting consensus or disagreement over second order understandings. Nor is there much recognition of individual staff members' often justifiable concerns for their own survival within the organisation. Although defensiveness is explored extensively non-psychological sources of constraint on learning have not been explored. These areas of neglect may reflect the areas of organisational life which an externally contracted consultant such as Argyris feels he cannot hope to change.

Some of Argyris's analyses of the structure of defensive routines covers similar territory to Bateson's (1972) earlier work on double bind communications, and the psychiatrist Ronald Laing's work on intra-family communication (Laing, 1961). They consist of layers of information: mixed messages, denial of the mixed nature of the message and ruling discussion of the nature of the message out of court (Argyris, 1994). The idea of hierarchy of logical types is present here in Argyris's understanding of face to face communications, but it is not extended further into a wider analysis of organisational learning processes on the scale of whole organisations. Even within his own analysis of inter-personal communications he typically refers

only to first and second order learning, and not to the possibility of further levels of abstraction and constraint. This limitation may reflect the limits of individual and organisational awareness encountered during his interventions, an issue which Argyris has touched upon.

Present in much of Argyris's analysis is a view that much knowledge within organisations is in tacit rather than explicit form. It is captured in his distinction between "espoused theory" and "theory-in-use" (Argyris, 1992) and built into his strategy for change, described below. His analysis of tacit knowledge is solely in terms of its use as a defence mechanism. "Defensive reasoning occurs when individuals make their premises and inference tacit...". The functional value of tacit knowledge within organisations has not been explored by Argyris, though this issue has been addressed by other writers on organisational learning, especially Nonaka (1994), who in turn built upon earlier work by Polanyi (1966). For Polanyi knowledge becomes tacit at the individual level when it is consistently applicable and uncontested, however this is seen as an unconscious rather than deliberate process. Given the normal limits to people's span of attention this process might better be described as an act of economy, not pathology.

Argyris's strategy for change is essentially psychotherapeutic. Attention is focused on processes that have been routinised and made automatic. Actors' unawareness of the inconsistencies between espoused and theory in use is a key concern of the therapist, the external change agent. This is explored through the use of case studies, video and tape recorders if necessary, usually in a group setting. Here "people strive to make their premises, inferences and conclusions explicit and to subject them to public tests that are genuinely independent" (1992:263). By bringing differences or contradictions into the public realm in a structured setting it is assumed that they will be resolved more easily than otherwise. As in psychotherapy, the role of the change agent is not to suggest particular resolutions but, to enlarge the range of choice the actors have to change their behaviour. Argyris also offers a complementary form of assistance, a theory of organisational defensive routines, which is intended to enable members of organisations to recognise their presence and thus presumably have some choice about how to manage them in the future.

Argyris's recent work (1992) has been subject to some criticisms by others (Child, 1994). Firstly,

that it is largely repetition of early work and there is no evidence of development. If the theory is reflexive it should help generate some learning about learning. Secondly, "...the root problem of how individual learning relates to, and is to be translated into, organisational learning is not really treated other than in terms of defence mechanisms." (Child, 1994:450), i.e. how new learning is prevented. Thirdly, although routines are recognised as a form of embodied and retained knowledge, Argyris's conception of organisational memory is underdeveloped. Related to this, Child has suggested that a more dynamic view of the role of larger structures needs to be developed. "What kinds of organizational policies and practices help to reconcile the simultaneous conditions of diversity and consensus which many authorities agree are fundamental requirements for learning to take place ...This question is partly one of organisational design and amounts to more than just breaking down of defences through the interpersonal and group confrontations and discussions" (Child, 1994:451).

The Fifth Discipline: Peter Senge

While Senge is a much more recent contributor to the field of organisational learning than Argyris his work has reached a wider level of public awareness much quicker. Unlike the ideas of many other private sector management gurus his views have also permeated quickly into the international NGO sector (Edwards, 1997). In July 1995, I heard his five key ideas being publicly cited in an NGO conference in the United Kingdom on scaling up, by Fazle Abed, the CEO of BRAC, the largest NGO in Bangladesh.

Senge's most well known publication, a book titled *The Fifth Discipline: The Art and Practice of the Learning Organisation* (1990a), was a deliberate response to what was perceived to be an emerging market demand by company executives to learn about organisational learning (Galagan, 1991). The nature of that market demand was summarised in an introduction to an article by Senge, in the form of a quote from a CEO that "The rate at which organisations may learn may be the only sustainable source of competitive advantage" (Senge, 1990b:7).

Senge has distilled what he has learned from his own consulting work into the form of five

“disciplines”, bodies of practice that have to be learned (Galagan, 1991) These are: “systems thinking”, “personal” mastery”, “mental models”, “shared vision” and “team learning”. He acknowledges that each of these disciplines is built upon the work of other writers. Senge’s unique selling proposition, which differentiates his product from others, is the way he has packaged a number of ideas together. Along with the explanation of these concepts are various exercises which can be used to explore them in practice. Harris (1990) has suggested that one function of his book is as an advertisement for his training workshops, a well established marketing approach amongst management gurus (Huczynski, 1993).

Senge differentiates learning organisations from other organisations in terms of their greater adaptability. In a world where “a full one third of the Fortune ‘500 industrials listed in 1970 had vanished by 1983” (Senge, 1990a) adaptability is seen as essential. He differentiates learning capacity in terms of two levels, which have been borrowed directly from Argyris, but relabelled as “adaptive” and “generative”. Adaptive learning is described as coping behaviour whereas generative learning is seen as creativity, and ultimately more valuable. Given this basic analysis, one of his clients posed a provocative question “I talk to people all over the country about learning organisations and the response is very positive”, says William O’Brien, CEO of the Hanover Insurance companies. “If this type of organisation is so widely preferred, why don’t people create such organisations...” (Senge 1990a:8). Senge’s response is to blame the competence of corporate leadership and then to prescribe what he calls “The Leaders New Work” (Senge, 1990b) which is to implement the five disciplines mentioned above. There is no acknowledgement that there might be some degree of fitness between prevalent forms of organisation (and the relative infrequency of examples of his ideal form) with current market conditions. Although Senge may argue that what is at stake is longer term survival Levinthal and March (1993) have sensibly pointed out that organisations need to survive the present before they can cope with the longer term.

The linchpin of Senge’s five disciplines is the idea of systems thinking, of “seeing interrelationships rather than things, for seeing patterns of change rather than static snapshots” (Senge, 1991). The perceived constraint is the linear cause effect model of thinking that he sees as inherent in the very structure of language. His solution is the development of diagram based

mental tools that capture the idea of positive and negative feedback processes, and a set of common states and trajectories, called system archetypes, that can be identified. As with Argyris his systems view seems to have originated in a mechanical variant of cybernetics rather than from evolutionary theory (e.g. Ashby, 1956). Here the implicit desired state is homeostasis, whereas evolutionary theory gives more attention to the open ended and emergent dimension of living systems (Jantsch, 1987). It is symptomatic that the seven “archetypes” that Senge focuses on are all problematic states to be avoided. His view of systems theory does not provide a guide to creativity.

Senge’s system discipline does have some more mundane advantages. It enables participants in his workshop to step back from an individualistic interpretation of change, where people may respond unconstructively to organisational problems with blame or by disengagement. Responsibility is both diffused and shared. Systemic views are also achieved by simpler means than system diagrams, simply by withdrawing staff to workshop settings where they are asked to focus on the organisation as a whole, not their day to day tasks.

The second of Senge’s disciplines is “personal mastery”, the institutionalisation of continuous learning at the personal level. It involves “continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively” (Senge 1991:40). Senge’s almost evangelical vision is one of staff of organisations being empowered to develop their full human potential. The constraints on this form of empowerment within the structural confines of organisations are not explored. Senge does not think that personal mastery can be commanded, rather it is a matter of such an approach being modelled by significant others, such as CEOs. This discipline contributes little to a theory of organisational learning.

The third discipline involves mental models. This requires “surfacing, testing and improving our internal pictures of how the world works” (1990a:14) Here Senge has borrowed extensively from Argyris, using the ideas of espoused theories, theories in use and defensive routines. Change comes about by making the existing models public, especially those that are widely shared within an organisation. Only then can internal and external contradictions inherent in the current model be dealt with. As with Argyris, this approach makes the unjustified assumption that publicising

knowledge, and it's contradictions, within organisations will always be functional. It assumes internal contradictions can be resolved. The functional limits to the value of diversity are not examined. This response is understandable if it is assumed that organisations are inherently constraining and that the role of external agents is to help empower those within. In both Argyris and Senge's analysis of defensiveness the background metaphor seems to be one of organisations as psychic prisons (Morgan, 1986). Within this framework, the external agent of change is the hero.

The fourth discipline is shared vision, that "which binds people around a common destiny. A genuine vision causes people to do things because they want to, not because they have to" (1991:40). In some respects this seems similar to the development of new mental models. However the emphasis is on developing consensus, not exploring and testing. It is also about a higher level and more inclusive conceptualisation of what the organisation is doing. A positive effect on motivation is assumed to come about because the vision that is developed is not just that of the CEO, but all the staff. Senge uses the example of a hologram "When you add up the pieces of a hologram something interesting happens. The image becomes more intense, more lifelike. When more people come to share a vision, the vision becomes more real in the sense of a mental reality that people can truly imagine achieving" (Senge 1990a:13). However this contradicts more common experience with documents such as mission statements which are developed to incorporate everyone's views, the more acceptable they are to a wider range of people the more bland and meaningless they become. One useful function of such a shared vision, blurred as it may be, would be to provide a sense of territory within which staff of an organisation felt they could safely experiment with more practically oriented mental models.

The fifth discipline is team learning. Senge argues that team learning is central because "teams, not individuals, are the fundamental learning unit in modern organizations; unless the team can learn, the organization cannot learn" (Senge, 1991:40). There is some foundation for Senge's focus on teams in the more descriptive and analytic literature on organisational learning, especially that comparing the role of teams versus hierarchy (Romme (1996). However this literature also sees a positive role for hierarchy, in stabilising and refining the learning that is accomplished in teams. Senge's focus on teams reflects his pre-occupation with new learning

rather than the retention and exploitation of skills and knowledge accumulated in the past.

Senge's strategy for improving learning via teams is to address the type of communication that takes place between team members. Dialogue is distinguished from discussion. The former is characterised by the suspension of judgement and normal social defences, and is seen as the key to team creativity. The use of such group processes has an established history dating back to the 1940's in the USA (Banner and Gagne, 1995). Limiting the exercise of critical thinking and critical behaviour in such environments encourages diversity in terms of how people think and talk about an issue. New solutions and ways of responding to a problem can develop. The problem that then arises, in the use of groups for both therapy and organisational development processes, is how to sustain these interpersonal processes in more day to day contexts. Senge does not address the question of how teams should relate to formal organisational structures, especially hierarchy. This question addresses learning at a truly organisational level, not simply learning by and between individuals.

Unlike Argyris, Senge cannot be criticised for developing his work in isolation. His work is based on the synthesis of other peoples work. The area where criticism has been made is the nature of his evidence that the application of his five disciplines produces valuable results. Harris (1990) has pointed out that where Senge has cited real world evidence of his ideas he relies heavily on the practice of three corporations, more specifically three CEOs, who have been closely involved with the MIT organisational learning programme for several years. From the point of view of theory building, as distinct from marketing, a major weakness is the lack of integration of the five disciplines into a unified theory of organisational learning (Hawkins, 1994).

Learning about Organisational Learning: Huber

Huber's (1991) paper "Organizational Learning: The Contributing Processes and The Literatures" is one of a continuing series of review papers on organisational learning produced by academics over the last 15 years (Hedberg, 1981; Shrivastava 1983; Fiol and Lyles, 1985; Levitt and March,

1988; Huber, 1991, Dodgson, 1993; Hawkins, 1994; Nicolini and Meznar, 1995; Miller, 1996, Easterby-Smith, 1997). There seems to have been plenty of effort put in to try to learn about organisational learning.

In his introduction Huber dismisses the suggestion by some writers that the concept of learning in organisations should be limited to that which is intentional, or necessarily improves effectiveness, or necessarily changes behaviour. This view is largely consistent with an evolutionary view of learning. Variation is the basis of the evolutionary algorithm, and this can be generated both intentionally and unintentionally. The only notion of effectiveness built into evolutionary theory is a minimalist one, of survival and proliferation. Any more refined conceptions of effectiveness are themselves objects subject to evolution, and their prevalence will be dependent on local conditions.

Huber's own definition of learning unfortunately does not build upon earlier theories of organisational learning, and is problematic in itself. “An entity learns if, through its processing of information, the range of its potential behaviours is changed” ... “an organization learns if any of its units acquire knowledge that it recognizes as potentially useful to the organization” (Huber, 1991:89). There is no explanation given as to how a “potential behaviour” or “potentially useful” information could possibly be identified. This definition stands in contrast with the simplicity of an evolutionary view of learning as the selective retention of information, and with information being a difference that makes a difference.

Huber differentiates various attributes of learning. He distinguishes “breadth” of learning, involving the number of “components” in an organisation that obtain an item of knowledge. Then there is “elaborateness” in the form of the variety of the interpretations of this knowledge within the organization. Then there is “thoroughness” of learning when “more organizational units develop uniform comprehensions of the various interpretations” of this knowledge (Huber, 1991:90). The difference with the evolutionary model is that this second level of learning is not about developing a common body of interpretation, as is also argued by many other writers on organisational learning (e.g. Fiol and Lyles, 1985; Daft and Weick, 1984), but the development of a common understanding of the variety that exists. There does not seem to be any functional

value in this type of interpretation. It privileges diversity alone without regard for the need for effective joint action, for some order.

Huber summarises all previous work on organisational learning under four organising constructs which stand alone from any earlier or wider theory of organisational learning: knowledge acquisition, information distribution, information interpretation and organizational memory. Most attention is given to differentiating various forms of knowledge acquisition which by their labels are equated with learning. Information distribution, the nature of the flow of information within organisation is given only brief attention, although it is the structure of relationships between people that differentiate organisations from crowds, and presumably their learning as entities. Memory is treated separately and briefly, with most of the discussion focused on computers. In computers memory is located separately from processing units. Information input (acquisition) is also separate from processing (interpretation). Overall, Huber's analytic structure seems strongly influenced by the metaphor of computer design. It is one that is hard to relate to the structure of organisations, where all staff clearly have a capacity to perceive, interpret and remember. People in organisations process information in parallel rather than serially, as is the case with most computers.

Within the discussion of knowledge acquisition Huber identifies five different forms of learning and eight other related processes, on the basis of his literature review. This proliferation of types can also be seen in other recent reviews of the literature (Miner and Mezias, 1996 (4 types), Miller, 1996 (6 types)). This diversity is problematic because there is no explanation of the functional relationships between these types of learning. They are typologies, but not theories. In contrast, the evolutionary view of learning has one core conception of the process: learning as a selection process. Within this basic concept there is some differentiation, recognising different direction and frequencies of learning and different logical types of learning. These will be revisited later in this chapter.

Huber ends his review of the organisational learning literature with a series of conclusions, most of which are negative. As above, he notes the numerous and varied forms of learning that have been observed and sees this as a problem, especially in the light of the fact that "there is little in

the way of substantiated theory concerning organisational learning” (Huber, 1991:107). Somewhat ironically, he also concludes that researchers have not made significant use of previous research to design or interpret their own research and there is little sign of cross-fertilisation or synthesis of work done by different research groups. The one exception he notes is the work of James March, whose work is discussed below.

Faced with these problems Huber then proceeds to do an ecological analysis of the nature of learning between organisational learning researchers, in contrast to the earlier contents of his article which gives no attention to ecologies of learning at all. He notes the competition involved in “science-making”, as well as the cooperation. There are incentives for developing intellectual products which can be differentiated from those of others. In turn, success is seen as an incentive to further specialisation, and specialisation can lead to isolation from the work of others. One possibility he sees is that “as the landscape of research on organisational learning becomes more densely populated, much of what an investigator might do might have been done, and so the investigator is compelled to do work closely adjacent to and interfacing with the work of others.” (Huber, 1991:108). In these conditions more attention will have to be paid to prevailing norms and procedures about intellectual property, and thus he argues, to more explicitly synthetic work.

Density is a significant structural feature of populations of organisations and one that has been explored by organisational ecologists researching founding and mortality rates in organisations, but not organisational learning as such (Amburgey and Rao 1996). It has also been noted as an important factor by journalists analysing the development of local economies such as Silicon Valley (Bronson, 1998). In Chapter Six some evidence will be presented of density effects on organisational learning within NGOs in Bangladesh. The density effects suggested by Huber are in effect a form of feedback loop between micro and macro-level learning processes. Success at the micro-level leads to macro-level changes, which in turn affect further micro-level changes.

Huber’s final conclusion, which he argues is of singular importance, is that “With very few exceptions, work on organisational learning has not led to research-based guidelines for increasing the effectiveness of organisational learning.” (Huber, 1991:108). The theory of organisational learning that is developed in this thesis does address this task.

The Ambivalence of Learning: James March

James March is the second most widely cited writer on organisational learning and the only one amongst those listed on Table 4.1 having two papers on organisational learning which have both been widely cited within the organisational learning literature (Levitt and March, 1988; March 1991). Although his work on organisational learning is influenced by evolutionary theory (March 1994) it also bears the influence of a range of past concerns: information processing, coalitions, organized anarchy, new institutionalism, bounded rationality (Padgett, 1992). His views on organisational learning are an extension of his earlier concept of the “bounded rationality” of individual agents (Padgett, 1992), and contrasts with models of organisations that stress calculative rationality (Levinthal and March 1993).

“Magic would be nice, but it is not easy to find” is a concluding statement in a recent paper by March (Levinthal and March 1993) which expresses his sceptical view of organisations, and the possibility of constructive interventions. His writings emphasise the limited, ambivalent, and sometimes paradoxical nature of organisational learning. These are not easily translatable into marketable imperatives, as is the case with Senge or Argyris. March’s views pose a challenge on the theoretical and practical level. How can the limitations and ambiguity of learning be managed, within an evolutionary framework? And given such a sceptical perspective what is the value of March’s suggestions for interventions into the process of organisational learning? Both of these questions are examined below.

Limitation and ambivalence are seen to arise from three sources: “...partly from inadequacies of human cognitive habits, partly from features of organisations, partly from characteristics of the structure of experience.” (Levitt and March, 1988:335). In the case of the latter, organisations are simultaneously faced with “complexity”, “paucity” and “redundancy” of experience. This is a more differentiated version of the problematic introduced at the beginning of this thesis, diversity and the problem of how to manage it. Although March explores these in terms of their implications for how organisations should respond, they are not followed up in his subsequent writing.

In the 1988 review paper March briefly summarises the literature on the limitations of human beings as observers, statisticians and analysts of causation (Levitt and March, 1988:323). The emphasis on the bounded rationality of members of organisations is not problematic for an evolutionary theory of organisational learning. Variation is the basis of future learning, and can arise from intentional and unintentional action. The combination of these two sources is in fact likely to generate a more useful range of variations than one alone. Purposeful variations are likely to involve more functional sub-units of knowledge or practice. It should be noted here that while evolution does not require purposeful action it is not correct to say, as some claim, that evolution requires the absence of purpose (Economist, 1998).

The third cause mentioned by March are features of organisations. Many of the problems of learning described by March are problems because of one general feature: the hierarchical structure of learning within organisations. There are interactions between agents at different levels, and between agents within the same levels, which complicate the evaluation of achievements at any one location. What is good at one level, one location or one time is not necessarily good for another. Three examples taken from the 1988 review paper are summarised below. One concerns the structure of routines, another the structure of interpretations and another the structure of agents within organisations.

March has defined organisational learning as “routine-based, history-dependent, and target-oriented” (Levitt and March 1988). Routines are defined rather broadly as “the forms, rules, procedures, conventions, strategies and technologies around which organisations are constructed and through which they operate” They can be seen as rules, and sets of inter-connected rules, of the kind described as the basis of Burn’s evolutionary theory, introduced in Chapter Three. Routinisation involves the progressive reduction in error through repeated practice. The extensive literature on learning curves found in practices across a range of industries is cited by March as evidence of the value of repetition itself, as a basis for effective learning. However, what March calls “competency traps” can arise when repeated experience leads to skills developing to such an extent that later movement to better techniques can be seen as too difficult because of the re-learning costs (including the lost investment made in past learning). March has also called this an example of “the myopia of learning” (Levinthal and March 1993). Such

(subsequently defined) inefficient sub-routines can become embedded in larger more efficient routines which survive and are replicated on a large scale. The classic example being the QWERTY keyboard design carried over from early typewriter design to computer keyboards (Levitt and March 1988). March points out that “competency traps result in organizational histories for which broad functional or efficiency explanations are often inadequate” (Levitt and March, 1988:323). The reason is that functional value is typically decided on a local and immediate basis.

Another form of ambivalence can be seen in the hierarchical structure of interpretations prevalent within organisations. According to March, organisations spend time developing collective understandings of events. Not only are some events remembered but they are framed in a particular way. Although March recognises that changes in these frames constitute second order learning as described by Argyris and others he emphasises the resilience and potency of what has been learned at this secondary level. The problem is that “stories, paradigms and beliefs are conserved in the face of considerable potential disconfirmation...” (Levitt and March, 1988:324). The utility of particular interpretative frames is often more difficult to disconfirm than perceptions of events they frame. Furthermore “what is learned appears to be influenced less by history than by the frames applied to that history...” (Levitt and March, 1988). There is in practice a complicating inter-dependency between observation and interpretation, between levels of learning. Examples of such relationships will be evident in the analysis of the results of CCDB’s participatory monitoring system, discussed in Chapter Eight.

The already complicated process of interpreting the meaning of events, such as success, by individuals is compounded by interaction effects when the agents concerned are not seen as isolated units but as part of an “ecology of learning”, to use March’s phrase. When such agents are located in the same organisational structure “Conflict and decision advocacy within putatively rational decision processes lead to inflated expectations....New organizational leaders are inclined to define previous outcomes more negatively than are the leaders who preceded them...Different sub-groups in an organisation often have different targets and evaluate the same outcome differently.” (Levitt and March, 1988:325).

March himself gives some recognition to the hierachial nature of learning: "...learning takes place at several nested levels. In such multi-level learning, organisations learn simultaneously both the discriminate between routines and to refine the routines by learning within them" (Levitt and March 1988:322). Learning is also happening in parallel within particular levels: "organisations are collections of sub-units learning in an environment that consists largely of other collections of learning sub-units" (Levitt and March 1988:331). In his 1994 paper on "The Evolution of Evolution" referred to in Chapter Three he takes this view further "...units are nested in space and in time. Firms are nested in industries which, in turn, are nested in societies. The short run future is nested in the long-run future" (March, 1994:46). Both temporal and spatial forms of nesting will be evident in the analysis of CCDB's structure and routines in Chapter Seven. The design of the participatory monitoring system, detailed in Chapter Eight, makes explicit use of the same features.

In the same paper March outlines his views of the key changes in evolutionary theory. One was a move "from an emphasis on using evolutionary theories to predict history to an emphasis on the engineering of history." (March, 1994:39). In the process of discussing this change he argues that there are three broad kinds of interventions possible:

- "...altering the possibilities for transmission, retention and retrieval of the lessons of history."
- "...altering the structure of interactions among units of evolution"
- "...managing the exploration/exploitation balance"

The first of these focuses on the *retention* component of the variation-selection-retention algorithm. Examples given by Levitt and March (1988) are the invention of the printing press and the construction of computer data bases. Although such developments can dramatically expand the total of what can be learned (as in retained) there are also risks that their widespread use can discourage use of other information (e.g. oral testimony). In the case of CCDB part of the design of the participatory monitoring system involves the formal documentation of staff knowledge about events in their locations which had not been previously subject to regular written documentation. Organisational memory of those events was enhanced.

The second intervention is less explicitly dealt with in March's recent papers. In the 1988 review March offers only a brief comment on the role of organisational structure: "Organisations facing complex uncertainties rely on informally shared understandings more than do organisations dealing with simpler, more stable environments (Ouchi, 1980)." (Levitt and March 1988:327). The significance of unpredictability is consistent with the theory of learning introduced in Chapter Three. What is needed is a further development of this conception of the difference between formal and informal understandings and their relationship to hierarchies and teams, which Senge and Argyris argue are critical to new learning.

In Chapter Three a distinction was made between hierarchies and heterarchies. It was suggested that the process of learning involves a transition from heterarchy towards hierarchy. The transition involves a selection process, whereby many links are tried out, most are abandoned, a few are retained and their relative weight may differ. There is a process of simplification and stabilisation, a transition from generalist to specialist structures. Teams can be seen as a specific class of heterarchies. A group of people randomly connected to each other (by one communication link per person) will take the form of a heterarchy. There will be different levels of connectedness. Some people will be connected to many others; some will be connected to very few. Those with many connections to others will find they share many connections with others who are well connected, but also have some connections that are not shared. The important difference about teams is that a newly formed team is likely to take the form of an *unstable* heterarchy. The prevalence of links (in the form of communications) to particular members may vary from moment to moment. But over time leaders may emerge, and communication links may become more stable and structured.

In another recent paper March (Levinthal and March 1993) has explored what appears to be another dimension of the environment, other than unpredictability, as a factor effecting organisational structure. He points out that some environmental problems can be seen as "decomposable" and others less so. Decomposability is the possibility of "carving nature at the joints" (Dennet, 1995:37). Other well known writers on organisational learning have also emphasised the importance of this feature of an organisations environment (Daft and Weick, 1984:287). Romme (1996) has argued that teams are the best structure for dealing with problems

which are highly interconnected and least decomposable, and hierarchies for those which are more so.

This analysis neglects the significance of time. The use of either hierarchy or teams can be seen as an *anticipatory* interpretation of the nature of the problem. Is the problem decomposable on the basis of existing knowledge or not?. Only if a team persists over time as the main structure used to address a problem could it be said to reflect the complexity of the problem being addressed. However, where problems are complex but static, specialised structures of knowledge do seem to emerge over time. For example, specialisms in the field of physics. On the other hand, it is perhaps not surprising that one body of specialist knowledge has not accumulated so visibly in the social sciences, where the subject matter is much more changeable.

The third intervention suggested by March (1994) involves identifying the appropriate balance between what he calls exploration and exploitation. Exploitation is the use of past knowledge, exploration is the development of new knowledge (March, 1991). In March's words intervention involves "...manipulating the level of risk taking or the salience of diversity relative to unity..." (March, 1994:45). In Campbell's terms what is involved is the balance of emphasis given to variation versus selection. The use of quality control procedures in industry is a variation reducing practice aimed at maximising the value of an organisation's current knowledge (Winter, 1994). On the other hand, the users of participatory methods in development programmes generally seek to increase diversity of knowledge within organisations (Holland and Blackburn, 1998). The participatory monitoring system described in Chapter Eight enhances variation in knowledge available at the field level, but uses the existing organisational hierarchy to impose a series of selection processes which subsequently reduces that diversity to a level manageable by CCDB senior staff.

March argues that the relative prevalence of exploration versus exploitation is sensitive to the rate of change in the environment. This is consistent with the theory of learning introduced in Chapter Three. However, when he examines the risks and returns to organisations the evidence as a whole suggests that there are internal incentives that provide a strong bias towards exploitation and away from exploration. "Compared to returns from exploitation, returns from

exploration are systematically less certain, more remote in time, and more organizationally distant from the locus of action and adaptation” So much so that “these tendencies to increase exploitation and reduce exploration make adaptive processes (i.e. exploitation based organisational learning) potentially self-destructive” (March, 1991:73). This view will help explain the inward looking and conservative nature of learning that is identified within Bangladeshi NGOs discussed in Chapters Six and Seven. According to March’s analysis, if exploration exists on any significant scale this must be due to incentives stemming from the nature of the surrounding environment. This view is consistent with the trend towards ecologically based theories of learning in both humans and animals in the second half of this century (Johnston and Pietrewicz, 1985).

What is neglected from March’s recent analysis of organisational learning is attention to *where* learning is taking place. Particular organisational structures, and routines carried out within those structures, are a selection from a much wider set of possibilities. In any location within an organisation not all events can be documented or analysed, and choices have to be made. Knowledge will by necessity become specialised in some areas and neglected in others. Where attention in the form of limited staff time and resources is devoted must be a matter of some significance. Even where resources are concentrated choices will also need to be made between the degree of exploitation versus exploration that will be involved. Although the overall balance of exploitation versus exploration in an organisation may be influenced by a CEO, it is also likely that this parameter will be tuned differently in different areas of an organisation’s operations. For example, a Finance Unit being more exploitation oriented versus a Research Unit being more oriented to exploration.

An Evolutionary Theory of Economic Change: Nelson and Winter

Nelson and Winter’s (1982) *An Evolutionary Theory of Economic Change* is now seen as one of the key texts in contemporary evolutionary economics (Andersen, 1994), though the roots of the latter in early American institutionalism are acknowledged (Hodgson, 1994). In adopting an evolutionary view of economic change Nelson and Winter (1982) have sought to overcome some

basic problems with traditional economic theory: firms are assumed not to make mistakes or be less than perfect, variation between firms is not significant and change is not endemic. Within Nelson and Winter's framework firms are seen as valuable integrated packages of competencies, but not perfect nor all identical. It is the way they manage knowledge which distinguishes and explains them as a form of organisation. This view contrasts with a more contractual explanation of the firm which emphasises the successful management of the costs of interactions between agents (Hodgson, 1994). The competency view allows room for creativity and not just conservation of a static pool of resources.

The core of their view of competency is the idea of a routine, an interpersonal process that they see as the organisational equivalent of an individual's skills: "...it is firms, not people that work for firms, that know how to make gasoline, automobiles and computers" (Nelson and Winter, 1982:86). The structure of the firm stabilises and preserves these bodies of knowledge and they are in turn the source of competitive advantage that enables firms to survive and grow. Nelson and Winter's theory assumes a multi-level learning process, one involving the variation, selection and retention of routines within the firm and variation, selection and retention of firms within industries. These are the two aspects of their theory which are relevant here: the idea of routines as a core element and the structure of the selection processes involved.

Routines as described by Nelson and Winter are now widely acknowledged as important elements of organisational learning (Huber, 1991; Miller, 1996). They are the one part of the organisational learning process where March feels the evidence of effective learning is least ambiguous (Levitt and March 1988). Nelson and Winter go further and "make the case for 'routines' as a fundamental unit of analysis in the evolutionary approach to organizations" (Winter, 1990:271). Routines as genes is seen as a useful metaphor, and this usage is compared favourably to the idea of "memes", a term suggested by Dawkins (1976), for use in discussions of cultural evolution. The main problem with this approach is one of observation, how to identify routines as entities. Their main characteristic is the fact that they are repetitive activities and they preserve their identity across repetition. While routines are recognisable in these terms there is no proposed procedure for unambiguously distinguishing *between* routines, although they may appear to operate on very difficult scales. Difficulties are compounded when it is noted that

many individual skills and organisational routines have considerable elements of tacit knowledge, much of the nature of what exists is not publicly visible (Winter, 1994).

Nelson and Winter's advocacy on behalf of routines is part of a larger debate in evolutionary theory about what are the units of selection that are the meat of the evolutionary process (Dennet, 1995). In this thesis a different approach to the units of selection problem has been taken to that proposed by Nelson and Winter. It is argued in this thesis that there are no basic units in the sense of entities. That which is subject to selection is difference, as described in the discussion of Bateson's ideas in Chapter Three. There are potentially a large number of differences between various routines, but some of those and not others will come to be seen as the most important within a particular organisational setting. There are in fact competing classificatory schemes, both at the individual and organisational level. This view gives observers a significant interpretive role in the evolutionary process that Nelson and Winter describe, a role that others such as Daft and Weick (1984) have emphasised in their view of organisational learning. It is also one that was introduced in Chapter Three as an essential part of the process of cultural evolution, of which organisational learning is one part.

Winter (1986:174-5) also recognises that "Organizational routines form quasi-hierarchical structures" and point out that "the hierarchy of routines generally parallels the hierarchy of authority in an organization. In an organisation's formal system of authority, the power to authorise departures from existing routines, as well as responsibility for investigating and implementing changes in routines, typically resides in individuals of higher rank than those responsible for the execution of routines". This is the organisational equivalent of Bateson's hierarchy of recursiveness introduced in Chapter Three. Winter also points out that as the focus moves up "the hierarchy the subtlety and complexity of the individual skills being exercised typically rises". This is understandable because at the highest level, in the model, agents would be dealing with the most abstract information (differences about differences about differences...). They would also be dealing with the least frequent events, changes in parameters of routines, rather than the management of events processed by those routines.

However, this is undoubtedly a simplified model. Staff at any level in organisations such as

CCDB usually have more to do than simply monitor and tune the parameters of the work of those below them. They can have other tasks (routines) specific to their own position and appropriate to the scale of aggregation available at that position. They generate content as well as regulate process. In the case of CCDB, Project Officers write their own monthly reports about developments within their project area, as well as supervise their junior staff.

Not only are routines nested, but contents are as well. As March (1994) has noted, accounts of events from the lowest levels are aggregated within accounts produced at higher levels. Here there is another example of the trade-offs between different forms of learning, of the type emphasised by March (1991). The large scale aggregation of accounts takes time, and encourages some limitation on the frequency with which such events take place. Smaller scale aggregations allow greater frequency. Examples of how such trade-offs are managed will be given in the description of the development of CCDB's participatory monitoring system, in Chapter Eight.

Nelson and Winter's description of a hierarchy of routines is an idealised model. Variations from that norm may have implications for the type of learning that can take place. Nelson and Winter's description seems to assume that power to control parameters of routines will necessarily be decentralised. In practice managers of organisations may keep much of that power to themselves. The difference between these two possibilities can be seen in terms of degree of specialisation, of the organisation accumulated differentiated knowledge in different locations, versus it all being held by one key individual. There is also another possible extreme, power may be delegated so completely to what would be otherwise called field staff that the knowledge they hold may become inaccessible to the chief executive. Some centrally funded but locally implemented research projects carried out by UK NGOs have experienced this problem (Davies, 1997a).

Organisations as Interpretation Systems: Daft and Weick

Daft and Weick have written extensively on organisational learning over the past two decades,

focusing particularly on the role of interpretation. In their most cited paper Daft and Weick (1984) make four working assumptions about the nature of organisations and how they are designed and function. The first is that “organisations are open social systems that process information from the environment...relevant to their survival” (Daft and Weick, 1984:285). This will be evident in the case with CCDB, as described in Chapter Seven. What is not acknowledged in the Daft and Weick paper is that this process is undertaken by individual staff within the organisation who are also mindful of their own survival within that organisation and who view the internal environment as equally, if not more important. Views of the external environment are often mediated by those of the internal environment.

Secondly, it is assumed that “...the organisational interpretation process is something more than what occurs by individuals. Organisations have cognitive systems and memories”, enabling the preservation of knowledge despite the turnover of staff. “Reaching convergence characterises the act of organising...the thread of coherence among managers is what characterises organizational interpretations” (Daft and Weick, 1984:285). The prevalence of views is seen as an outcome of the process of organisational learning. The cognitive systems leading to these outcomes are the processes of interaction between staff members, both formal and informal. This is consistent with the analysis of organisational learning developed in this thesis.

The third assumption is that “When one speaks of organisational interpretation one really means interpretation by a relatively small group at the top of the organizational hierarchy” (Daft and Weick, 1984:285). Daft and Weick emphasize that at lower levels all knowledge is partial. “Organisations can be conceptualised as a series of nested systems, and each sub-sector may deal with a different external sector.” (Daft and Weick, 1984:285). The CCDB case study will suggest a slightly different interpretation. While the top of the hierarchy does have an all-inclusive view of the organisation it is at the necessary cost of leaving behind much of the detailed knowledge held by lower units. In practice all units have partial knowledge.

“The fourth assumption is that organizations differ systematically in the mode or process by which they interpret the environment. Organizations develop specific ways to know the environment” (Daft and Weick, 1984:286). Given the diversity of organisations that exists this

view seems almost commonsensical. The question then is what are the main differences in the ways in which organisations interpret their environment, and what accounts for these differences.

Daft and Weick do offer a view, detailed below.

Daft and Weick see the process of interpretation in similar terms to this thesis. There is a surplus of experience to make sense of, “an ocean of events”. Organisations are selective, “attending to some [events], ignoring most of them” (Daft and Weick, 1984:286). Interpretation is a process both of active sense making by individuals and a social process of enrolling others in these constructions. Learning is also seen in similar terms to this thesis, but within a more limited focus. “Organizational learning is defined as the process by which knowledge about action outcome relationships between the organization and the environment is developed” Action outcome relationships being a form of if-then statements, a provisional rule relating to external events.

Daft and Weick use the concept of a feedback loop experienced in individual learning to explain the refinement of this knowledge over time. Concepts are developed and then tested in practice, repeatedly. “Organizational interpretation is analogous to learning a new skill by an individual” (Daft and Weick, 1984:286) In this thesis the concept of a feedback loop has not been central in the explanation of organisational learning. Experience of practice within organisations and in sectors of organisations is much more mediated, and less direct than is the case within individuals. In addition, publicly voiced representations of experience often have to reconcile multiple conflicting constraints, not just one as implied by a feedback loop. In organisations, and even more so in less structured sectors of organisations, it may be more appropriate to think in terms of interpretations of experiences being located in network of connections rather than a single loop. This view is consistent with the ideas of teams, heterarchy and hierarchy as important differences in organisational structures.

Daft and Weick have proposed that there are two important differences in how organisations view their environments. They are: “(1) management’s belief about the analyzability of the external environment, and (2) the extent to which the organization intrudes into the environment to understand it” (Daft and Weick, 1984:287). In the first case the environment may seem

concrete, with events and processes being hard and measurable, or at the other extreme, the results of inquiries may be more ambivalent in meaning, reflecting the influence of the inquiry as much as the external world. In the second case, an organisation may actively seek information about the environment, or be more passive and accept whatever information the environment makes available. There is some recognition by Daft and Weick that choices made between these perspectives, are themselves learned behaviour, based on prior experience.

What differences do these differences make? Daft and Weick combined the two differences together to generate provide four different “*interpretation modes*”: Undirected Viewing, Conditioned Viewing, Enacting, and Discovering. They argues that each particular combination leads an organisation to adopt a particular form of strategy formulation and decision making process, which others have noted in organisations. They argue that this compensates for the fact that while “..one of the widely held tenets in organisation theory is that the external environment will influence organization structure and design...The paradox is that research into the environment-structure relationship gives scant attention to interpretation” (Daft and Weick, 1984:292).

However Daft and Weick did not complete their task. If the two differences are important, then they might be expected to make a difference, not only to behaviour within an organisation, but also to the organisations relationship to its environment. In a particular industry or sector, certain “modes of interpretation”(e.g. active/analysable) might be expected to generate more benefit to an organisation than others. If they did not, they must be of less significance and interest in terms of the scale of explanation they can offer to organisation theorists. Daft and Weick cite examples of conditioned and undirected viewing being found in companies within the same industry (clothing manufacture) and active and passive approaches co-existing in others (listed companies relationships with shareholders). While some diversity might be expected in any environment Daft and Weick do not make any suggestions, for further exploration, about the type of conditions where one particular interpretative schema might be expected to be more prevalent than others.

There are other basic differences in the way organisations have learned to interpret their

environment which are more significant. These are when and where organisational attention should be specialised. Here linkages can be made without difficulty between activities within organisations and events within their environments. For example, ethical investment funds who want to invest in appropriate businesses make use of specialist research units to investigate the behaviour of firms they may be interested in. In the process they have to decide how much money they should invest in such research. This decision has some relationship to Daft and Weick's active/passive distinction. However, it seems more reasonable to view perceived analysability as a secondary concern, coming into play only in those areas where it is recognised that attention must be focused. Analysability cannot be assessed in areas that are not being attended to in the first place. However, it is conceivable that analysability may have some feedback effects on subsequent willingness to maintain attention in a particular direction.

A Dynamic Theory of Knowledge Creation: Nonaka

As detailed in Table 4.1, Nonaka's (1994) paper has been widely cited, given how recently it has been published. While Nonaka makes use of Bateson's concept of information his theory of organisational learning is based on a variant of evolutionary epistemology that emphasises self-organisation, called "autopoiesis" (Maturana and Varela, 1980), and includes some elements of phenomenology, particularly the emphasis on the role of intention and prior knowledge in perception.

A central idea in Nonaka's paper is that of tacit knowledge, a concept that has been an important part of other theories examined above, especially that of Argyris. Citing Polanyi (1996:4) he notes that "We can know more than we can tell". This view is consistent with the evolutionary epistemology introduced in Chapter Three, where it is argued that the structure of organisms embodies what they have learned, how they have been in-formed by their environment (but they cannot necessarily tell us about it).

Nonaka's argument is that organisational knowledge is created through a continuous dialogue between tacit and explicit knowledge. Four modes of knowledge creation in organisations are

identified: socialisation (tacit to tacit), externalisation (tacit to explicit), combination (explicit to explicit) and internalisation (explicit to tacit). It is suggested that there is an ideal balance between these processes but that this is often not achieved. The proposed ideal involves a form of cycling through each of these states. His analysis of learning in terms of these changes is heavily influenced by a prescriptive perspective, of how these changes can be affected. There is little in the way of description of how they are managed in day today life.

Nonaka emphasises that his theory explains the process of knowledge *creation* in organisations, unlike others that see organisational learning in more reactive and homeostatic terms. In his view “...the articulation of tacit perspectives...is a key factor in the creation of new knowledge” (Nonaka, 1994:16). However, it seems that it is more appropriate to see articulation as part of a process of making new and better use of existing knowledge. That which is tacit has already been learned, the person and organisation has been in-formed. This seems to be given some recognition at the beginning of the paper when reference is made to four modes of knowledge conversion, rather than creation. The model seems to give minimal attention to how an organisation’s body of knowledge is informed by experience of the outside world. The theory itself mirrors the same problem, there are no acknowledged antecedents for this four phase cyclic view. The same learning problem seems evident when Nonaka subsequently claims that the principles he elaborates “..have a more general application to any organisation, either economic or social, private or public, manufacturing or service, in the coming age despite their field of activities as well as geographical and cultural location” (Nonaka, 1994:34).

While the existence of active learning (the generation of new knowledge) has been described in this thesis as dependent on the nature of the environment (especially its unpredictability), and one rationed by the costs involved, the process described by Nonaka is described as an inherently unconstrained and expansive process. “The interactions between tacit knowledge and explicit knowledge will tend to become larger and faster in speed as more actors in and around the organisation become involved” (Nonaka, 1994:20). The isolation of this process, and the theory itself, seems to reflect the solipsism inherent in the background theory of autopoiesis.

Despite these problems Nonaka’s four stage cyclic theory is developed as a means of enhancing

organisations' abilities to accumulate new knowledge. As with Argyris and Senge, the conservation of past knowledge is not a major concern. Within the new learning agenda it is thus not surprising to find that self-organising teams are seen as the most appropriate organisational form. In addition to arguing the merits of an idealised group based learning process Nonaka also makes two proposals for enhancing organisational learning, focusing on management style and organizational design. These are called the "middle-up-down" management model and the "hypertext organisation".

The first proposal is yet another "new model of management" (Nonaka, 1994:30). This advocates recognition of the special role for middle managers in organisational learning, as brokers, mediators and catalysts between the different conceptualisations of the world that are associated with positions at the top and bottom of organizational hierarchies. These differences involve abstract/concrete, small/large scale and short/long term views of events. It is of value to this thesis because it reinforces the idea of organisational structures as large scale conceptual structures. Nonaka does add value to this view when he emphasises middle managers role in bridging top management dreams with field staff reality. There is a parallel in the artificial neural network model referred to earlier in Chapter Three. The earliest work in this field was not as successful as expected. It was only with the introduction of a middle level layer of nodes that the practical capacities of such systems was dramatically expanded (Aleksander and Morton, 1991).

The second proposal is actually another attempt to integrate contrasting bodies of knowledge within an organisation into a single model of organisational structure, albeit a normative one. Three levels are conceived. The first is a "knowledge-base layer" which consists of tacit knowledge, associated with organisational culture and procedures and other forms of what could be considered common knowledge. The second is the "business-system layer where normal routine operations are carried out by a formal, hierarchical, bureaucratic organisation" (Nonaka, 1994;33). The third layer is the "project-system layer...where multiple self-organising project teams create knowledge". Nonaka points out that "Non-hierarchical or 'heterarchical' self-organizing activities of teams are indispensable to generate new knowledge...on the other hand, a hierarchical division of labour is more efficient and effective for implementation, exploitation and accumulation [retaining] of new knowledge" (Nonaka, 1994:32). There is some

correspondence here with the idea of a continuum of structures developed earlier in this chapter. However, Nonaka simply equates, teams with heterarchies without distinguishing between them, in terms of stability of their structure, as I have suggested above.

What is new in Nonaka's framework is the "knowledge-base layer". It refers to knowledge which has already been acquired, but its ownership is not limited to specific locations within the organisation, unlike that held in the forms of various specific routines and structures. In Chapter Seven knowledge about relative status differences between staff within CCDB is identified as one form of such common knowledge. Although not mentioned by Nonaka, it is this form of knowledge which connects organisational knowledge with the wider body of knowledge held in the culture at large. Common knowledge is a form of proliferation, one expression of learning defined in evolutionary terms. It is in effect what the organisation has learned most thoroughly and for that reason is a form of knowledge that would probably best survive any radical dismemberment or restructuring of an organisation.

Nonaka argues that good organisational design should enable a quick and efficient switch to take place between hierarchical and heterarchical forms of learning. While this is plausible, it shares a weakness with March's analysis referred to earlier. That is, important decisions have to be made by organisations about not just how best to learn, but where to learn. Although Nonaka gives some recognition to the role of hierarchy in learning (above) there is a risk in misconceiving the role of teams. As has been emphasised by March and others (Levitt and March, 1988), a substantial amount of learning also takes place within day to day routines located within existing hierarchical structures. The prevalence of different structures (teams and hierarchies) reflects the nature of the problems being solved, and interpretations of those problems, not simple choices of whether to learn or not.

Nonaka's overall theory is contained in two dimensional view of organisational learning. One dimension, called the epistemological, covers the range from tacit to explicit knowledge. The idea of tacit knowledge is not itself differentiated. The second he describes as the ontological and concerns the social structure of knowledge, involving different groupings of people. The main example of the latter is the three level view of structure given above. What is needed is

further differentiation in terms of direction, where those structures develop, or not.

4.4 An Interim Summary: Attributes of Organisational Learning

Building on the initial analysis in Chapter Three, five main attributes of organisation's learning behaviour can be identified. They vary in the extent to which they have been given attention by the writers on organisational learning reviewed above.

1. *Frequency of learning*: Individuals and organisations update their knowledge about different parts of their environment with varying frequencies. Because of the costs involved, frequency is likely to be greater in the case of those events seen as the most important, but this depends on the expected speed of change of those events. Organisational routines can be ordered in terms of a temporal hierarchy, from the very slowly iterated to the very frequently iterated. Nelson and Winter give the most attention to this feature, though the alignment of organisational hierarchies with the observation of events on different temporal scales is recognised by March and Nonaka.
2. *Direction of learning*: Individuals and organisations are selective in what they learn. Attention is focused in some directions and not others. Specialised knowledge develops in those areas where attention is frequently directed. This is evident in the structure of individual's category systems and in organisational structures. Little attention is given to this feature by any of the writers above. Along with frequency of learning, the direction of learning will be a central concern in the analysis of organisational learning within CCDB, in Chapter Seven.
3. *Depth of learning*: Individuals can develop interpretations of events which contain multiple levels of logical types of information, connecting many concrete observations with very abstract distinctions. Within organisations the parameters of some routines can be controlled by other over-arching routines. This is the most widely recognised attribute of learning behaviour, mentioned in almost all reviews of organisational learning, and the writers above.
4. *Scale of learning*: Individuals can learn about events taking place on different scales, ranging

from the very small to the very large. Larger scale events are more likely to contain internal diversity, and unpredictability, and can therefore be more difficult to learn about. Organisations are able to learn about events on larger scales than individuals. They can manage more diversity. The process of managing diversity involves both dis-aggregation (specialisation) and aggregation. Having multiple levels of learning (depth) enables diversity to be aggregated on a large scale. Aggregation of experience can take place on an atemporal (geographic or demographic) and a temporal scale. Ambitions for aggregation on one scale will constrain those on the other, because resources are limited, both within individuals and organisations. Perhaps because it may seem so self-evident, scale of learning is not an attribute that is frequently mentioned by writers on organisational learning.

5. *Openness of learning*: Much of what has been described above are ways of describing what has been already been learned. But learning is a process open to the future. The degree of openness is evident in the extent to which people and organisations seek confirmation versus novelty, favour exploitation over exploration. This will be evident in the form of variation in particular practices, and awareness of that variation. It will also be evident in the relative importance given to the use of structures such as teams versus hierarchy. Openness is a feature of learning that has been recognised in both prescriptive and descriptive analyses of learning (e.g. Argyris, Senge, March).

There is a sixth feature of learning behaviour which is less easily observed. It has been argued in this thesis that organisational learning is homologous with individual learning, and in turn, with the wider processes of evolution. Although organisations are of a different logical type to individuals they are made up of individuals. A significant commonality of process should be expected. However, there are differences between individuals, organisations and populations of organisations that may make a difference to the nature of learning that takes place at these different levels. These are in the density of the component parts and the stability of their relationships with each other (Jantsch 1987). Huber's speculative analysis of ecologies of learning is the only one of the organisational learning theorists examined above, that has touched on this attribute and its possible consequences. Its use will be explored in the analysis of Bangladesh NGO sector in Chapter Six.

4.5 Organisational Learning Within Development Studies

The body of literature on organisational learning in non-government organisations is very small when compared to that examined above. In a search through the International Development Abstracts only five articles about learning and aid organisations were identified. As indicated at the beginning of this chapter, part of the problem is that many of the papers that do exist are in the form of grey literature, not published in journals, but circulated internally and at workshops and conferences (e.g. Slim, 1993; Birch, 1996; Britton, 1995). There is also a wider variation of terms used to describe organisational learning related processes, making the boundaries of the field less distinct and searches more difficult.

There are three strands of writing within the sphere of Development Studies which do relate to organisational learning. The oldest is that concerning process approach to development projects (Mosse et al. 1998). This includes the work by Korten (1980), Rondinelli (1983) and Uphoff (1986, 1992) on learning process approaches to development projects and, less directly, work on process monitoring (Mosse et al. 1998). A second strand is the literature on evaluation of development projects, some of which contains some explicit references to organisational learning (Forss et al. 1994; Marsden and Oakley, 1990). More recently, a series of papers have been produced by NGO staff specifically on organisational learning within NGOs (Slim, 1993; Birch, 1996; Britton, 1995; Howes and Roche, 1996; Edwards, 1997). Each of these three strands will be examined in turn.

4.5.1 Process approaches

A Learning Process Approach: David Korten

The concept of a learning process approach to development projects is strongly associated with the name of David Korten (Mosse et al. 1998), especially his widely quoted 1980 paper on a

learning process approach to community organisation and rural development (Korten, 1980). In that paper he reviews the lessons learned from five “Asian Success Stories” (one cooperative, three NGOs, and one para-statal). Summarising them all Korten says “they had achieved a high degree of fit between program design, beneficiary needs, and the capacities of the assisting organisation” (Korten, 1980:496). This definition, couched in terms of fitness, is close to that used within an evolutionary perspective.

However Korten goes a step further and specifies the types of fitness which he thinks is important in all cases. They are: (a) between beneficiaries needs and organisational resources, (b) between the means by which beneficiaries are able to define and communicate their needs and the processes by which the organisation makes decisions, (c) between the task requirements of the program and the distinctive competence of the assisting organisation. In practice this is simplistic and a more multi-dimensional idea of fitness is necessary, to recognise the possibility of other key actors in an NGO’s environment. In Bangladesh the future of BRAC’s programmes (one of Korten’s five success stories) was subsequently threatened by fundamentalist groups, despite BRAC’s services being in demand by beneficiaries and BRAC having the resources to meet their needs (Holloway, 1994).

There are other features of Korten’s analysis which are consistent with an evolutionary perspective. He argues that “*The spontaneous replication BRAC is observing is probably the strongest available indicator that its program is truly meeting felt needs...*” (Korten, 1980:490). In Chapter Six attention will be given to nature of imitation and replication taking place within the NGO sector in Bangladesh, and the form of learning that it signifies.

Korten differentiates “learning organisations” from others using three characteristics: (a) their response to error, (b) the role of peoples’ participation in planning, (c) how knowledge is linked to action. According to Korten, learning organisations “embrace error”, openly “discuss their own errors, what they have learned from them and the corrective actions they are attempting” (Korten, 1980:498). Korten cites BRAC’s discovery in 1979 that “access to consumption credit in times of crisis is more important to most poor families than access to production credit. BRAC is re-examining its credit programme accordingly” (Korten, 1980:498). While this is

important, it is useful to take the idea of learning beyond changes in individuals' understanding, to include changes made in organisational structures. Using Bateson's idea of information as a difference that makes a difference we can ask what difference did this difference in knowledge make, how did it inform BRAC? Seventeen years later Montgomery (1996: 110) reports that consumption loans were "introduced in 1992 - but [were] provided extremely rarely due to staff perceptions of high risk and the prolonged application process which makes this facility inappropriate for any urgent contingencies". This incident illustrates another fitness requirement not noted by Korten. Services provided have to meet the personal needs of staff and not just fit with the resources and services available. As will be shown in Chapter Seven the personal interests of staff can have a major impact on how NGOs respond to their beneficiaries.

The value of participatory planning is reasonably self-evident, in terms of information requirements in development projects. Project beneficiaries possess specific local knowledge unavailable to managers of large projects. Ultimately, it is beneficiaries' interpretations of project initiatives which will mediate any effects on their lives. Since Korten's 1980 paper PRA methods have been widely used as a means of accessing local knowledge and judgments about development activities. While the epistemological problems associated with their use have been analysed in detail (Mosse et al. 1994), experiences of NGOs such as ActionAid indicate that even bigger problems lie in the management of that information when it subsequently passes up through organisational hierarchies. There is a massive loss of information about important local differences, even when they seem to be identified by field staff with some degree of accuracy (Davies, 1997a). Improved participatory approaches to learning have to address not only events at the interface with beneficiaries but also the internal dynamics of organisations.

Korten's third characteristic, concerning the linkage between knowledge and action, emphasises the need for short and quick feedback loops for effective learning. These are found when organisations are first established and founders are in close contact with field work. They are also present in close knit teams where there is not yet a specialised set of roles (Korten, 1980:499). As with Nonaka and others noted above, Korten sees teams as the medium through which new learning takes place, and specialisation of roles is seen as an outgrowth of that learning process. His concern is with what might be called premature specialisation at the early

stages of project development. Related problems have been identified in the use of artificial neural networks. Slowing down the process of learning can produce solutions that have wider applicability. The challenge here is how to translate this knowledge into useful guidelines for organisational learning. Limiting the flow of funds into a new project is one method, though Korten recognises that this is not easy.

Looking at the success stories Korten argues that there are three stages in a learning process approach. These are learning to be effective, to be efficient, and to expand. Although this idea has later been used in the literature on NGOs (Edwards and Hulme, 1992:100) there is little evidence to support it as an accurate description of how organisations learn. The extensive literature on learning curves in manufacturing indicates that cost reductions are, not surprisingly, directly associated with improvements in effectiveness of a process, whether the value added is labour or capital (Henderson, 1980). They are not disassociated in time. Secondly, the shape of the learning curves described by Korten bears no relationship to that which has been found in this literature on learning curves. They are rough sketches at best. Thirdly, as the example of consumption loans given above shows, successful cases such as BRAC can expand dramatically without resolving basic issues concerning the effectiveness of their services. The whole notion of linear stages is contradictory to contemporary evolutionary theory and the view of organisational learning developed in this thesis so far.

Korten identifies two potential barriers to learning process approaches. One is “the bureaucratic imperative to move large amounts of money” (Korten, 1980:502) when in fact a learning process approach requires only small amounts at the beginning, for pilot projects. The second is the nature of established programming procedures, especially planning and budgeting requirements. These information demands require project management to “in effect act as if it knew what they were doing before there was an opportunity for learning to occur”. In the case of NGOs both of these constraints may be accentuated or mitigated by the behaviour of their donors. These potential influences will be examined in the analysis of learning within CCDB.

Rondinelli's (1983) book of the same name is a critique of planning and administrative methods as applied to large scale development projects up to the early 1980's. His book provides an exhaustive examination of the reasons why control oriented, top down, long range, detailed planning of development projects does not work. His critique is of interest because of its very strength. If the methods and their attendant assumptions are so flawed then a question which is relevant to this thesis is why are they so prevalent and persistent. Without attending to this problem, theorising about organisational learning in these settings runs the risk of committing the same error that Rondinelli has accused may users of planning based approaches, too much emphasis on the apparent self-contained rationality of methods, and not enough on the context of their actual use.

Although he does not explore this question in detail a number of causes are identified. Rondinelli (1983:29) suggests that “..perhaps the greatest impetus to national planning [in developing countries] was the insistence of international aid agencies that grants and loans be made in conformance with coherent plans for national development”. The methods adopted were based on the models that were available at the time, including project planning techniques used in the construction industry. The promotion of these methods had some degree of fit with the requirements with the prevalent political ideologies of the time. National level planning was seen as appropriate because the public sector was seen as the dominant force for development in capital-scarce countries. Other less explicit needs were also met. Referring to experts Rondinelli argues “Their tools became their power....the experts dependency on measurement is very real. Measurements and quantitative analysis are the basis of knowledge which differentiates them and therefore, a basis of their social power” (Rondinelli, 1983:6). The survival and proliferation of these methods was associated with a multi-dimensional form of fitness, at the psychological, social, administrative and political level. Fitness with needs of intended beneficiaries does not appear to have been so important.

Rondinelli outlines ten means by which development administration could be reoriented to become more adaptive and learning oriented (Rondinelli, 1983:117-148). Significantly, these are described as principles rather than specific methods. Five of the ten involve the need for

decentralisation in various forms. This will in effect allow more variations in practice, and diversity in the interpretation of experience, the basis for learning as introduced in Chapter Three. This strategy includes greater use of “participatory and market surrogate arrangements” (1983:126).

One of the ten principles specifically concerns the need to adapt a learning based approach to planning and administration. Rondinelli’s own view of learning is an incrementalist one, involving successive approximation, through trial and error. He notes Korten’s view that “the more complex the problem, the greater the need for localised solutions and for value innovations”(Rondinelli, 1983:130-1), and the associated requirement for broadly based participation in decision making. Under the discussion of another principle, the use of strategic planning, Rondinelli suggest that this process can be managed if large complex development programmes are disaggregated into smaller and smaller components. Within this diversity it is expected that there would be more tolerance of local failure, and thus more likelihood of learning. But such a disaggregation is itself an analysis of the project environment, one which either originates in a blueprint plan or has to be learned over time. More importantly, having a diversity of semi-independent activities is more expensive in terms of administrative costs than if one common set of activities is implemented across the board. As will be shown in the analysis of the planning process in CCDB, there are individual and organisational incentives to simplify the management of activities, ignoring any diversity that may exist in practice. The question then is what countervailing influences might increase willingness to bear those costs.

Overall, Rondinelli’s contribution to theory and practice of organisational learning is limited. Reviewing the work of Korten and others he concludes “None of these elements, of course, is easy to apply in conventional bureaucracies, which are organised to standardise, routinise and limit individual discretion. Finding ways of inculcating the spirit of learning, experimentation and creativity in hierarchical bureaucracies remains a challenge for development administrators” (Rondinelli, 1983:130).

In the most recent reviews concerning process approaches, and organisational learning in NGOs, (Mosse et al. 1998; Edwards, 1997) Norman Uphoff is mentioned along with Korten as a major advocate of a learning process approach to development. His views have been summarised in a mid-80's text on local institutional development (Uphoff, 1986) and more recently in a history of the Gal Oya irrigation project in Sir Lanka (Uphoff, 1992).

In both books Uphoff continues the argument against blueprint approaches to development projects made by Korten and Rondinelli. Although his 1986 book specifically addresses learning process approach in one section his articulation of the characteristics of learning process approach is much less detailed than his analysis of the problems of blueprints. It is similar to the use of the term NGO, defined largely by what it is not. There is no differentiation of types of learning processes, or suggestions as to what constitutes a good versus bad learning process approach. While the contrast has rhetorical value to highlight a need it also obscures. The theory introduced in Chapter Three of this thesis suggests that learning takes place at multiple frequencies. Within this framework it is quite possible to see the traditional project cycle as one part of multi-speed learning process, rather than the opposite of learning. Although Uphoff recognises the increased use of mid-project evaluations he is largely dismissive of their value. His argument is that these new structures are contrary to the need for more flexibility in projects. This assumes that there is not enough variance within existing projects to learn from. Given the scale of projects like the Gal Oya irrigation system, involving ten to fifteen thousand farmers, this seems questionable. In the participatory monitoring system described in Chapter Eight the assumption will be made that diversity was already present, what was needed was an improved process for capturing and summarising that diversity, better selection processes.

Uphoff's book on the experiences at Gal Oya is of interest because of his attempt to develop a "post-Newtonian social science" that can adequately represent the realities of that project. In contrast to some of the writers on organisational learning reviewed above, Uphoff makes no use of any variants of evolutionary theory. Instead he sees contemporary physics as a useful source of metaphors. Chaos theory is cited as an example of how unpredictability can be a property of deterministic systems. This forms part of an ongoing argument about the limits of planning.

References to quantum theory exemplify how observers and the observed are enmeshed with each other, not independent. Uphoff's aim of developing a "post-Newtonian social science" is an ambitious one, and as Mosse (Mosse et al. 1998) has implied, a slightly misguided one. The role of interpretation, as distinct from the role of material factors, has been a continuing part of the social sciences since Durkheim.

In Uphoff's words "One of the most powerful and times overwhelming impressions we got from being involved in this project in Gal Oya was the *changefulness* of reality, along with its multifaceted and frequently paradoxical appearance" (Uphoff, 1992:20). While unpredictability is the starting point for an evolutionary theory of learning, Uphoff's analysis seems fixated at this point. None of the ideas from physics help Uphoff construct a theory of learning, adaptation or development. As he acknowledges, they simply offer "...a more appropriate world view" (Uphoff, 1992:194). Instead, he resorts to the use of an almost eighteenth century notion of "social energy" (similar to phlogiston) to explain the emergence of cooperation and mutual support in what were such an unpromising project beginnings. Although there is brief reference to the influential work of Axlerod (1984) on the evolution of cooperation, this does not form part of his concluding analysis. Given how well Uphoff has documented the development of the Gal Oya project, over the span of a decade, his final analysis is remarkably devoid of practical implications for how to go about a learning process approach to development elsewhere. There has been little learning about learning.

4.5.2 Evaluations and learning

The Evaluation of Social Development: Marsden and Oakley

Marsden and Oakley (1990; 1994) have edited two consecutive books on the evaluation of social development. Both are based on the contributions of a total of more than a hundred participants in two conferences on the same theme held in 1989 and 1992. The participants came from a wide range of northern and southern NGOs, as well as some multilateral and bilateral institutions. Both texts attempted to synthesis the major issues which emerged in each conference. Both

conferences were seen as part of a learning process. The conclusions section of the second book selectively retains and represent what the authors felt were the main issues that arose, they represent what they felt had been learned during this process.

In these conclusions the authors start with an emphasis on the plurality of methods that exist for the evaluation of social development, "...there is no single view, no single methodology and no single set of rules" (Marsden et al., 1994:153). In general presentations were seen as "strong on concepts and notions but less so on evidence of a distinctive evaluation approach to social development projects" (Marsden et al., 1994:155). The authors response is to suggest a form of tolerance, that this diversity should be accepted and that practitioners should be multi-skilled. While this may be acceptable to many of the participants the evident lack of selectivity that took place suggests, that in terms of the theory proposed in this thesis, that there has been no collective learning at the level of method. There has been variation but no evident selection.

A major theme for the authors is the idea that reality is socially constructed, that the significance and value of different approaches is negotiated. The absence of any foundational values means that even such apparently practical criteria as the cost in time and money of very participatory evaluations can be questioned. One the other hand they do suggest that "The assumptions which underlie analyses should then themselves become the primary objects for systematic investigation." (Marsden et al., 1994:158). Diversity may be manageable by moving the analysis up a level, to address another logical type of information. The problems the authors then face is recognised in the first book and not resolved in the second. When a diversity of views is acknowledged there is a problem that "no mechanism exists to construct or impose a meta-interpretation based on an over-arching morality" (Marsden et al., 1990:152). If reality is negotiated how do you structure this process in practice, even if you are focusing on assumptions, and not the methods themselves?

Both books emphasise the importance of peoples participation. There is a continuing, if often implicit, suggestion that in evaluations judgements should be negotiated in an egalitarian fashion. There are two problems with this approach. One is how to structure such a process in particular locations, given what can often be diversity of stakeholders and the differences in their status and

power. This is not explored by the authors. The same problem is evident in Guba and Lincoln's vision of a Fourth Generation Evaluation (Guba and Lincoln (1989). Both proposals share the same lack of practical articulation. The other is that even where this is possible the judgements produced may have no relationship to the reality of how performance is assessed by staff when they are normally located within their organisational hierarchies. There is a parallel here with a problem raised earlier. How does the learning of ad hoc unstructured teams become integrated into the continual behaviour of organisational hierarchies? In the case of the monitoring system set up within CCDB, the solution was to situate the process within the existing hierarchy, not outside in a notionally egalitarian setting. CCDB staff then made use of teams within this structure, to help make it work, on their own initiative.

Another issue returned to in the conclusions is the tension between qualitative and quantitative approaches to evaluation. "Qualitative phenomena such as social change, levels of consciousness, and participation, for example, continue to present formidable conceptual and methodological problems in their evaluation...Time and again presentations emphasised the qualitative nature of social development only to tip towards the quantitative in its evaluation..." (Marsden et al., 1994:154). The two conferences were not able to learn any significantly new ways of managing qualitative information. In this thesis the solution proposed to this problem is to use a different method of aggregation. Summarising experience by quantification requires some identity between items counted (e.g. "count all the oranges"). This can be called summary-by-inclusion (Davies, 1998a). But social developments are much more diverse and multi-faceted. Here it is more appropriate to use the process inherent in the evolutionary algorithm, which can be called "summary-by-selection" (e.g. "select the fruit you like most"). CCDB's participatory monitoring system is based on this process, re-iterated up the hierarchical structure of the organisation.

A third issue summarised in the conclusions is the significance of external influences, especially the role of donors in assessment of achievements. The problem is that "It is this [donors] wanting to be involved and determining how best to do it which appears to be the issue and there are no immediate models nor universal rules for this interface" (Marsden et al., 1994:154-5). Korten and Rondinelli (above) have also expressed concern about the negative impact of

inappropriate information demands, as have other more recent analyses of donor-NGO relations (Wallace et al. 1997). In the analysis of CCDB in Chapter Seven specific attention will be given to the nature and effects of external demands for information.

Can Evaluations Help an Organisation to Learn? Forss, Cracknell and Samsett

In contrast to Marsden and Oakley, the paper by Forss, Cracknell and Samset's (1994) on learning through evaluation examines aid project evaluations in terms which are part of the literature on organisational learning outside of Development Studies, reviewed above. Considerable use is made of concepts such as multiple levels of learning and exploration versus exploitation. As has been noted above with the literature on organisational learning, they note the isolation of evaluation work in Development Studies from that carried out elsewhere in the social sciences. Despite the volume of aid evaluation work "There are few articles in the evaluation press concerning aid evaluation and few speakers when professional (evaluation) societies meet who speak of experience within this sector" (Forss, et al., 1994:577).

Forss et al's argument is based on their analysis of evaluations and evaluation processes in NORAD. They distinguished the learning that resulted in terms of scope and extent, terms similar to that of scale and depth used earlier in this chapter. Most evaluations reviewed had resulted in learning on a small scale and with little depth. They distinguished two learning processes that were involved, learning through direct involvement and learning through communication (from others). In the case of learning by communication they argued that "To achieve a learning effect, it is more important to design a communication process of high quality than supply sophisticated inputs" (forss, et al., 1994:585). Because of the limited absorptive capacity of the recipients, presumably because they have many other claims on their attention, new information must be salient, digestible, and entertaining. The down side is that the amount of information communicated will necessarily be small. The basis of the CCDB participatory monitoring system, described in Chapter 8, is a structured communication process which takes these concerns into account, within a wider view of communication structures (hierarchy and heterarchy).

Forss et al equate learning by communication with March's exploration, and learning by involvement with exploitation. This is plausible, if only because on balance people within organisations are most likely to be involved in depth in those areas which are already their special responsibilities. But this does not preclude people involved in special tasks varying in their own emphasis on exploration versus exploitation. For reasons which are not clear the authors argue that learning by communication has relatively more impact on second and third order learning than learning via involvement. This is hard to reconcile with the often entrenched nature of assumptions at this level noted by March (above) and the relatively limited content of information learned via communication. Whereas prolonged direct involvement might enable higher order selection criteria to be challenged.

The authors then conclude by suggesting that organisations need different strategies for the different levels of learning. This seems to be leading organisational learning theory in the wrong direction. Multiple levels of analysis help organisations and people manage diversity of raw experience in a coherent way. Separating them may hide their apparent functionality and make their assessment more difficult. In the case of CCDB's participatory monitoring system field staff members' observations (first order) and explanations of the selection of those observations (second order) are retained in one package as they pass through the formal structures of the organisation.

4.5.3 NGO Analyses of Organisational Learning

How NGOs Learn: Howes and Roche

Howes and Roche's (1996) paper is a diagnosis of the constraints on learning within Oxfam UK, and the problems facing specialist units that are given the task of improving organisational learning. They differentiate organisational learning in NGOs by the fact that unlike firms, NGOs are not exposed to the "equivalent of the direct discipline of market forces which eliminate companies that do not learn efficiently, and cannot adapt or change" (Howes and Roche, 1996:2).

The examination of the NGO sector in Bangladesh, in Chapter Six, supports this view. Nevertheless, in their paper there is a clear sense of mediated experience of market-like pressure in the form of references to “increasing demandto demonstrate the impact of activities” (Howes and Roche, 1996:5). Similar forms of influence are evident in the analysis of individual NGO, such as CCDB in Chapter Seven and Eight.

Howes and Roche note that much of the information flow within NGOs is information necessary for maintenance of the day to day operations of the NGO (e.g. plans, budgets, monthly accounts, etc.). In addition, the processors of this information are seen as often more concerned with the form or timeliness of such reports, than their contents. Even where reporting formats specify the need for problems to be discussed the information produced is often seen as unsatisfactory. These apparent weaknesses all reflect a focus on the proximate, the immediate needs of the present, especially those of the immediate actors. They are not illogical, they simply contrast with the wider concerns of Howes and Roche, whose brief is more explicitly concerned with wider exploration, in the sense used by March above.

Not only is there inadequate negative feedback coming up from the field, but improvement of the analytical skills of junior staff is limited by the absence of sufficient feedback going down the hierarchy, because of “lack of incentives and the shortage of time” (Howes and Roche, 1996:6). One simple interpretation of this problem is that senior staff are themselves not experiencing sufficient demand for better quality information. Howes and Roche do note that “Staff typically focus on what happened during the last half year to year rather than longer term trends; at least until recently, on inputs and outputs, to the exclusion of more fundamental changes. This is now beginning to change as a result of greater pressure from above to assess impact.” (Howes and Roche, 1996:5)

The solution proposed here may be even more problematic. It would be in the interests of beneficiaries for the NGO staff who are assisting them to have an in-depth current knowledge of their needs, and thus to be able to react to changes and differences between them. Identifying in detail the lack of effect three years later will be of limited value to beneficiaries, though it may be of interest to donors. What is needed is a change in the direction of learning, not frequency. That

is, out towards the lives of beneficiaries, not just on NGO activities.

Howes and Roche point to the increasing use of specialist monitoring and evaluation units within INGOs, but point out that their work has not been easy. They are typically located outside the line management structures linking headquarters to field workers (e.g. Oxfam, Save the Children Fund, Christian Aid, CAFOD) thus they have no authority over what happens within those structures. Although their potential role in helping those structures learn to learn is noted there are other complicating factors. M&E units can be attracted by opportunities to do research which is published outside the NGO. Some line management can see M&E units as units which can take responsibility for work they previously had to do, but did not have the time. Others feel threatened by the idea of such units looking into their work in detail, and thus they limit access to their work. Senior staff can make demands for information and evaluations on the basis of immediate needs, undermining the M&E units more developmental work. On a longer term basis they can learn to use M&E units as second alternate channels of information from the field. As will be argued further in the analysis of CCDB in Chapter Seven, there are multiple contending demands that have to be reconciled.

Howes and Roche explain how such a unit in Oxfam has managed to identify a sustainable function, which is of some value in promoting organisational learning. Four cross-cutting development themes were identified which it is implied had a supporting constituency within Oxfam (e.g. “conflict”, and “capacity-building”). Funding was obtained for the unit to encourage “cross-programme learning”. Field-officers were invited to apply to the unit’s fund for cross-programme learning (e.g. staff exchanges, workshops, etc.). This provided incentives for more hierarchical contact between Oxfam staff, in addition to that which existed in the form of informal networks. The unit had found a niche for itself, arising from the shape of Oxfam’s hierarchical structure, and which was un-occupied until then. However, in the process of this adaptation it seems that the unit was deflected from its original concerns, that of the vertical flow of information, the problems of which dominate the first half of Howes and Roche’s paper.

The unit has continued to explore a range of other possible means of aiding organisational learning, including the use of case studies, having an organisational learning facilitator assigned

to a specific region, use of new media such as video and e-mail, and database development. Their strengths and weaknesses have been noted, and the unit itself is conscious that it is involved in a learning process. Reflecting on this process in 1996 Howes and Roche concluded that “the diversity of situations encountered, and clear evidence that people learn in different ways means that the course upon which the organisation has now embarked is unlikely to culminate in any prescribed good learning practice as such” (Howes and Roche, 1996:14) At the most there will be a menu of possibilities. However, this apparently laissez-faire approach to the management of diversity (of learning) is problematic, because the unit expects its role in the future to be “*...one in which it serves increasingly as a facilitator of other peoples's learning.*” (Howes and Roche, 1996:14). This role must require some conception of how various possible investments in this area should be prioritised (ordered), and some means of identifying subsequent performance in terms of learning behaviour.

Organizational Learning in Non-Governmental Organizations: Edwards

Edwards' (1997) paper aims to examine organisational learning “in development NGOs based in the industrialised world but working internationally” (Edwards, 1997:235). In practice the actual references to specific NGOs are very few, limited to SCF UK, Oxfam UK, BRAC and Aga Khan Foundation (as funder of BRAC). The primary cited source of evidence is the author's previous work, other sources include NGO specialists (Smillie, 1995; Sogge, 1996; and Fowler, 1997a), and organisation theorists (Argyris and Schon, 1978; Drucker, 1990; Handy, 1993; Peters, 1994; Schon, 1983; and Senge, 1990). The paper is a continuous mix of the descriptive and prescriptive, presenting a wide range of views on what is and can be done. The emphasis is on plurality of approaches, similar to Howes and Roche. Where there are references to specific documented experiences these are largely those within SCF UK. These particular events provide a means of looking at the theory and a process of learning embedded in Edwards' paper.

The first example is SCF's adoption in 1995 of “a child centred” approach to development which recognises children as social actors who have a right to participate in decisions which affect them (Edwards, 1997:238). This view is regarded as unproven, and is cited as an example of how

strong beliefs in NGOs may shape the organisation as much as field experience. However this interpretation also reflects Edwards' previous position within SCF, in a research and evaluation unit oriented towards SCF's programme activities. Defining SCF in child centred terms in the charity marketplace in the UK could be seen to be quite pragmatic and one that may well be proved or disproved by experience, SCF's subsequent success in fundraising. Edwards expresses concern that with such defined values organisations may end up seeing what they believe in. This is only partially true. This self-definition will effect where SCF invests resources and thus what it sees. However, given the scale of SCF's work internationally, it does not necessarily mean SCF staff will not encounter experiences seen within a child centred perspective that contradict or challenge that self-definition. New organisational learning is still possible within the constraints of past learning.

In a second example Edwards (1997:242) points out that parts of SCF may have learned particular lessons from experience but learning further up the organisation constrained its effects.

In SCF "...there had been an ongoing debate over many years on the issues of approaches to work [operational, funder, advocacy and campaigning, or all four]....This debate proved very difficult to move forward because different individuals held strongly divergent views that no amount of "learning" seemed to influence". But with changes of staff in key positions in 1995 Edwards was able to use his own review of SCF work in Bangladesh and India to successfully argue that experience "seemed to show that more impact could be achieved" through support to partner organisations than through operational work. Edwards' interpretation of this event is that learning by itself is not sufficient. But this reflects a narrow view of learning, focused on external events, one that is much narrower than that used in this thesis. Because organisational structure and conceptions of the world are closely related, changes in the upper levels of organisational structure are not coincidentally associated with changes in the major parameters of SCF's work. The time delay involved is not surprising given that, as indicated by March earlier, it is not always easy to disprove the relevance of different frames. In referring to his own research in Bangladesh that he used to advocate change Edwards himself is hesitant about its significance.

In a third example Edwards explains how SCF attempted to capture lessons from projects and

make them more available within SCF as a whole. SCF developed a wide range of good practice guides and manuals, a computerised global information system that provides key word access to grey material on all projects, incentives for exchange visits, workshops, contract extensions and short sabbaticals to write up project experiences, and revised job descriptions that emphasise learning. “One of the most important conclusions of reviewing these innovations is that Save the Children overestimated the degree to which busy project staff would access written information, and more generally would put time and effort into using sophisticated systems that store lessons learned on electronic media” (Edwards, 1997:244). Edwards’ conclusions are supported by the experience of AusAid in 1994/5. After investing a substantial amount of staff and consultant time building a lessons learned data base, it was put on hold largely because there was no significant demand for the information it contained (AusAid, 1995). In contrast, the design of CCDB’s participatory monitoring system starts with more explicit focus on the demand for information and the design of structures that will deliver information that is in demand, even as it changes over time.

Edwards also notes a second lesson about this attempt at lesson learning. “The depth of analysis required to pull together the lessons of project experience and synthesis them into a usable form is significantly greater than most field staff possess, without considerable investments in further training and support” (Edwards, 1997:244). If true these are dismal conclusions, holding out little hope that NGOs can learn more effectively. However, the problem seems to lie in the way the task was attempted. Edwards suggested resolution of the problem is that “Lighter, more decentralised systems are required, based less on the written word, and more on supporting people *in the field* to ‘tell their own stories’” (Edwards, 1997:244). The experience of CCDB suggests that this is the right way to go. The telling of stories by field workers is the basis of their participatory monitoring system.

A fourth example is given in an earlier version of Edwards’ paper (1996). Edwards argues that there has been a general decline in the availability of funds for “foundational research, i.e. research which explores the most fundamental issues and pushes out the boundaries of what is known”. He argues that NGOs should make some of their own funds available for such research. However, he does not underestimate the difficulty of persuading them to do so, noting that

SCF's "research budget declined from almost £500,000 a year to almost nothing as a result of funding cuts imposed during the last two years...". The significance of this cut as a reflection of the research and evaluation unit's role within SCF is not explored, though very important. In the early 1990's SCF was a model for intensive investment of this type in the UK, yet lessons from its unsustainability have not been documented here. In that respect there may have been a double failure to learn, both in terms of the survival of the initiatives within the unit and in the attempt to learn summarised in this paper. Given the lesson learned from the documentation initiatives described above, it is possible that the same problem applied on larger scale to much of the work of the research and evaluation unit, there was a failure to properly address demand.

Edwards ends his paper with two conclusions, which are both attempts to manage diversity. Amidst the "sheer complexity and diversity of NGO learning experiences, styles, themes and priorities" (Edwards, 1997:248) he is able to conclude that "NGOs do learn, that they always try to learn more effectively, and that they do not stop learning even when they think they have found the answers" (Edwards, 1997:248). This conclusion comes across largely as a statement of faith. In abstract terms it is partially true, organisations selectively retain information. But in terms of new learning, emphasised in Edwards' paper, the evidence from SCF itself is not supportive. It rather perversely tends to support March's view on the resilience of interpretative frameworks. In Edwards' analysis there is no new learning, about the large scale failure to learn. But the conclusion is that NGOs do learn. A less idealised and more operational definition of organisational learning might have produced a more useful result.

The second conclusion is that "there will always be tensions between participatory learning and respect for diversity on the one hand, and the disciplines imposed by the need to link learning with policy, advocacy, campaigning and public engagement on the other" (Edwards, 1997:248). In as much as this happens at the two ends of an NGO, the field level and the headquarters, the scale of this problem is likely to be directly related to the scale of the organisation. It is less likely to be a concern in small organisation focused on one issue and on one location. Edwards' solution is to emphasise the importance of particular individual values: openness, humility, service, enquiry, sharing, solidarity. Strategy and resources are given less attention, mentioned but not detailed. The focus on individual values reflects the evangelical style of the article, and

can be seen as a form of reductionism. It ignores the significance of different relationships between people when they are members of organisations, especially those embodied in organisational structure. Similar weaknesses are evident in Argyris and Senge's work.

4.6 Conclusions

There is not yet a single theory of organisational learning that is dominant, either within Development Studies or in social science more generally. However, in the main body of literature significant use has been made of evolutionary perspectives, most notably those of March, and Nelson and Winter. Within Development Studies the use of an evolutionary perspective on organisational learning has been more limited, implicit in some views such as Korten, but explicit in the work of Forss.

March's analysis is arguably the most important of all those reviewed above. On the one hand he has pointed out the location specific nature of all judgements about what constitutes effective learning. Normative approaches suited to all types of interest groups cannot therefore be justified. On the other, he has been able to outline in general but observable terms what can be called the variable settings of the learning process, as seen in evolutionary terms. He has explained the self-limiting aspects of learning, in terms of the natural biases that exist in organisations and the significance of the wider environment as a potentially countervailing force.

His one area of weakness appears to be the limited recognition of the significance of organisational structures, in their varying forms, as embodiments of, and constraints on, organisational learning. Nelson and Winter's analyses of structures of routines addresses these issues more directly.

Although not couched in evolutionary terms there are useful contributions by other writers. Argyris's emphasis on tacit knowledge is useful because it suggest the unconscious nature of much organisational knowledge, beyond that which is publicly and privately articulated. Nonaka's "knowledge-base" level, beyond that of articulated formal organisational structure, helps suggests how this knowledge may be linked to wider cultural processes of learning.

Senge's emphasis on teams, along with that of Nonaka and Korten, requires integration into a wider view of structure. This can be done by extending the ideas of hierarchies and heterarchies. The emphasis on decentralisation by Rondinelli can be related to Nelson and Winter's view of structures of routines and Bateson's idea of hierarchies of recursiveness as ways of managing information on large scale. Huber's analysis of density mediated effects on learning between people has relevance for analysing learning at the level of populations of organisations. As detailed in the interim summary above, there are some attributes of organisational learning that have been well covered by writers, such as that of levels of learning, and openness. Others developed in this thesis, such as direction and frequency, have received little attention.

The evidence of learning about organisational learning has been less impressive within the Development Studies literature reviewed above. One the one hand, Korten and Rondinelli have been important advocates of learning process approaches. Although Korten's original paper did make some useful suggestions about practice, neither has produced a coherent theory of organisational or project learning. After documenting a project that did succeed on a large scale, Uphoff's attempt at theorising the process has been over-ambitious and unproductive. Marsden and Oakley's books have detailed the issues involved in evaluating and learning from social development projects but have not yet resolved the diversity of approaches with any conclusions about preferred methods or approaches. They have not been able to go beyond a post-modern awareness of the context specific nature of judgement, mentioned above. This may be related to the fact that they were working with an unstructured miscellany of organisations, rather than within one large structured organisation.

The evidence from the recent papers on the experiences of Oxfam and Save the Children Fund is more mixed. Howes and Roche illustrated how a new heterarchical learning mechanism was able to establish itself in Oxfam because certain forms of information exchange could be legitimated, and then funded. But on a larger scale they are uncertain about how to prioritise new organisational learning initiatives. Edwards illustrates failures of initiatives associated with incorrect assumptions about the demand for particular types of information. But in the face of failure he is confident in the capacity of NGOs to learn.

Despite their ambivalence and contradiction both responses can be related to the analyses by Korten and Rondinelli. Korten argued that experiments with learning process approaches can be subverted by inappropriate demands for certain types of project information, and associated funding provision. Rondinelli has emphasised how planning based approaches have persisted despite their practical failures because they have met external needs, at multiple levels, for information conveying control and certainty. Howes and Roche were able to adapt appropriately to head office and local level demands for information. Edwards recognised that his work did not. All have recognised the significance of particular demands for information, and how they can effect learning behaviour. This perspective fits with the context based view of learning introduced in Chapter Three.

In the next chapter, an analysis will be made of the circumstances associated with NGOs, as one class of organisation, and the implications for their organisational learning. The problem of evaluating appropriate organisational learning will be resolved by choosing to privilege the concerns of one group of stakeholders associated with NGOs, those people classed as the intended beneficiaries of their work.

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CHAPTER FIVE: THE PROBLEMATIC NATURE OF NON-GOVERNMENT ORGANISATIONS

“If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for my life...for fear that I should get some of his good done to me”

(Henry David Thoreau, in Bode, 1977)

5.1 Introduction

The focus of this thesis is on organisational learning within non-government organisations (NGOs). This choice of organisations is partially a reflection of the path-dependent nature of my own learning, to use March’s term. I have been working with NGOs since 1980 and as a result I am more familiar with problems of NGOs, than those of business or government bodies. However, an argument will be made in this chapter that organisational learning within NGOs is particularly problematic, and thus worth examining regardless of such familiarity. This argument will be developed out of an attempt to produce a coherent and economical definition of NGOs as a form of organisation. This definition is based in an ecological view of organisations, which relates organisations’ identities to the nature of their relationships to significant others in their environment. It is consistent with the ecologically situated understanding of learning introduced in Chapter Three.

In the second half of the chapter it will be argued that the problematic nature of the NGOs has been accentuated by a number of developments in the NGO sector, which are taking place internationally. These structural changes are all linked to the increased availability of funds for NGOs. The problems that are identified may mean that NGOs have certain natural limits as forms of service delivery, in particular their ability to manage a diversity of peoples’ needs on a very large scale. The resolution of this issue has implications for their relevance as an alternate form of service delivery in between centralised state provision and decentralised market based provision. The theory and practice of organisational learning that is being developed in this

thesis addresses the problematic aspects of NGOs identified in this chapter.

5.2 Defining and Differentiating NGOs

The Third Sector is a name given by management writer Peter Drucker (1989:189) and others (Douglas, 1983, Korten 1987) to those organisations which can be defined negatively and residually as non-government and non-business. In the United Kingdom those active in international aid are known as NGOs, and more generally as voluntary organisations. In the United States they are known widely as non-profits. In all developed countries and most developing countries there are acts of legislation which define what types of organisations constitute these neither governmental nor commercial forms of organisation. The types of organisations included within such definitions vary widely from country to country. In the USA mutual benefit associations are not classed as non-profits (Di Maggio, 1990:2), whereas in others they are (e.g. Bangladesh, Nepal). Even within nationally legislated definitions there is a substantial variety of types of organisation (hospitals, cultural organisations, educational bodies, research and advocacy bodies, grant making foundations, trade associations, unions, etc).

In some respects the NGO sector shares some features of the crisis of representation referred to in Chapter Two. As explained above, NGOs have been defined by what they are not, and even then differently in the UK and the USA. Amongst writers on NGOs there is a variety of definitions. Reviewing these, Smillie (1995:22) has commented “Great effort has gone into dissecting, disaggregating and defining non-government organisations,[but] to nobody’s great satisfaction” .

The John Hopkins Institute of Policy Studies (Non-Profit Sector Programme) has attempted to bring some conceptual order to the field by producing what they feel is a comprehensive and internationally applicable definition of NGOs. According to Salamon and Anheier (1992:11), Third Sector organisations can be defined as a collection of organisations that are: formal, private, non-profit distributing, self-governing, non-commercial, non-partisan, and voluntary.

In their evaluation of other attempts at producing satisfactory definitions they have quoted

Deutsch's (1963:16-18) view that "the quality of a concept or a model depends on its economy, its originality and its explanatory or predictive power... To be predictive a model must have rigour, combinatorial richness, and organising power." However, their own definition is not particularly economical, having seven different key words. An alternative definition which is both more economical and which has "combinatorial richness, and organising power" will be developed below.

The role of governments in defining NGOs has been given some recognition above. Looking further afield, there is an extensive literature on NGOs relationships to the state (e.g. Edwards and Hulme, 1992; Farrington and Bebbington, 1993; Gidron, et al. 1992). However, much less attention seems to have been given to NGOs as actors in markets. The definition that will be developed below will be based on NGOs' relationships to significant others within a market based perspective. The focus on relationships is consistent with the view expressed in Chapter Three that organisations, as a different logical type or entity, are about different forms of relationships between people. This approach to definition does not require assumptions about values or goals held within an organisation.

In taking a market perspective on relationships it is not denied that states are obviously important. Through legislation they define what can exist in terms of forms of organisations, and how they can earn or obtain income. On a more day to day basis politicians and their constituencies can seek to effect the behaviour of NGOs. Some aspects of these roles and influences in the Bangladeshi context will be discussed in Chapters Six and Seven. However, governments in such countries generally do not sustain NGOs, they do not provide them with their income. Important exceptions, such as the Danish NGOs, which are almost wholly funded by the Danish government, make their self-descriptions as non-government organisation sound very odd. Governments may allow and constrain, but it is income which enables NGOs to be sustained. Historically, all the major NGOs involved in development aid have begun by raising money from the general public (Smillie, 1995).

The framework

Business, government and NGO/Non-Profits can usefully be differentiated by the use of two rather than seven distinctions. The first concerns the identities of user of services (broadly defined) provided by an organisation. The second concerns the extent to which the act of purchase is voluntary or not. Combining these two dimensions together the following classification is possible:

Figure 5.1: Sectors defined by types of user and purchase

		The users of the service are:	
		The purchasers	Third parties
The purchase of the service is:	Voluntary	Private Sector organisations (commercial) (A)	Third Sector organisations (NGO/PVO...) (B)
	Compulsory	Public Sector organisations (government) (C)	Public Sector organisations (government) (D)

In the case of commercial organisations (A), we can regard the purchase of their services as essentially voluntary (except in cases of dire need and monopoly). The purchaser is expected to be the main user and beneficiary of the service. In the case of government organisations a substantial amount of their services are funded by involuntary purchase, i.e. taxes. In some cases such as a national transport infrastructure most of the purchasers are the users of the services provided (C), and in other cases not so, for example mental health services provided to non-tax paying mental patients (D). In the case of NGOs the donor is effectively the voluntary purchaser of a service but as such does not expect to be its main beneficiary or user (B). This succinct classification suggests that the distinctions between the nature of purchasers, and the nature of users, have combinatorial richness and organising power.

This framework is not meant to suggest that the three organisations are in practice categorically different. In reality the dividing line can often appear quite fuzzy. It is increasingly possible to find within the UK, government bodies functioning like commercial firms, selling their services to voluntary purchasers and retaining those funds for their own use [e.g. HMSO]. Similarly,

many NGOs in Bangladesh provide services such as training which are quite commercial in form (PACT/CDS, 1993). However, it is argued that as organisations move in such directions they take on the particular problems associated with that combination of relationships. In this regard the proposed classification has a predictive dimension.

The key point to be made is that it is the split between the purchaser and user of the services provided by NGOs which is their problematic feature. The difficulties that are created by this split are ones of information and incentive. They are summarised below for each of the parties: purchaser, provider and user. They will be explored below in further differentiation of NGOs and in the analysis of CCDB, in Chapters Seven and Eight.

Because of this split purchasers of NGO services who have any concern are not well placed to know with any detail or certainty the impact of the services they have funded. They are not one and the same as the users, but are geographically and sometimes culturally distant, and they must depend in most cases on the service providing NGO itself for information about the impact and value of the service, after it has been received. It seems likely that the level of public support available to NGOs involved in foreign aid is significantly effected by awareness of this problem. From 1979 to 1983 I worked for the Australian Freedom From Hunger Campaign, mainly in a fund raising capacity and across two states. One of the question I was most frequently asked then, and which I can still remember many years later, was "*Does the money get there?*" - an expression of what might be called the donor's primeval anxiety. More recently the same question was at the heart of the Australian Governments 1994 Industry Commission investigation of charitable organisations in Australia (Schmidt, 1995). It is also evident in the use of overheads as the main criteria used by mass media to evaluate different NGOs (Money, 1994; Schmidt, 1995).

At the other end, the intended users of the services provided by NGOs have no purchasing power that can be wielded in their relationships with those NGOs. The users, commonly described as beneficiaries, must rely on the values, and understandings of the NGO staff being consistent with their (beneficiaries) own interests. This problem is accentuated by the fact that, as Kantar and Summers (1989:163) have pointed out, in many underdeveloped countries many NGOs face little

competition as providers of services within a particular location. Poor users of such services have little choice as well as almost non-existent bargaining power. In the absence of choices between providers, poor people do have some limited power. They can choose whether to participate in an NGO's activities, and between these if there is more than one. They can also choose what type of information they make available to the NGO, when asked.

The problems associated with the separation of the roles of purchaser and user of service are exacerbated in the case of internationally funded NGOs where the aim is to deliver poverty alleviation assistance to people located in different continents, in different cultures, and in different classes to that of the purchaser of the service. The purchasers' information problem is exacerbated, and the user is likely to be faced with an organisation influenced by cultural forces and a language well beyond his or her normal life experience. Between the purchaser and the user there may be not only a supplying NGO (e.g. SCF UK) but a split between the fundraising and implementation roles of such an organisation (e.g. Oxfam UK which then funds its local partner NGOs). Other developments which have increased this distance will be discussed below.

NGOs, the providers of the services, also have their problems when compared to government. They must rely on a stream of income that is voluntarily donated. Although governments may have to face elections, through taxation they are able to obtain funding from people even though people may not like or want some of the services provided. NGOs share the insecurity of firms in their reliance on voluntary purchase. But unlike firms, this provides an incentive to look away from the user of the service (and towards the purchaser), not towards them. Because they are in a better position than commercial firms to be able to withhold or obscure information about the quality of their services from purchasers this can also act as a disincentive to deal with problems of service quality. In contrast, and assuming a sufficiently competitive environment, firms have a self-interest in improving the value of their products to their customers.

Although much emphasis has been made of the fact that NGOs are value driven organisations (Zadek, 1996), this does not mean there will be no information problems, or that they will automatically be overcome. Those values, and views on how they should be acted upon, may not be the same as those of the intended beneficiaries. Thoreau's anxiety is quite understandable.

Problems of Product and Process

The difficulties faced by all three parties are further accentuated by the fact that the services many internationally funded NGOs are selling and providing are in many cases much less tangible than physical products such as food or clothing. Poverty alleviation, empowerment, social development, institutional strengthening etc., are notoriously fuzzy and culturally variable concepts (Moore, 1994; Dawson, 1997). Identifying and communicating their achievement is especially difficult. The issue of defining and measuring achievements in these areas has been of continuing concern to many European and American NGOs involved in Third World development activities, and have been the subject of three consecutive conferences in the 1990's (Marsden and Oakley, 1990; Marsden et al. 1994; Oakley et al. 1998). In 1994 three large British NGOs were involved in major research programmes aimed at identifying means of monitoring these types of achievements (Action Aid, ACORD, Oxfam). Well known management gurus such as Rosabeth Moss Kanter (Kanter and Summers, 1989:164) have also addressed the issue of evaluating NGO performance, but with unimpressive results. Kantar's suggestion is that the problem of multiple views of performance can be managed by "developing an explicit but complex array of tests of performance that balance clients and donors, board and professionals, groups of managers and any of the other constituencies with a stake in the organisation." How the diversity of results produced are to be then weighted and aggregated is not explained.

As indicated in Chapter Two, intensified research on appropriate means of monitoring and evaluation is one way some donors and NGOs have attempted to address the problem of fit between NGO services and beneficiary needs. The other has been to identify and promote means whereby beneficiaries can participate in the design, implementation and analysis of development activities (e.g. World Bank, 1995). Peoples' participation has also been emphasised as an end in itself, increasingly so within the context of good governance concerns (OECD/DAC, 1995). The origins of these trends is not of special concern here, what is of concern is the consequence for NGOs where such a strategy is implemented on any significant scale. There are two information problems involved. Firstly, to the extent that if either form of

participation is a donor concern, how can achievements in these areas be identified and reported? Peoples' participation is particularly problematic to report on because as a means of project implementation it is context specific in its application. As a social value it is also very dependent on cultural context. Secondly and more importantly for the main argument here, to the extent that beneficiaries are more involved in design, implementation and evaluation it seems highly likely that the diversity of project activities, and associated judgements of their success, will be greatly increased, in contrast to the situation in top-down sector specific projects. Donors' concerned to know what is happening, face not just an incentive problem (re: accurate information from the intermediating NGO) but a basic problem of representation. How can such a plurality of activities be described and evaluated and communicated upwardly within NGOs and on to the donors in an ordered and manageable manner? How can they manage that diversity?

Differentiating NGOs

The definition of NGOs that has been presented so far is a simple one that does not recognise differences between NGOs. A further distinction can be made between organisational types which helps give some more structure to the diversity of NGO forms and which helps further differentiate what is problematic.

A common distinction that has been made between NGOs is that between membership organisations and service providing NGOs (Carroll, 1992; Farrington et al. 1993; Fisher 1993:5; Fowler, 1988). Membership organisations are those where the beneficiaries are themselves members of the organisation providing a service, and have some form of control over the services their organisation provides. For example, a small savings and credit cooperative. Service providing NGOs are on the other hand controlled by people who are not intended beneficiaries and the beneficiaries, being outside the service providing organisation, have no electoral process of control over them. For example, an NGO run by middle class urban people providing health services to rural poor households.

This distinction is based on aspects of the beneficiaries relationship to the service providing institution, as is the case with the definition of the Third Sector already proposed above. As above, it is also possible to improve upon this existing definition by focusing on key aspects of this relationship. Two distinctions about the nature of beneficiaries, combined together, can provide a more comprehensive classification which differentiates four types of NGOs which can easily be recognised in the Third Sector of many countries. They are as follows:

Figure 5.2: Organisations defined by beneficiary status

		Beneficiaries are	
		Members of the assisting organisation	Non-members of the assisting organisation
Beneficiaries are	Individuals	Membership organisations e.g. Cooperatives (A)	Service organisations e.g. health care provision (B)
	Organisations	Apex or Peak organisations e.g. Federations of Cooperatives (C)	Support organisations e.g. training of Service Organisations' staff (D)

These distinctions are not unique to the third sector but can also be used to differentiate organisations found in the private (business) sector. In the UK the Association of Chambers of Commerce, and their member Chambers of Commerce can be seen as private sector forms of membership organisations (A) and apex organisations (C). Similarly, there are business (D) that provide services for other businesses (B) who provide services for end users i.e. individual customers.

When applied to the Third Sector the four types vary in their consequences. In the initial discussion of the problematic nature of NGOs above, the NGO was implicitly an operational (service providing) NGO (B) which raised its own funds from the public at large. SCF-UK was given as an example of such an NGO. Their problems have been discussed above.

Membership organisations (A) have a notional advantage over service organisations, where their leadership is subject to some form of election by members. Even in the absence of purchasing behaviour their executive or staff have some incentive to attend to beneficiaries (members) views, and they are likely to be subject to some structured and informal feedback from members.

Apex bodies of member organisations (C) should share the same advantages. In addition, it is possible that the apex body may be able to sell services to member bodies and thus obtain a second form of feedback about value.

Support organisations (D) can provide services to any of the other three types of organisations in the classification (A,B,C). In the eyes of potential funders concerned with poverty alleviation they present a particular problem, since their impact on poverty is mediated by the subsequent behaviour of the organisations they do support with training or other assistance (Davies, 1996a). Fowler reports that in Bangladesh this uncertainty has been a major factor discouraging other donors from taking over funding responsibilities for PACT (a support NGO) from USAID (Fowler, 1997b).

Unlike service NGOs, however, support organisations do have greater potential to levy charges for their services on their (organisational) clients, and thus devolve effective judgement of the value of their services to their clients. In Bangladesh this option has not been adopted on a significant scale. The most well known support NGO (PACT) is still not operating on a cost recovery basis, despite being in operation now since early 1990's. This could be interpreted in a number of ways. PACT may not have confidence that its services are really in demand. Or, there may be such an abundance of free services around that there is little incentive for service NGOs (for example) to pay for them. In both cases this is problematic, the value and viability of this form of NGO remain in doubt.

These problems are not exclusive to specialist southern NGOs. As will be discussed below, and in Chapter Six, in countries like Bangladesh there are many northern NGOs who were almost wholly operational but who are now expanding their role as funders of small local NGOs. Typically these relationships are not seen purely in financial terms. The funding NGOs see themselves providing capacity development as well. The problems of assessing capacity

development assistance are widely recognised, and no single solution to the problem has yet been identified (Moore, 1994)

Other important distinctions between organisations (NGOs and others) can also be made on the basis of the nature of beneficiaries' relationships with the service provider. For example, there are NGOs whose beneficiaries do not necessarily know they are the *intended* beneficiaries and even if they do know of their status, have no choice in the matter (Greenpeace, Amnesty International). In these circumstances beneficiaries have a much more limited ability to inform the NGO of their views, and the NGO's face a more difficult task identifying when it is meeting their needs. Service and support NGOs that become involved in advocacy work face similar problems. Because the locus of advocacy work may be in another country, or region, the intended beneficiaries may be completely unaware of its existence, or at least of the details of what is happening.

Differences between NGOs' "Theories of the Business"

Within each of the NGO categories that have been generated above a wide diversity of NGOs can still be found. These include some substantial differences in what Peter Drucker has described as the "theory of the business". These are "..the assumptions that shape any organisation's behaviour, dictate its decisions about what to do and what not to do, and define what the organisation considers meaningful results. These are assumptions about markets....These assumptions are about what a company gets paid for" (Drucker, 1994:96). In Bangladesh a service providing NGOs such as the appropriately named MIDAS provides credit and training to not-so-small enterprises, and has no social development aspirations (MIDAS, 1993). On the other hand, other service providing NGOs like Nijera Kori focus on mass organisation, opposition to large scale rural capitalism (e.g. large scale shrimp farming), and are actively involved in local political processes (Nijera Kori, 1993). Both are large NGOs operating in a number of districts of Bangladesh.

Although NGOs have been defined as a distinct form of organisation on the basis of the

relationships involved they can also be seen as a *hybrid* form. Using the first set of relationship attributes used above they can be seen as a *half way* form between a centralised (state oriented and interventionist) and decentralised (capitalist and laissez faire) mode of delivering services. Their services are being bought on the open market, but these services are being provided for a specific class of people, on their behalf. Clarke (1997) has emphasised this latter attribute in his own definition of NGOs as “private, non-profit professional organisations with a distinctive legal character concerned *with public welfare goals*”. In the process of their own development, NGOs are making choices on how to manage that relationship. In doing so they have the potential to develop models which might be of wider interest in their societies. How they manage to resolve the problems referred to above should therefore be of wider interest, well beyond the Third Sector itself.

5.3 The Growing Significance of NGOs

The section above has drawn attention to the problematic nature of NGOs, in the process of defining them as distinct forms of organisation. If this type of organisation was not widespread these problems would be of limited consequence. However, the evidence that will be detailed below suggests that this is far from the case. Not only are NGOs proliferating internationally, but other developments associated with their growth are magnifying the significance of the problems that have been identified above.

Changes in Scale

Over the last 15 years the number of NGOs in high and low income countries has increased dramatically. In his review of *The rise of the Third Sector* Salamon (1994:111) has identified dramatic rates of growth over the last two decades in the United States, France and Italy, and more recently in Eastern Europe. He enthusiastically claims “We are in the midst of a global “associational revolution” that may prove to be as significant to the latter twentieth century as the rise of the nation state was to the latter nineteenth” (Salamon, 1994:109). Between 1981 and

1990 the number of NGOs in OECD member states which were involved in development aid grew by 66%, to 2542 NGOs (OECD, 1980, 1990). The OECD surveys used to gather this data excluded human rights groups, political solidarity groups, research and student exchange groups. In 1994 Salamon independently estimated that there are "some 4,600 Western voluntary organisations" active in the developing world (Salamon, 1994:111)

In many low income countries there has been a much more dramatic increase in the numbers of NGOs, often associated with changes towards more democratic forms of government (Bangladesh, Namibia, Nepal), or national level disasters that attract foreign aid organisations (Bangladesh, Malawi, Mozambique). In Bangladesh the number of NGOs legally entitled to receive funds from overseas grew from 115 in 1981 to 884 at the end of 1994, with a more than half of that growth taking place in the 1990's after the fall of the Ershad regime (NGO Affairs Bureau, 1994). Associated with those NGOs, and often receiving funding from them, were another estimated 14,000 NGOs registered as "voluntary social welfare agencies" Many of these are likely to be membership organisations. In Nepal the number of NGOs registered with the NGO regulating body, the SSNCC, grew from less than 50 in 1978 to 630 by mid 1992, with the majority registering in the 1990's (UNDP, 1992a). In the Philippines, where the regulatory environment has been much more liberal, it is estimated that number of NGOs grew steadily from 23,800 in 1984 to 58,200 in mid-1993 (Clarke 1995:70). Of the latter figure Clarke estimates that possibly 20,000 are NGOs, as defined above, and that these are the main conduit of foreign funds to the remainder, which are membership organisations. Similar dramatic increases in NGO numbers have been identified by Ponsapich and Kataleeradabhan (1994) in Thailand, Riddell (1995b) and Campbell (1994) in Kenya, and by others elsewhere. These figures suggest that Fisher's estimate (1993:5) that there are 35,000 "grassroots support organisations" in the world is a significant underestimation.

The volume of money involved is large, and increasing. According to the OECD (OECD/DAC 1995) grants by OECD country NGOs to low income countries have risen from US\$ 2,386 million in 1980 to more than US\$ 5,634 million in 1992, a rise of more than 42%. These figures are under-estimates because data were not available from all member countries, most notably the USA. Riddell and Robinson (1995), both specialists on NGO developments, have independently

estimated that more than US\$7 billion was channelled through NGOs to the developing world in 1991.

As would be expected, along with the growth in the number of NGOs and the scale of the expenditure via NGOs, has come an increase in the number of people directly affected by their activities. The 1993 UNDP Human Development Report estimated that some 250 million people were being reached by NGOs (UNDP (1993:93). This contrasts with estimates of around 100 million made for the early 1980's (Riddell 1995b:33). While there may be a substantial margin of error in such estimates information from the level of individual large NGO is also indicative of substantial rates of growth in coverage, at least in terms of people contacted, if not benefiting significantly. Proshika, one of a number of very large NGOs in Bangladesh, has seen the number of people it is working with increase from 162,000 in 1989 to 660,000 in 1994 (Proshika, 1994). The Bangladesh Rural Advancement Committee (BRAC) now has 1.5 million members but expects that this number will grow to 2.5 million by the year 2000 (Abed, 1995:2). The growth of very large NGOs has also been seen elsewhere in South Asia. The Aga Khan Foundation programme in Gilgit, Pakistan reaches over 100,000 people but with EU aid it is planned that coverage will grow to 750,000 (Khan, 1995). Other large NGOs include Sarvodaya and SANASA in Sri Lanka, SEWA and the Working Women's Forum in India (Edwards and Hulme, 1992, 1995b).

Changes in funding mechanisms

During the last fifteen years there have also been significant changes in the way in which NGO activities have been funded. In the words of Riddell (1995a:1) "In the 1950's and 1960's NGOs and official donors tended to pursue different development agendas. Largely on parallel tracks and usually linked only by the relationship each had to the host government. Outside support to emergencies, they were usually ignorant of each others activities and often disinterested in their impact, perhaps suspicious of each others motives". However, since the 1970's the volume of bilateral and multilateral funds channelled to northern and southern NGOs has increased, the variety of channels used to transfer those funds have increased and the relationship between the

two groups has become more one of inter-dependence.

The proportion of official aid budgets channelled through NGOs has increased significantly. Riddell (1995a:2) has cited OECD data suggesting that member countries' agencies channel more than 5% of government aid through NGOs, but stresses that this figure is a substantial underestimate. It leaves out the contributions of major donors such as the USA, it ignores multilateral contributions to NGOs, funding of NGOs to implement official aid projects, bilateral country programme funding to NGOs and emergency aid. Data from individual donors shows that the share ranges quite widely from between 10% to 30% in the case of Netherlands, Canada, Switzerland, Sweden and Norway to less than 5% in the case of the USA, Japan and Australia (Riddell, 1995a:2). The tendency within the latter group of countries is towards an increased use of NGOs as channels for aid. At the 1995 Social Development Summit it was reported by Vice President Gore that the US government intends that in future 40% of all USAID funds will be channelled through NGOs. In the UK the amount of ODA funds channelled through the main channel, the Joint Funding Scheme, to British NGOs has risen steadily over the years, from £291,000 in 1976/7 to £29 million in 1993/94, a rate much higher than either the overall growth of aid expenditures (Riddell and Bebbington, 1995:12).

The proportion of NGO budgets funded by grants from government sources has increased dramatically. Official aid to NGOs has OECD (OECD/DAC 1995) data suggests that bilateral contributions to NGOs in the 1990's have on average been equivalent to 15% to 20% of the value of grants made by NGOs within the OECD. Recent World Bank (1995b:23) sources estimate that income from official aid sources now accounts for 30% of total NGO income, and that this percentage has grown from only 1.5% in 1970 (Riddell, 1995b:30). Recent data collected by Riddell (1995a:3) indicates that in Australia, USA, Canada, Italy, Belgium and Sweden, the percentage is now between 34% and 85%. Edwards and Hulme (1995:2) report that "the share of total income received from the UK government by Action Aid rose from 7% in 1986 to 18% in 1992; by Oxfam from 15% in 1984 to 24% in 1993; and by Save the Children Fund from 12% in 1984/5 to 37% in 1992/3". In Denmark, the four largest NGOs now receive more than 90% of their funding from the government (Randall, 1997).

Associated with the growth in funds available to northern NGOs from government sources has been the emergence of a range of channels whereby bilateral and multilateral aid is disbursed to southern NGOs. In the case of ODA steps have been taken in the 1990's to fund major NGOs directly from country programme funds (e.g. BRAC and Proshika in Bangladesh). Special NGO funding bodies have been set up within aided countries both for post emergency and development work (the BPHC in Bangladesh, the NW Somalia NGO programme, and the Direct Funding Initiative in Kenya, Uganda and Tanzania). This is in contrast to the reliance on small High Commission based funds and the JFS in the 1980's. Other major bilateral agencies such as Canada and the USA have been far more adventurous, experimenting with a wide range of NGO funding channels and mechanisms (Riddell and Bebbington, 1995:53-85).

Such changes have not been limited to bilateral donors, both the UNDP and UNICEF have given both northern and southern NGOs a much more important role in their programmes from the mid-1980's onwards. The World Bank, a lending institution, has funded many NGO activities through the US\$1.3 billion expenditure of its Social Fund (Riddell, 1995a:1). The percentage of World Bank projects with NGO participation has grown from 6% in the 1973-88 period to 50% in 1994 (World Bank, 1995b:1). The EC now has a major NGO funding programme of its own, spending £300 million on non-emergency NGO projects in 1992 alone (Riddell, 1995a:1), with up to US\$10 million being granted to single NGO projects (Khan, 1995).

5.4 The Consequences of Growth

At least two major consequences can be identified. One is the growing opportunity for donors' views to influence the way NGOs experience and report their work. The other is the increased distance and invisibility of NGO beneficiaries to many people working in NGOs.

Trends in NGO funding, summarised above, involve a major change in some NGOs' traditional relationship to the purchasers of their services. In the high income countries many northern donor and operational NGOs are now faced with official donors who are the equivalent of large institutional investors in the stock market, whereas before they were only dealing with many

small shareholders. The new institutional donors command attention and influence simply by the scale of their investment in comparison to individuals. As major investors they are able to finance investigations into the NGO sector in the countries and sectors that concern them (Davies, 1992; Campbell, 1994; Campbell and Clarke, 1996; Riddell and Bebbington, 1995; World Bank, 1993b) and evaluations of the projects implemented by NGOs they have funded (Lewis et al. 1994; Lewis and Francis, 1995, Surr, 1995). Their terminology and representational devices, such as the Logical Framework, are attended to by NGOs they associate with (Wallace et al. 1997).

In his review of NGO proposals sent to the ODA Joint Funding Scheme since 1987 Thin (1995:2) reports that since 1987 the “use of the Logical Framework as a planning tool, and less commonly as an evaluation tool, has increased from virtually nil to well over 50% of proposals.” He also comments that “A quick perusal of NGO documents reveal a striking uniformity of language used to describe purposes and strategies amongst a wide range of NGOs” (Thin, 1995:4). More specifically, reviews by Price (1995:1-2) and Cleves-Mosse (See Price, 1995:1) of UK NGO “health and population” projects funded by the ODA-JFS have shown a steady increase in the proportion of projects defined as “specific or relevant to ODA priorities”, from 39% in 1992-94 to 47% in early 1995 to 53% in mid-1995. During this period, according to Price, the Health and Population Unit of the ODA has been noticeable in its efforts to make direct contact with British NGOs and to spell out its priority areas of concern.

Is it the case that this is a “process of convergence of discourse about development than convergence of methods and practical programmes” (Riddell, 1995a:5)? For example, the judgements made by Thin, Price and Cleves-Mosse have been made solely on the basis of the language used in the NGO project proposals. Practice on the ground may be entirely different. If that is the case, the value of that form of isolation is by no means clear. Problems caused by NGO practice may be being sustained, or problems generated by donors may be being avoided. Ideally, what is needed are forms of representation whose widespread adoption is likely to be of value to the intended beneficiaries of NGO projects.

In recipient countries, such as Bangladesh, NGOs receiving foreign funds have already long been

dealing with donor organisations rather than individuals. Amongst the largest NGOs in Bangladesh there is very little evidence of any funding being provided by individual donors, even at the most modest scale (See Chapter Six). The most significant change at this level has been the increased physical proximity of the organisational donors. Special funding arms have been set up in-country (BPHC in Bangladesh and The Direct Funding Initiative unit in Kenya, Uganda and Tanzania. In the case of very large NGOs such as BRAC and Proshika in Bangladesh, special liaison offices have been established to facilitate the relationship between those individual NGOs and their own donors. With the increased availability of in-country funding to both northern and indigenous NGOs Northern NGOs such as Christian Aid which have traditionally not had offices in-country now feel under pressure to establish such offices (Borden, 1996). A consequence of these developments is increased opportunities for donors to seek information from operational NGOs, and for those demands to make a difference, for good or ill.

There is a second set of important changes in the structure of relations between NGOs and donors that have arisen from the overall growth in funding. Although bilateral and multilateral donors have increased their funding of NGOs, and decentralised this process, the increased availability of funding has not been distributed equally across all NGOs. There is evidence from some countries that while there have been dramatic expansion in the numbers of NGOs, the increased expenditure that has also taken place has been concentrated in a small proportion of NGOs. In Nepal in 1992 10% of the 630 SSNCC registered NGOs accounted for 90% of the expenditure of the NGO sector (Davies, 1992:20). In Bangladesh my own analysis of data from an Association of Development Agencies in Bangladesh (ADAB) survey of the registered NGOs showed that 10% of the NGOs accounted for 66% of the expenditure by NGOs (See Chapter Six).

There is evidence that a similar process is taking place amongst northern NGOs. Riddell has pointed out that "some 200 NGOs (less than 10 per cent of the total) account for some three-quarters of the volume of grants to developing countries" (Riddell, 1995b:28) and that "In Britain, the sector is dominated by a small group of large agencies: out of some 300 development NGOs, twelve account for over 80 per cent of total voluntary income, and seven of these had incomes in excess of £10 million in 1990" (Riddell, 1995b:29).

As would be expected, the NGOs who receive disproportionately large volumes of donor funding are themselves very large. BRAC, possibly the largest NGO in Asia, now has more than 13,000 full time staff (Abed, 1995). Examples of other large NGOs, with between 100,000 and 1.5 million beneficiaries were mentioned earlier. Larger organisations typically have more layers of staff, between field operations and their CEO. In the case of Proshika in Bangladesh there were four levels of supervisors of field operations, not counting junior field staff (Davies, 1995). Within the peoples' organisations encouraged by Proshika, there were three more levels of representation. Such large structures obviously makes it more difficult for senior staff, and donors, to access specific information about beneficiaries than would be the case in small organisations. On the other hand, any beneficiary who wants their views to be noticed will find their views competing with those of many thousands of others. When an NGO is working with large numbers of people, in different circumstances, and using a range of services there are also major problems of how to aggregate information into summary statements which are of value to the CEO, donors and government (Davies, 1995). Despite these developments, Thin (1995:14) has pointed out that in the reports ODA receives from British NGOs, "Very few NGO reports carry any discussion of internal politics concerning hierarchical relations among staff, communication flows, and participation of various staff in decision making".

Not only are large hierarchical organisations encouraged by the expanded funding of NGOs, but there are also emerging hierarchies of organisations. As indicated earlier, significant amounts of government aid money is channelled through northern NGOs. Some of these (e.g. Christian Aid, EZE, ICCO) function as donor NGOs to southern NGOs. Even northern NGOs which have been operational are now also taking on this funding role with smaller southern NGOs (Riddell, 1995b:28; Goyder, 1995:1; Thin, 1995:2). Amongst the larger southern NGOs there are now some large and middle sized NGOs (BRAC, CARE, CCDB) which are in turn becoming funders of smaller local NGOs (Chapter Six).

One attraction of this change in roles for previously operational NGOs is that costs which were considered overheads associated with the direct delivery of a service can now be carried by the funded NGO and all the funding provided to that NGO treated as a benefit delivered. The

negative consequence is an increasingly lengthy chain of people between the original purchaser and the final intended user of NGO services. In between are an increasing number of intermediary organisations. The difficulties of assessing impact on the lives of beneficiaries, and evaluating the performance of the intermediary bodies are magnified accordingly.

One criterion of the value of a solution in the design of computer software is “scalability”. A solution that works when applied on a small scale, may or may not work well when applied on a large scale. Top-down central planning may work in small family businesses, but it becomes less suitable to large conglomerates. Twentieth century history suggests that this approach has even more problems when used to run national economies (Hobsbawm, 1994) Many of the original comparative advantages of NGOs seem to be ones associated with smallness (Tendler, 1982; Fowler, 1988; Clark, 1991): being close to and trusted by the poor, participatory in approach, innovative, and having committed staff (Clarke, 1991). As Clark and other writers (Edwards and Hulme, 1992) have noted a major challenge is whether NGOs can scale up without loosing those advantages. How NGOs are able to respond to this challenge will define their relevance as a significant middle-way alternative to state and market based forms of service provision.

The analysis developed above has focused in on two problematic consequences of scaling up that has resulted from the growth in funding available to NGOs, worldwide. One is the strengthening of the influence of some purchasers, albeit with ambiguous effects. The other is the apparent disempowerment of users. A practice oriented theory of organisational learning may help address both problems. Firstly, by the design of appropriate forms of purchaser influence. Secondly, by the development of appropriate means by which NGOs can manage and learn from the increasing number and diversity of beneficiaries that they are working with.

5.5 Conclusions

In this chapter NGOs have been defined and differentiated on the basis of their relationships with other parties. Attention has focused on the nature of the relationships between purchaser, user and provider of NGO services. Particular learning problems associated with this set of

relationships have been identified. The central problem is the separation of the roles of purchaser and user of services. Other problems are caused by the nature of the service being provided, and means used to overcome lack of monetary feedback from users. A sub-set of NGOs described as support NGOs have additional difficulties caused by being at one remove from the final impact on the lives of NGO beneficiaries. Their problems have wider significance, because using the same framework of analysis, NGOs can be seen as mid way between state and market based forms of service provision.

The significance of these problems has been accentuated by the growing size of the NGO sector, nationally and internationally. Individual NGOs have grown in size and multiple layers of intermediary organisations are emerging. As a result of this growth the distance between purchaser and user of their services has been increased. At the same time, the most successful NGOs are having to manage relationships with much larger numbers of beneficiaries. With the growth of bilateral and multilateral funding of NGOs there is some possibility that donors can have more influence in their relationships with NGOs. But more assertive demands by donors may have negative as well as positive effects. How these emerging problems of scale and influence are resolved could mean the difference between NGOs being seen as an organisational form that has been over-encouraged and has reached its limits, or as genuinely innovative developments with potentially wider application. A theory of organisational learning that can be operationalised may help address these limitations.

In the next chapter the focus will move from this chapter's relatively abstract discussion of NGOs in general, to an examination of one specific population of NGOs, those found in Bangladesh. In the process of developing an analysis of organisational learning at the population level this chapter will also provide an introduction to the analysis of organisational learning in individual NGOs, in the subsequent chapters.

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CHAPTER SIX LEARNING AT THE POPULATION LEVEL: THE NGO SECTOR IN BANGLADESH

6.1 Introduction

The purpose of this chapter is to provide a population level perspective on learning within the NGO sector in Bangladesh. The term “population” is used in the sense of a group of organisations sharing a common habitat, depending on the same resources. The specific population are those NGOs registered with the Bangladesh government as eligible to receive funding from overseas organisations. The aim is both to show the utility of an evolutionary perspective for understanding organisational learning at this level, and to identify any possible implications for assisting organisational learning within NGOs.

The first section of the chapter outlines the overall methodology used. The second section gives a detailed description and analyses of the structural features of the NGO sector on the basis of the data available in 1992. The third section examines actors’ interpretations of developments in the NGO sector, specifically the CEOs who were the respondents to the 1992 survey. Both the second and third sections are followed by summaries, which interpret the findings in terms of the framework developed in Chapters Three and Four.

The analysis in this chapter is ambitious in a number of respects. Firstly, while accounts of learning within NGOs are not common, analyses of learning at the NGO population level seem to be non-existent. There are no models. Secondly, in terms of Bateson’s hierarchy of logical types, the structural features of populations are more abstract than those of organisations. Organisations involve particular forms of relationships between people. Populations involve particular forms of relationships between organisations. Thirdly, the data used in this chapter was collected in 1992, at the stage when the theory represented in this thesis was at its earliest stage of development.

6.2 Methodology

Defining and sampling the NGO sector in Bangladesh

As indicated in Chapter Five, there is a wide range of definitions of NGOs, and thus potential means of sampling them. However, some definitions make more difference than others, those enshrined in law usually have more local consequences. In Bangladesh two classes of NGOs are created by the application of two sets of legislation: (a) the 1978 Foreign Donations Ordinance and the 1980 Foreign Contributions Ordinance, administered by the NGO Affairs Bureau (NGOAB), and (b) the 1860 Societies Act and the 1961 Voluntary Societies Ordinance, administered by the Directorate of Social Welfare (DSW). The first applies to all NGOs which receive funds directly from overseas sources, the second applies to NGOs which are either wholly locally funded, or receive overseas funding via local intermediaries registered with the NGOAB. NGOs can only gain legal direct access to foreign funding after registration with the NGOAB. The Bureau is also responsible for approving all transfers of funds that do actually take place on a project by project basis, after registration.

In 1992 the Director of the NGOAB estimated that there were in excess of 14,000 organisations registered under the 1961 Voluntary Societies Registration Act, in the Directorate of Social Welfare (NGOAB, 1992). It seems very likely that there are many times that number of more informal associations. Although there is no statistical information available for Bangladesh as a whole, a study in 1986 by Maloney and Ahmed (1988) of spontaneously formed groups having savings and loan functions is suggestive. In a survey of 14 Unions Maloney and Ahmed found 323 groups, of which 277 were active. Projected nationally this would be equivalent to more than 1 million such groups. Information from Maloney and Ahmed (1988) and other South Asian countries such as Nepal (Davies, 1992) suggests that the majority of the informal organisations that exist are likely to be membership organisations, with some means whereby office holders are held accountable to member-beneficiaries.

NGOs which are registered with the NGOAB, and which receive foreign funding, are extreme examples of the problematic split between purchaser (donor), provider (NGO) and user

(beneficiary) introduced in Chapter Five. According to Richard Holloway, of PACT-Bangladesh (a support NGO), the vast majority of NGOs registered with the NGOAB are service rather than membership organisations, and thus not subject even in nominal terms to some form of accountability to their intended beneficiaries. NGOAB registered NGOs are also larger in size, another source of distance in the relationship between purchaser and user, referred to in Chapter Five.

I began my fieldwork in Bangladesh in January 1992 with the idea of carrying out a relatively open-ended search of information about the NGO sector, to develop an overview. At the very beginning I obtained access to files on NGOs held by NGOAB. The plan was to take information on a random sample of the NGO records. This search for information was soon abandoned because of the difficulty of interpreting the significance of what was recorded in the forms (though it was in English) and the uncertainty of continued cooperation by the staff of the NGOAB for the period required. Survey data which became available a month later from the Association of Development Agencies in Bangladesh (ADAB) indicated that when examined in terms of the size of their annual expenditure the NGO population in Bangladesh is not normal, but in fact quite skewed in its size distribution (See Figure 6.3 below). A purely random sample taken from NGOAB records would have in fact have lead to a concentration on the smaller sized NGOs and the more recent established NGOs.

An alternative approach is a purposive sample which would ideally involve a selection of a certain category of NGOs, with an accompanying justification of that choice. In retrospect, two options were available in early 1992. The first was to focus on a sub-population, all those NGOs that shared a common donor. This approach assumed that for NGOs in Bangladesh there were no other characteristics such as ethnicity, religion or class which are more powerful sources of common identity with common consequence. There are other more immediate problems. As will be detailed below, donor-NGO connections in Bangladesh form a complex web, so a simple division of NGOs into sub-groups on the basis of their funding sources is not easy.

The second option was to focus on the largest NGOs in the sector. Within the framework of Chapter Three these could be regarded as the fittest within the sector and thus, in as much as their influence dominated, a reflection of what had been learned by the population as a whole. This

was the strategy I followed because in the face of limited information available about NGOs, these were the easiest to identify as a group. Unlike research into populations of organisations in the USA (Baum and Singh, 1994), identifying and obtaining access to government records on organisations in Bangladesh is not easy. Sampling organisations by any criteria is thus much more difficult. One key document which was obtained was a list of all NGOs registered with the NGOAB as of the end of 1991. Because this list did not include details of current expenditure or staff levels the selection of large NGOs to be interviewed was done on the basis of what appeared to be common knowledge. After most of the NGO interviews were completed, information on NGO expenditures in 1991 was also obtained from ADAB. The results of their survey (discussed below) showed my own sample to be well selected, with few significant omissions. In choosing to focus on the largest and probably the most visible NGOs my own research strategy may well have been mimicking the inter-organisational learning processes of NGOs themselves.

A list of the 32 NGOs interviewed is given in Table 6.1 below. The sample focused almost exclusively on NGOs having some form of office representation within Dhaka, approximately 58% of NGOs in 1991. The ADAB 1991 survey had been more representative, covering 89 NGOs, and included rural based NGOs in their sample. In my 1992 survey interviews were held, wherever possible, with the CEOs of these NGOs. These followed a structured format which took about 60 minutes to complete. The survey collected quantitative data about NGOs and donors, as well as respondents' judgements about the organisations and events involved. A copy of the Interview Schedule can be found in Appendix A. Very little difficulty was experienced either in obtaining appointments, or in maintaining respondents' cooperation during the interviews. In addition to the NGO survey, the representatives of 10 resident donors were also interviewed.

Interpreting organisational learning at the population level.

The initial aim of the 1992 survey was mixed. One intention was to focus on individual projects, rather than NGOs, as the main unit of analysis. The interview questions were drafted to identify the emergence of new projects, changes in their features over time, and their mortality. Their fate was to be the dependent variable, and the behaviour of the managing NGOs and their donors

would be the dependent variable. Implicit in this approach was an atom like view of units of selection, a view which has since been dismissed in the analysis in Chapter Three. As was suggested in the discussion of organisational routines as possible basic units in Chapter Four, differentiating the boundaries of NGO projects was very difficult. In practice, a substantial amount of individual interpretation was involved.

Fortunately, the interview schedule was not prematurely specialised, a learning problem referred to in the discussion of Korten's views in Chapter Four. It also included questions which embodied the view that selection processes take place as people choose among different interpretations of the world. Also included, in order to provide context, were more quantitatively oriented questions about NGOs size, growth and change, and details of their donors. The information that was collected in the 1992 survey has since been used for a slightly different purpose. The focus was switched to larger scale changes in structures (whole NGOs), and variations in actors' interpretations of those structures. These larger structures are more stable and publicly observable than individual projects. Incidentally, this change in research strategy exemplified a typical feature of evolutionary processes, the post hoc adaptation of old and redundant functions (Dennet, 1995).

The distinction between structures and interpretations is a variation on the distinction made in Chapter Three between genotype and phenotype forms of information. The birth, growth and mortality of organisations can be observed with some reliability across observers. This is not the case with interpretations of their meaning and significance, which are likely to be more dependent on each observers' own context. Also built into this distinction, is that made by Bateson (1979), between different logical types of information: interpretations of significance being differences made by differences in structure. In the analyses that follow I have made an important assumption: that the structures I have observed are basically the same as those that underlie the interpretations I have obtained from respondents about significant developments in the Bangladeshi NGO sector.

The next two sections examine structures, and actors' interpretations of events at the population level, in turn. Both are interpreted in terms of my own evolutionary perspective on learning. It should be noted that these two sections do not attempt to document wider processes of learning, as visible in the interpretations of the Bangladeshi NGO sector by other observers and

participants such as academics and consultants (e.g. Bosse and Wood, 1992; Wood, 1994). However, some of these sources are used to contextualise the responses of the respondents to the 1992 survey. It is not intended that this chapter should provide a comprehensive analysis of the Bangladeshi NGO sector.

As well as helping generate a population level perspective on organisational learning, the 1992 survey also served another purpose. It was part of an initial exploration of the Bangladeshi NGO sector that then led to a focus on one NGO (CCDB) as a case study, and then into the design of one particular process within CCDB, a participatory monitoring system. This process of differentiation, from large context to smaller scale events was associated with a changing temporal focus, from change over large periods of time, to change over small periods of time. This process paralleled the specialisation process described in Chapter Three.

6.3 A Structural View of Organisational Learning

In the section below attention will be given to a number of structural features of the Bangladesh NGO sector. These include the growth in numbers of NGOAB registered NGOs, their size distribution, variations in growth rates, mortality rates, inter-NGO networks and donor-NGO networks. These can all be seen as the outcome of past interactions within and between NGOs, and their environment. In that sense, they embody past learning. However, their meaning requires interpretation. The interpretations given in this section are my own, informed by the evolutionary theory of learning developed in Chapters Three and Four.

Growth in the numbers of NGOs in Bangladesh

According to NGOAB data, by the end of 1994 there were 833 NGOs registered as eligible to receive foreign funding. The number of such NGOs has grown over the last 15 years, as shown in Figure 6.1 (see next page)

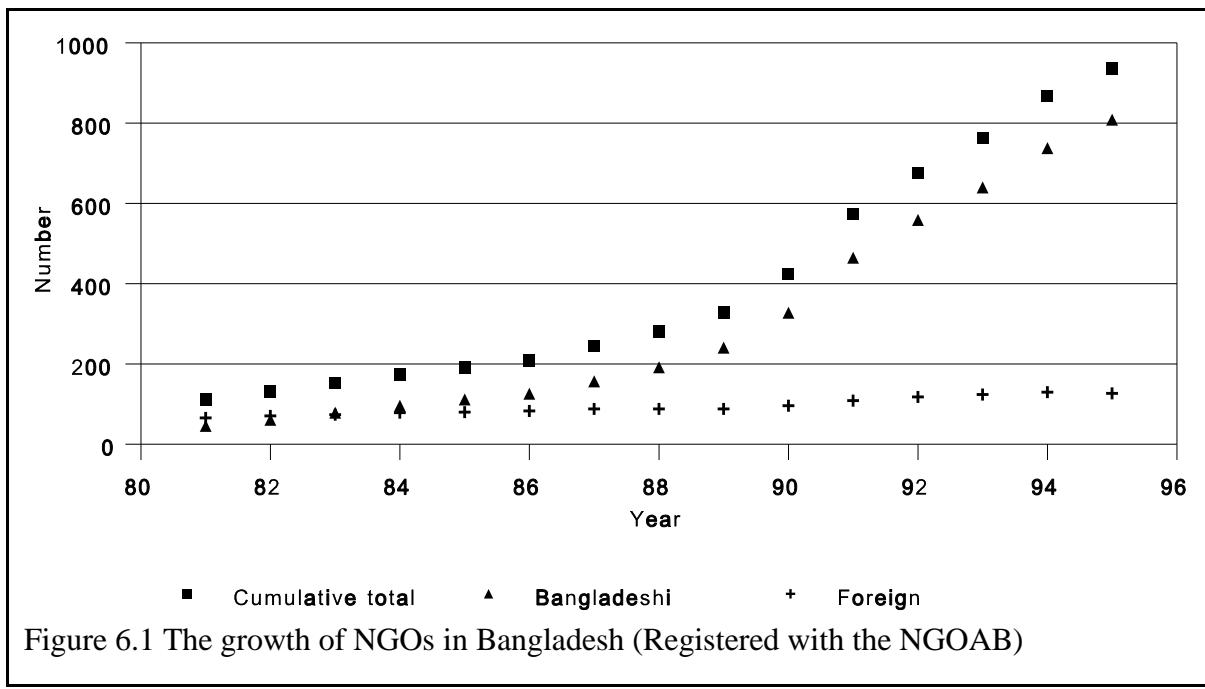


Figure 6.1 The growth of NGOs in Bangladesh (Registered with the NGOAB)

Information available (ADAB, 1992) on 41 of those 114 NGOs registered in 1981 suggests that the year of greatest growth in NGO numbers prior to the 1980's was in 1972, immediately after the war of liberation, when at least 17 NGOs were registered. Of all those registered in this pre-1981 period more than 55% were NGOs described as foreign, i.e. having their headquarters outside Bangladesh. These included Oxfam, Save the Children Fund and Federation (UK and USA), Concern, CUSO, Caritas, Helen Keller International (HKI), Terres des Hommes (THH - France, Switzerland, Netherlands), Mennonite Central Committee (MCC), Rangpur-Dinajpur Rural Service (RDRS) and Enfants du Monde (EDM). All except two of these were still working in Bangladesh in 1994 (TDH-F, CUSO). Almost a third of the 1981 registered NGOs (32% of the 114) were apparently Christian in character (given their names). During the same period up to 1981 a number of what are now some of the largest Bangladeshi NGOs were established. These include Bangladesh Rural Advancement Committee (BRAC), Christian Commission for Development in Bangladesh (CCDB), Proshika, Nijera Kori (NK), Heed Bangladesh, Friends in Village Development Bangladesh (FIVDB), Gono Unnayan Prochesta (GUP), and Gono Shasthya Kendra (GSK).

The development of indigenous NGOs in Bangladesh in the 1970's was closely linked with the war of liberation against Pakistan, which ended in December 1971. The war was preceded by a devastating cyclone and followed by a period of civil disorder and then widespread famine, all of

which attracted international attention and aid. More than 100 international NGOs set up offices in Dhaka providing emergency and rehabilitation assistance in the immediate post-war period (Smillie, 1995). This was not so exceptional. Smillie (1995) has pointed out that many of what are now the largest international NGOs have been born in response to similar crises (The Red Cross, Save the Children, Foster Parents Plan, International Rescue Committee, Oxfam, World Vision, MSF, Concern). What was unique in this case was the number of indigenous NGOs that also emerged during this period in Bangladesh. Two factors seem to have been important. One was the prolonged nature of the crisis that justified the continued presence of foreign aid organisations and funding. Models were available and so were the resources to imitate those models. The other was the political conditions during this period. Despite the disorder it was also a period of nation building optimism, and working with NGOs was seen by some as one way of contributing to that process (Rutherford, 1995). NGOs were also a source of employment in a very poor economy.

The rate of growth in NGO registrations appears to have been relatively stable through the 1980's, at around 20 per year. However, in the late 1980's the rate of growth increased, even prior to the establishment of the NGOAB in 1990, one purpose of which was to facilitate the registration of new NGOs and approval of foreign funding of their projects. The number of new NGOs registered per year escalated to a peak of 139 new NGOs in 1991/2, equivalent to a 28% increase in one year. Since then rate of growth has slowed down slightly, with 113 new NGOs being registered in 1994/5, a 14% increase on the previous year.

During this period major natural disasters continued to be important to the development of the NGO sector. Major floods affecting very large numbers of people took place in 1984, 1987, 1988, and 1993 (Bertocci, 1986; Islam, 1988; Rahman, 1989). Major cyclones were also experienced in 1988 and 1991. The floods in 1988 and the cyclone in 1991 in particular were thought to be the worst for more than 70 years (Zaman, 1993). These disasters both generated a need for humanitarian interventions and also drew in large scale funding from overseas aid organisations.

Although substantial amounts of aid flowed to the government, there was also extensive dissatisfaction amongst official donors with its capacity to utilise those funds, both before and

after Ershad's resignation in December 1990 (Rahman, 1990; Baxter, 1991; Khan, 1993). The UNDP's 1992 annual report on its work in Bangladesh noted that "The government has repeatedly failed to expend donor funds allocated under the annual development budget" (UNDP, 1992b). In late 1992 an "anomaly of non-utilisation of external resources, estimated at over \$5 billion, came to the surface" during a visit to Bangladesh by the President of the World Bank (Khan, 1993). Although enormous it is plausible, as a cumulative figure representing a number of years. Sobhan (1997:2) reports that "since the 1970's, Bangladesh has received an average of US\$2 billion annually in overseas aid." The combination of recurrent natural disasters and inability of government to make use of foreign aid would have provided a significant incentive for the expansion of funding for NGO activities. During the later 1980's the achievements of NGO-like organisations such as the Grameen Bank were also beginning to receive national and international recognition (Hossain, 1988; Stiglitz, 1990). Outside Bangladesh there was also a growing recognition of the potential role of NGOs (Drabek, 1987).

During this period, foreign NGOs continued to establish themselves in Bangladesh but at a much lower rate than in the 1970's. With the emergence of large numbers of local NGOs, it would have been more difficult to argue the case for an operational presence. By 1995 they only accounted for 12% of all registered NGOs. Whereas in the 1980's foreign NGOs were almost wholly European based, in the 1990's NGOs with headquarters in Korea, Kuwait, Malaysia, Pakistan, Saudi Arabia and Sudan, have successfully applied for registration. In the 1980's the number of apparently Christian NGOs being established dropped substantially. In the 1990's there has been an increase in the number of NGOs which are apparently Islamic in their concerns (given their names). This trend included the registration of AMWAR, the Association of Muslim Welfare Agencies in Bangladesh, in 1993.

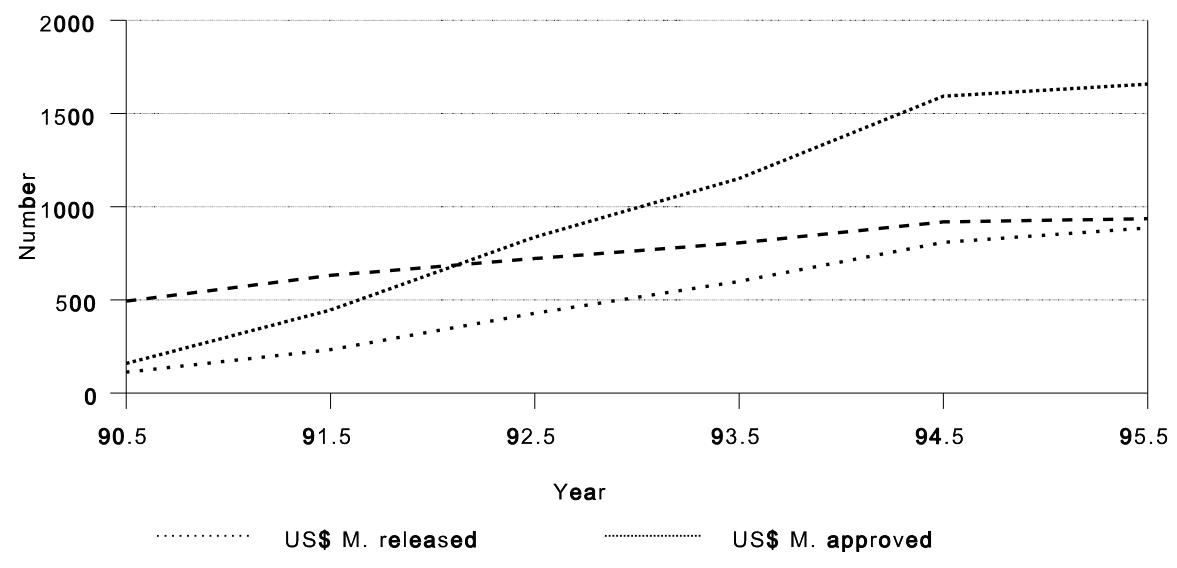
Of the Bangladeshi NGOs, almost half now have offices of some kind outside Dhaka. The proportion of those registered as having their main office outside Dhaka has increased slowly over the last fifteen years, from 28% in 1981 to 54% in 1994. By 1994 ADAB had established 14 Regional Offices located throughout Bangladesh, each with between four to six "Chapters", in order to liaise with its member NGOs.

Growth in expenditure via NGOs

In early 1992 the Director of the NGO Bureau estimated that between 7% and 10% of foreign aid coming to Bangladesh went to the NGO sector. In the 1990/91 financial year the Bureau approved the expenditure of US\$158 million and the actual disbursement of US\$112 million. The Director estimated that approximately 90% of this expenditure is funded with foreign donations and 10% from local income sources. My 1992 survey data showed the level of foreign dependence is even higher amongst the largest NGOs. In their case local income was on average 5.6% of the total received. These figures support the view that in terms of financial resources NGOAB registered NGOs are clearly distinguishable as a community from other NGOs and community groups in Bangladesh which do not make use of foreign funds.

As shown in Figure 6.2 below, the 1990-95 period was a time of rapid growth in the availability of foreign funding for NGOs in Bangladesh. The amount of foreign funds released by the NGOAB has grown faster than the rate of NGO registration and the amount of funds approved has grown even faster. By the mid-1990's annual release of funds to NGOs had reached US\$887 million, almost an eightfold increase over five years.

Figure 6.2 Growth of donor funds released to NGOs



Variations in the size of NGO expenditures

In 1991/2 the amount of funds released was equivalent to US\$226,000 for each of the 494 NGOs registered by the end of that financial year. In fact evidence available from a number of sources suggests that a large proportion of the foreign funds that were received by NGOs in Bangladesh in this period were concentrated in a small number of large NGOs. Firstly, the combined total of the 1991 annual expenditures of the 32 NGOs surveyed in early 1992 was US\$87.5 million. This is equivalent to 78% of the funds released by the NGO Bureau in 1990/1. The same 32 NGOs represented 6.5% of all the NGOs registered in 1991/2. The 1991 ADAB survey collected information on expenditure levels of 89 NGOs for the year 1990/91. These have been converted into a Lorenze curve, and are shown in Figure 6.3 below. According to this survey 80% of the total expenditure of the 89 NGOs was accounted for by the 14 largest NGOs. They represent 15% of the ADAB sample.

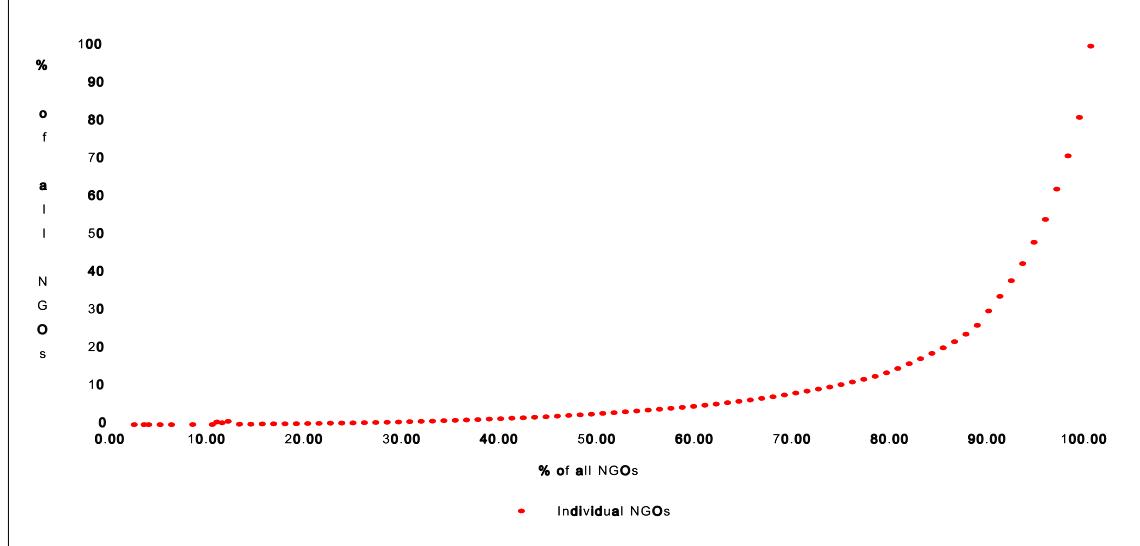


Figure 6.3: Lorenze curve of NGO expenditure in 1991

It is highly likely that this graph understates the degree of concentration in funding. NGOs without an office in Dhaka can be assumed to be, on average, smaller in size than those based in Dhaka. They were under represented in the ADAB survey, though better than my own. There is also one major omission at the upper end of the scale (even if the Grameen Bank is ignored

because it is no longer an NGO). CARE was thought to be the largest NGO in Bangladesh at the time but was, for some reason, not interviewed by ADAB. The inclusion of both groups, the smaller rural NGOs and the largest foreign NGO would accentuate the curve away from the diagonal (i.e. indicate greater inequality).

Although the ADAB 1991 survey findings may under-estimate the degree of inequality amongst NGOs they do seem to confirm that the 1992 survey sample, based on apparent common knowledge, was in fact representative of the largest NGOs in Bangladesh. Twenty nine of the thirty two NGOs that were interviewed fell within the top thirty three in the larger ADAB sample. Only one of the remaining three NGOs was substantially smaller than all the others (VHSS). Data collected by the two surveys was consistent, a statistically significant (0.01) correlation of 0.92 was found between the expenditure levels documented in the 1991 ADAB survey and those found in the March 1992 survey. There was one shared omission. Both surveys left out one NGO (Gono Shasthya Kendra (GSK)) which would probably have fitted within the list's size range. Table 6.1 lists the largest NGOs in 1991 based on March 1992 survey data, and where that is not available, according to the ADAB 1991 survey data.

Interpretations of the size distribution

The size distribution of NGOs is one aspect of structure at the population level. Four different interpretations can be made of how this structure has been informed. The most evident, and often mentioned, is imitation (Benini and Benini, 1997). Staff leave one NGO and proceed to set up their own. Nijera Kori, ASA, and Comilla Proshika listed in Table 6.1 were all formed by staff of other established NGOs leaving and setting up their own NGOs. In other cases, people with no prior NGO experience set them up (e.g. ASHROI). Many of the hundreds of new NGOs set up in the early 1990's are likely to involve some element of imitation. However, these new and small NGOs do not appear in the list in Table 6.1 A different explanation is needed for the skewed size distribution found even amongst these NGOs.

A second possible explanation is that this distribution reflects actual differences in performance. NGOs have been rewarded by donors according to their achievements. This is implausible for a

number of reasons. Although quality differences must exist in the way activities are undertaken amongst such a large number of organisations it does not seem plausible that they would range across the three orders of magnitude seen in the size differences of the sampled NGOs. Nor does it seem plausible that donors could ever differentiate such a range of quality. A cursory glance at the ADAB (1994) NGO Directory shows that there is a large amount of overlap in the types of activities that NGO undertake, and thus little ground for discrimination on the basis of content. Most NGOs listed more than ten activities, under the section titled “Major Programmes” (ADAB, 1994).

Table 6.1: NGOs in Bangladesh, ranked in size by annual expenditure in 1991.

Name	Year Estab. in Bangladesh	Ann. Exp. (US\$ million)
1. CARE International**	1955	25.4
2. Bangladesh Rural Advancement Committee (BRAC)*	1972	15.8
3. CARITAS*	1967	7.2
4. Gono Shahajo Sangstha (GSS)*	1983	5.5
5. World Vision Bangladesh*	1972	4.8
6. Proshika Manobic Unnayan Kendra (PMUK)*	1976	4.4
7. Rangpur Dinajpur Rural Service (RDRS)*	1972	4.2
8. Micro-Industries Development Assistance(MIDAS)*	1982	3.3
9. CONCERN - Bangladesh*	1972	2.3
10. Christian Commission for Development in Bangladesh (CCDB)*	1972	2.3
11. Enfants du Monde (EDM)*	1974	1.5
12. Association for Social Advancement (ASA)*	1978	1.2
13. Underprivileged Childrens' Education Programme (UCEP)*	1972	1.1
14. Bangladesh Association for Voluntary Sterilisation (BAVS)**	1975	1.1
15. Save the Children - UK**	1970	1.1
16. Mennonite Central Committee (MCC)*	1972	0.92
17. Radda Barnen*	1973	0.92
18. Terres des Hommes - Switzerland (TDH-S)*	1975	0.87
19. Mirpur Agricultural Workshop and Training Centre#	1973	0.85
20. HEED Bangladesh*	1974	0.70
21. Comilla Proshika Centre for Development (CPMUK) *	1982	0.69
22. Save the Children Fund - USA*	1972	0.56
23 Helen Keller International (HKI)*	1978	0.54
24. Gono Unnayan Prochesta (GUP)*	1973	0.51
25. Friends in Village Development (FIVDB)*	1981	0.50
26. Centre for Development Services (CDS)*	1983	0.42
27. Nijera Kori (NK)*	1974	0.40
28. Action Aid*	1986	0.39
29. Village Education Resource Centre (VERC)#	1977	0.37
30. Centre for Mass Education in Science (CMES)*	1981	0.31
31. Food for the Hungry International#	1971	0.31
32. Society for Economic and Basic Advancement (SEBA)*		0.28
33. Terres des Hommes - Netherlands (TDH-N)*	1973	0.27
35. Bangladesh Women's Health Coalition#	1980	0.27
36. Service Civil International (SCI)*	1985	0.26
.....
48. Voluntary Health Services Society (VHSS)**	1982	0.16

**=March 1992 survey only #=ADAB 1991 survey only *=Both surveys

The way in which donors fund NGOs limits the scale on which they could individually effect NGO growth by rewarding performance. Firstly, their project portfolios are only of sub-sets of the NGOs listed in Table 6.1. Even within that sub-set of NGOs, a donor will only be the major donor for one or two of those NGOs (see below). Only in that case will they have a significant ability to reward performance with funding increases that would make a major difference to an NGOs' overall expenditure.

A third explanation is to see the size structure as an outcome of expectations learned within the donor-NGO relationships. Proportional pay increases repeatedly awarded to a population of employees will lead to progressively increasing income inequalities. In the case of CCDB, discussed in Chapter Seven, an expectation seems to have become established with the donors that CCDB could receive a 10% increase in its budget, each three year planning period. Because of their relatively long duration in post (detailed below), CEOs of NGOs are in a position to encourage such norms, as a minimal expectation at least. Where this takes place the repeated iteration of this rule, and its effects on the size structure of the NGO population would in fact reflect the conservation of past knowledge, not reward for new achievements. If there were many young NGOs amongst the list in Table 6.1 this argument would be less plausible. In fact, two thirds of the NGOs in Table 6.1 were established in the period prior to 1981, whereas amongst all the NGOAB registered NGOs this cohort accounts for only 13% of all NGOs.

A fourth explanation would focus more on the internal dynamics of the relationships between NGOs. Within evolutionary theory this is called a self-organisation rather than selectionist perspective (Kauffman and Macready, 1995). Simulation studies (Clearwater et al, 1991) have shown how cooperative processes taking place within populations of adaptive agents competing for resources can lead to skewed distributions with one extended tail (upper end). Cooperation can be loosely defined here as the extent to which there are interconnections are established between different agents. Howes (1994:20) has pointed out independent work by Esman and Uphoff (1984) who have found "a statistical connection between organisational performance ratings and the number of horizontal and vertical linkages" As Axlerod's (1984) studies on the evolution of cooperation have shown the prospects of this cooperation are enhanced when agents, such as the CEOs of such organisations, have known each other for long periods of time. In the

1992 survey the median duration in post of the NGO CEOs was 11 years.

Howes interpretation of these findings is that “the more the better, because linkages imply the existence both of some kind of accountability mechanism and of a wide scope for inter-organisational learning” (1994:20). However, some caution is needed. Bearing in mind that conceptions of performance are socially constructed the value of these networks to their members may not come about simply by increasing access to objective knowledge, so much as through an increased opportunity to promote favoured conceptions of means and ends and to identify those that are most favoured. March’s (1991) exploitation bias, mentioned in Chapter Four, may apply to networks in the same way as it applies to individual organisations.

There may be possibilities for change over time if there is a plurality of networks. Writing from within an ecology of organisations perspective Fobrum (1988) has suggested that “As cooperative relationships stabilise, competition may shift from population to network: What was once competition between organisations could become competition between networks”. If within individual networks world views do tend towards self-confirmation then what sort of differences might be expected to be found between networks? Although this territory was not explored intentionally, two types of differences were informally noted in the membership of ADAB, the NGO umbrella organisation. One split was between pro- and anti- Ershad factions, with the former (much smaller) faction loosing out after Ershad’s removal. The other was a split between urban and rural NGOs, which also correlated with a related split between big and small NGOs, the former having more representation in Dhaka. In 1994 I heard rumours that smaller rural NGOs were sought after as supporters in an anti-ADAB struggle, associated with the pro-Ershad group mentioned above.

In these conditions, there were no clear grounds to expect differences between networks in terms of their basic assumptions or strategies concerning aided development. This might have been more likely if there were major ideological differences between the major political parties in Bangladesh. However, the main differences centred around personalities, and interpretations of key events in Bangladesh’s history (Khan, 1993). What is more likely is that, like geographical separation and the development of new species, the emergence of multiple networks may enable differences to emerge and maybe develop. They may help maintain a degree of diversity in the

population as a whole.

Variations in growth rates

There were signs in the early 1990's that the rank ordering of NGOs was beginning to undergo more radical change. In the 1992 survey information was sought on changes in expenditure over the past two financial years. When aggregated the results indicated that NGO expenditures had grown by an average of 32% per annum, but this figure concealed variations from 0% p.a to 155% p.a. When one NGO (BAVS) was interviewed it was in the process of being wound up, after a terminal disagreement had taken place between the NGO's board of management and USAID, its sole donor of long standing. Other established NGOs such as GUP and RDRS were reportedly experiencing difficulties in maintaining their previous funding levels. On the other hand, larger organisations such as Proshika (PMUK) saw their budget expand dramatically from an average of US\$5.7 million per year in 1989/90 to 1993/94, to an average of US\$15 million per year under the current five year plan, challenging BRAC's position as the largest NGO. As of 1995 they were thought to be larger than BRAC. In late 1995 the World Bank was rumoured to be offering ASA, another expanding NGO, US\$30 million in soft credit. Other long established NGOs, such as CCDB have slowly and steadily increased the scale of their expenditure over the years, but have fallen in rank from the largest NGO in the 1970's to 10th in 1991.

Earlier in this section a number of explanations were proposed for the growth and size differentiation of NGOs. What remains unclear is the reason for the discontinuity in growth in the later 1980's and early 1990's when NGOs numbers, and funding expanded dramatically. One possibility is that a repeated ratcheting upwards of donor support levels for traditionally supported NGOs took some NGOs over a size threshold. Beyond this point it was worthwhile for bilateral donors to make large amounts of money available to those NGOs. There are certainly economies of size involved. Cox et al (1997) report that an ODI study found that in European bilateral aid programmes "management costs of small projects were high, sometimes requiring six times as many staff" per unit of money provided. During the 1992 field work Danida reported they were scaling down their involvement in many smaller NGOs and expanding their commitment to a small number of larger NGOs. DFID replicated its practice of funding via large

individual NGOs (Proshika, after BRAC), but not its mechanisms for funding many smaller projects (BHPC). When the consequences were evident in the further dramatic growth of large NGOs, the incentives for many smaller groups to imitate their success would have been magnified accordingly.

Organisational mortality

The process of evolution works on populations of entities: processes of variation and selection lead to some proliferating, some surviving and others dying out (Dennet, 1995). The same process can be seen in populations of organisations. Some may grow rapidly (as above) and others may disappear. In the discussion of Nelson and Winter's (1982) evolutionary theory of economic change it was noted that organisations have relevance because they can package and orchestrate competencies. They are not just cost minimising devices. The collapse of an organisation involves the dissolution of a comprehensive body of knowledge, with each ex-member taking away part but not all of that accumulated organisational knowledge. An organisational death represents a loss of learning, and possibly a disincentive to other organisations to follow the same path.

Aggregated information on NGO mortality rates in Bangladesh was very difficult to obtain. In 1993/94 the NGO Bureau de-registered 33 NGOs (23 local and 10 international). Almost half were originally registered in 1981, the rest mainly in the 1980's. Only one other de-registration was carried out by the NGOAB between 1991/95, suggesting that the 1993 de-registrations were a record cleaning exercise based on lack of evidence of activity such as submissions of program approval applications. Examination of the sequence of registration numbers on the list of registered NGOs obtained from the NGOAB in 1992 suggest that only one other NGO was de-registered during the 1980's prior to the formation of the NGOAB in 1990.

In the course of the 1992 survey 32 CEOs were asked if they knew of any NGOs that had ceased to exist. Surprisingly, 35% were not able to identify any NGOs that had ceased to exist. Of the 22 NGOs that were identified 10 were described as experiencing difficulties but still surviving. Their difficulties were almost wholly described as ones of securing sufficient finance, but in

some cases associated with internal conflict or mismanagement (intentional and incompetent). Interviews with the CEOs of Bangladesh Association for Voluntary Sterilisation (BAVS), Gono Unnayan Prochesta (GUP) and Comilla Proshika verified that these NGOs were in fact experiencing difficulties, but it was only in the case of BAVS that it seemed that the NGO was close to actual dissolution. Others mentioned such as VERC, Research Integration Centre, Patuakali Trust and Shuruvi were not contacted but the NGOAB registration list of early 1995 does list the first two as still registered with the NGOAB.

Of the 12 NGOs described as no longer in existence three were described as having been taken over by other NGOs (2) or by their own local staff (1), and two others were described as having left the country (and are now no longer registered with the NGOAB). Of the seven other NGOs, two were described as "Ershad" or "Government" instituted. Five of the seven seem to have been established, and collapsed, at various dates, ranging from the 1970's to the early 1990's.

None of the 34 NGOs de-registered by the NGOAB in the early 1990's were mentioned by any of the NGO respondents. Amongst the 34 de-registered NGOs a disproportionate number (30%) were foreign NGOs. None of these were listed in the 1992 ADAB Directory of NGOs, produced three years before their de-registration, suggesting they had been inactive for some time and had probably left the country. Amongst the 24 Bangladeshi NGOs three were identified as ex-Asia Fund grantees whose funding had been terminated because of mismanagement (Ford, 1991). Their average age when their grants were terminated was 3 years. It is likely that many of the other de-registered Bangladeshi NGOs were also young. Studies of the mortality of formal organisations in other countries has consistently shown what is called a liability of newness and liability of smallness (Singh, 1990). If this is the case then the inability of the respondents in the 1992 survey to identify any of these de-registered NGOs would be more understandable.

Including the NGOAB figures and NGOs identified by respondents in the 1992 survey this suggests that approximately 31 Bangladeshi NGOs were no longer in operation in early 1992. As a proportion of all NGOs registered up to that year this is a very small figure (5.1%), especially when compared to the high failure rates for established businesses in developed countries. Senge (1990) claims that 30% of the 500 largest corporations in the USA disappeared in the period between 1970 and 1993 (due to liquidations, bankruptcies and mergers).

The low failure rate of NGOs (in Bangladesh) is especially surprising given that their capacity to insure against loss of income is very limited when compared to that of firms. Firms can accumulate capital reserves, but NGOs are not encouraged to do so. Only four of the 32 interviewed NGOs had a reserve fund, and four others referred to their donors unwillingness to support such a development. The flood of money available to Bangladeshi NGOs may only help explain some of the lack of mortality, but only in the 1990's. Another non-exclusive explanation may be that the donor environment in which NGOs are operating has (as a collectivity) a very wide and tolerant view of what is an acceptable level of performance by an NGO. This tolerance may be a population level effect, rather than deliberate donor policy. The 32 NGOs in the sample were funded by 115 different donors and almost three quarters were non-resident, scattered across more than 20 countries. A wide diversity of understandings and expectations seems inevitable. Networking amongst these donors would be much more difficult than amongst the CEOs of the NGOs they were funding in Bangladesh.

One conclusion that can be drawn from the 1992 survey figures is that opportunities to learn from the outright failure of NGOs (and their projects) are infrequent, and in the case of the staff of larger NGOs, possibly out of sight in most cases. Visibility is enhanced when larger NGOs are involved, though the lessons available may be more to do with difficulties which have the potential to cause serious trouble, rather than complete failure. It has been argued by some (e.g. Cohen and Stewart, 1995) that the absence of mortality amongst entities supposed to be evolving means that evolution cannot be said to be occurring. All are fitting and surviving. However this ignores the fact that some entities, especially organisations, can grow dramatically in relative size and number (of types), and others do not. This is certainly the case in the Bangladeshi NGO sector. In the section below on actors' interpretations the significance of these differences will be very evident.

While the collapse of small NGOs seems to have little effect on the larger NGOs in the sector others may be learning from such experiences. Along with the growth of registered NGOs Maloney and Ahmed (1988) have noted the growth of informal associations. Commenting on the findings of their 1986 survey, referred to earlier, Maloney and Ahmed (1988:63) claim that "This spontaneous group formation is a new phenomenon in Bangladesh. In the sample area people usually said they do not remember such informal savings and loan groups from the time of their

youth. Very few of the groups, apart from registered cooperatives, were formed in the early decades of the century. Some informal groups formed after Independence, and the momentum of their formation increased in the late 70's and early 80's."

Maloney and Ahmed's interpretation was that "This spontaneous trend is an unexpected result of government efforts through the cooperative movement, and also NGO efforts through their sponsorship of savings and loan groups" (Maloney and Ahmed, 1988:64). They noted a correlation between the number of registered cooperatives in a union and the number of informal groups they found there. Interestingly, they also noted that many informal groups arose in response to the failure of the cooperatives, not their successes. While the individual cooperatives had failed to learn, in the sense of survive, people around them, and perhaps some participants, did learn that some features of those bodies were appropriate to their needs and might be sustainable under the right conditions.

NGO - donor relationships

In the course of the 1992 survey 198 different donors to NGO's in Bangladesh were identified. The 32 NGOs that were interviewed were themselves funded by a total of 115 different donors. Within the 198 donors identified in 1992 approximately 85% were non-government organisations, 10% were bi-lateral donors and 5% were multi-lateral donors. The greatest concentration of donor NGOs were found in the English speaking countries of Canada (15%), UK (14%), and the USA (14%). None of the donor organisations were Bangladeshi. 72% of the 115 donors were non-resident, that is, they did not have representatives based in Bangladesh.

Looked at as a whole NGOs and their donors form a complex network of organisations. The median number of donors per NGO was six, and nine of the 32 NGOs had ten or more donors. Through their own donors each NGO was linked to an average of 11 of the other NGOs in the same sample, and possibly a number of other NGOs that were smaller in size and therefore outside of that sample. In addition, 43% of the 32 NGOs were or had been funders of other smaller NGOs. Earlier in this chapter the potential significance of NGO networks was pointed out. It was suggested earlier that degrees of connectedness between NGOs might be a factor

contributing to the skewed size distribution of NGOs. The linkages between NGOs created by donor funding arrangements would provide one form of network that could be a medium for that process. When the 1992 survey data was analysed it was not possible to find a statistically significant correlation between the number of connections an NGO had to other NGOs via its donors and the size of that NGOs. If donor-centred networks are important then it must be the qualitative rather than quantitative dimensions of those relationships which matter.

There was however a significant correlation between the number of donors funding an NGO and the number of other NGOs those donors also funded (<0.01 level of significance). Two types of NGO-donor relationships were common, those of mutual specialist and mutual generalists (See Table 6.2). In the first case an NGO would have few donors and those donors in turn would focus on few NGOs, in the latter case the reverse was true, an NGO would have many donors who in turn would be funding many NGOs.

Table 6.2: Distribution of specialist and generalist relationships amongst NGOs and their donors.

NGO having:	...funding few NGOs	...funding many NGOs
Many donors who are	4	11
Few donors who are	11	3

The borders between these classes were defined by the median values on each variable. Three NGOs sat on the median value of numbers of donors and have therefore not been included above.

NGOs in mutual specialist relationships were largely those which were or had been operational offices of foreign NGOs (Radda Barnen, World Vision, Terres des Hommes-Switzerland and Netherlands, SCF-UK and USA, MCC, ActionAid, EDM), or who had been specialist providers of services (BAVS). NGOs in mutual generalist relationships included the two largest NGOs (CARE and BRAC), but also other smaller indigenous NGOs (FIVDB, VHSS). Christian NGOs included both mutual generalists (CCDB, Concern) and semi-specialists (Caritas, HEED, RDRS) - with many donors but who funded few other NGOs. In the latter case, the three NGOs tapped funds raised by different denominations of Christianity (Catholic, Evangelical Protestant, and

Lutheran).

Although all but three of the surveyed NGOs had multiple sources of funding. Half of these had a main donor providing more than 50% of their funds. However there were no donors who took this role across the sector as a whole. Twenty seven donors functioned as the main donor to the 32 NGOs. Only five donors were the main donor for more than one NGOs. These were three bilateral donors (CIDA -2 NGOs, NORAD - 2 NGOs, USAID -2 NGOs), and two Protestant donor NGOs (Christian Aid - 3 NGOs, EZE - 2 NGOs). None of the multilateral donors took the role of a main donor for any of the 32 NGOs.

The funding relationships that existed between NGOs and their main donors seemed remarkably stable. Each of the NGOs had been funded by their current main donor for an average of 13 years, a little less than the NGOs's own average age of 16 years. In almost all cases the donor which had funded the NGO for the longest duration was also the main donor. The two main exceptions were HEED and GSS where the main donor had only been funding the NGO for the last year or less. Within these stable donor - NGO relationships there was a dramatic contrast in the stability of staff who would have been key parties to negotiations between them. In the 32 NGOs the median number of years in post of the CEO was 11 years, whereas among 10 resident donors who were also interviewed as an adjunct to the 1992 survey, the median duration in post was 2.5 years. Desk Officers in EZE and Christian Aid contacted in 1993/4 appeared to be in post for similar terms. In this context CEOs of NGOs would have many more opportunities to learn about the workings of a particular donor (and its representatives) than the donor's representative would have of learning about the NGOs and its representatives.

The distribution of generalist and specialist NGOs found in 1992 may reflect the lessons of CEOs' experiences of donors over the previous decade or so. In Chapter Three it was argued that generalist (unstructured) responses are appropriate to unpredictable and unknown circumstances. Specialist knowledge accumulates where there is sufficient stability and duration to develop such knowledge.

Frequent turnover of donor staff is one important form of instability in the environment of Bangladeshi NGOs. There is a second cycle of events which is not synchronised with that of

staff changes, the duration in years that donors are willing to fund projects. In the case of the 10 resident donors that were interviewed in 1992 the average duration that funding was approved for, at any one time, was 2.33 years. Unsynchronised these two rates of change combined could present NGOs with the possibility of a major change every year to eighteen months. NGO CEOs would have also been aware that large amounts of additional donor funding were becoming available, but that it's distribution amongst NGOs was highly variable. Many of the consequences may be unpredictable. When NGOs' respondents were asked questions about project funding more than a third of those interviewed said they had experienced outright rejection of project proposals and another third had seen their proposals modified before approval. As was pointed out earlier in this chapter, in the vast majority of cases these developments would be experienced by NGOs having little or no capital reserves.

In these circumstances it would be appropriate if Bangladeshi NGOs adopted a generalist strategy. In the list of NGOs given on Table 6.1 only 24% of those listed could be described as specialists (Those ranked 8, 13, 14 [now closed], 23, 25, 29, 30, 35, 48). This estimate is consistent with the low incidence of cases where CEOs differentiated their own NGO from others on the basis of the type of service they provided (18%), which will be detailed in the second half of this chapter. An examination of the contents of the ADAB (1994) NGO Directory also supports the view that most NGOs are generalists, or at least seek to present themselves as such.

Plotkin and Odling-Smee (1979) recognise the possibility of "a system to be both specialist and generalist simultaneously...to carry it's redundancy in the form of multiple specialisations" but believe that this would be too expensive biologically. In the Bangladeshi NGO sector this dual capacity may have developed in some NGOs, most notably in the two largest NGOs (BRAC and CARE). Both have developed specialist capacity in multiple areas (e.g. credit and primary education in the case of BRAC and food for work and agricultural extension in the case of CARE).

One area where there was conspicuous specialisation was in the relationships of some NGOs to their donors, discussed earlier. These relationships were differentiated in terms of mutual specialists and mutual generalists. Almost all the mutual specialists were in very stable relationships, almost all the NGOs involved being local extensions of international organisations.

They had a secure relationship inside a firm and were not directly subject to the vagaries of the market. This form of specialisation was found to be significantly (<0.01 level) associated with a lower degree of diversity in the activities undertaken by these NGOs, as reported in the ADAB (1994) NGO Directory.

Other networks

Two other forms of network structures can be identified, in addition to that created by donor-recipient relationships. One is that formed by NGOs providing training services to other NGOs.

In 1993 PACT (1993b) produced a directory of “support organisations and support services to NGOs”. This listed 45 different NGOs based in Bangladesh. Larger NGOs were more likely to be providers of training than smaller NGOs. Almost half of the 45 NGOs are listed within Table 6.1. ADAB’s directory indicates that training was being provided in a wide variety of subjects, across most sectors of NGO activity.

A second form are the mutual interest networks which focus on a specific subject of common concern. In 1993 PACT (ADAB/PACT 1993) published a directory listing details of 39 different NGO networks in Bangladesh. These were almost all specialists in their focus, and established enough to have membership lists available, and to be holding meetings on a monthly or three monthly basis. According to PACT these structures were normally attended by NGO staff with expertise in the area concerned. Network examples, included the Environment Forum, Legal Aid Network, Mushroom Forum, Sericulture Forum, etc.. In the case of CCDB, participation in a new PRA network was driven by the specific interests of particular research unit staff. In other cases it seems that donor influences have been more significant (The Family Planning NGO Co-ordination Committee - Asia Foundation), and in others, individual NGOs active in a specific field (Financial Self Reliance Group - PACT).

How do these different networks relate? As with donor-NGO funding relationships, NGOs’ participation in common interest groups, and their use of training by other NGOs, can also be seen as a form of heterarchy. NGOs such as CCDB belong to multiple common interest networks, seek and utilise training from a number of sources. In the case of both donor and

training relationships there are apparent differences in authority between the parties involved: those of suppliers and users. This is less evident, but probably exists at the level of inter-personal interactions within meetings of individual common interest groups. Participation seems more optional in training courses and more so within common interest networks. While both training services and networks can both be very specialised the former are much more internally structured than meetings of common interest groups. In the one meeting of one network which I attended contents of discussions were decided upon more collectively than unilaterally, and participation was very voluntary and at minimal cost. Attendance could vary substantially from meeting to meeting.

6.4 An Interim Summary: Learning Evident in Structures

In a workshop with UK NGOs (Davies, 1997b) I have raised the question “How would we judge when a whole NGO sector is learning?” I suggested that there are two signs of the presence of learning. One was significant mortality rates amongst organisations. There would be evidence of an active selection process taking place at the population level, producing differential success. Secondly, if a population of organisations is accumulating knowledge then more specialisation of roles and structures will appear over time. In the Bangladesh NGO sector neither of these processes were very evident in 1992. Interestingly, the one conspicuous case of failure was BAVS, a specialist in family planning. On the other hand, the most internationally well known successful NGO, is the Grameen Bank. It has specialised to the extent that it has sought and obtained special legislation that gave recognition to its particular character, differentiating itself from other NGOs. Nevertheless, donor support was an essential part of its early development (Rahman, 1986). For the vast majority of NGOs being a generalist was the better strategy, suited to frequent changes within their relationships to donors, and the rapidly changing volume of donor funds that were available. Only the largest NGOs could hedge their bets with multiple forms of recognised specialist capacity.

In Chapters Two and Three it was argued that there is a homology of learning processes at different levels of biological and social structures, but there are also important differences between levels. The process of biological evolution and individual learning can be analysed in

terms of the same variation-selection-retention algorithm, but the frequencies and flexibility of individual learning seems to be greater. Some parallels can also be noted between organisations and populations of organisations. The equivalent of a status hierarchy within organisations would seem to be the (expenditure based) size hierarchy of NGOs. This will be explored in the following section. The population level equivalent of linkages between actors at different levels are provided by the various networks mentioned above. These vary in the extent to which they are formalised and enduring, and the extent to which they are hierarchical, heterarchical or team-like in their structure.

There are also a number of important differences in the structure of organisations and populations. The first is density. People within individual organisations work in closer proximity, compared to those working in different organisations. This is even more the case when individual cells in bodies are compared in proximity to individuals in organisations. This affects the potential frequency of interactions. The training relationships and common interest network meetings referred to above take place relatively infrequently, compared to other events within the organisations concerned. This affects the potential speed of learning that can take place. The second is the nature of structures involved. Within individual cells are both highly specialised, and very stable in their relationships to each other. At the level of organisations people have specialised roles and relationships to each other, but these can be changed in the course of the organisations lifetime. Within populations of organisations specialisation in the roles of individual NGOs is much less evident and differences in their status are less clear. In place of formal hierarchical staff structures with specialist branches there is a heterarchy of organisations, sharing some funding linkages and other more temporary activities.

Some writers on evolutionary theory have referred to these structural differences in terms of “the degree of coupling” (Jantsch, 1987:47). The significance of this difference in coupling is that flexibility of structure, and thus openness to change, seems to be greater at the larger scales of organisation. However, this openness is also associated with a slower speed. Interactions between different organisations are less frequent than those within organisations, and these in turn less frequent than those within individuals.

So far in this Chapter we have dealt with four attributes of learning mentioned in Chapters Three

and Four: homology, scale, frequency, and openness. In the next section more attention will be paid to the attributes of direction and depth.

6.5 Actors' Interpretations of Developments in the NGO Sector

Up to this point the structure and growth of the Bangladeshi NGO sector has been directly interpreted by myself as an outsider, using my own frame of reference. These events were also subject to interpretation by the staff and beneficiaries of the NGOs contacted, and others. During the 1992 survey an attempt was made to identify the opinions of the CEOs of these NGOs, as well as gather quantitative and objective data. In the section below their views have been reported and interpreted, albeit within my own framework for analysing organisational learning.

The developments within the NGO sector which are examined below can be categorised using two very basic distinctions, as shown in Table 6.3 below.

Table 6.3: Categories of qualitative information sought from NGO CEOs

Judgements about:	Own NGO	Other NGOs
Stable features of:	(1)	(2)
Changes in:	(3)	(4)

The first row refers to static features, which from a learning perspective can be seen as a pool of attributes which have been retained up to the present. The second row refers to new events, these can be seen as a pool of new attributes which may or may not be retained in the future. In each of these areas there are a very large number of possible features which could be noticed and commented on. In each case this volume and diversity was managed during the interview process by asking the CEO to be selective, by formatting questions as follows: "What was the most important change that had taken place in your NGO in the last year?" (Cell 3 above)

In almost all cases the views that were sought were those of the CEOs of the NGOs acting as the representative of their NGO in an interview with a foreign researcher (exceptions being BRAC and World Vision). In this setting it is likely that the CEOs were very mindful of the wider acceptability of the views they expressed. In this sense what has been selectively retained is being subject to a wider selection process than that just involving the values of the CEO him/herself. In as much as the CEO correctly understands wider views of acceptability, this suggests the views expressed have a wider constituency and prevalence. The CEOs would of course have other views which they saw more particularly as theirs alone, or those of minority. These variants are also part of the population level process of learning (variants which might gain more acceptability with time, or not) but not ones which would be very accessible by a public survey process. They are not dealt within this chapter.

6.5.1 NGO Perceptions of Other NGOs

In the 1992 survey the CEOs were asked a number of questions about their views of other NGOs (Cell 2, in Table 6.3 above). These questions included:

- “What do you think is the impact of the very large NGOs on the operations of other NGOs in Bangladesh?”
- “Which NGOs do you think have been the most successful?”
- “Which NGOs has this NGO learned the most from in the past?”

The first question did not require the identification of specific NGOs, simply the type of impact the respondents thought large NGOs were having. Within the 35 NGOs whose answers were examined at least two thirds of the responses referred to positive forms of impact. The forms of impact and their frequencies as follows:

Table 6.4: Perceptions of the impact of large NGOs, on other NGOs

<ul style="list-style-type: none"> • Methods and activities initiated and used by large NGOs are imitated by other NGOs. • The government learns from the large NGOs. • The success of large NGOs has inspired the establishment of many small NGOs. 	13 4 3
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• Staff from big NGOs leave and join other NGOs, taking their skills and knowledge with them.	3
• Large NGOs provide staff training and support services for other NGOs.	3
• Large NGOs set benchmarks of performance that others have to relate to.	2
• Staff from big NGOs leave and set up their own NGOs.	2
• Donors listen to the large NGOs.	2
• Public attitudes towards NGOs has become more positive because of the activities of large NGOs.	1
• Large NGOs innovate.	1

N=35 This set includes three resident donor NGOs (Oxfam, SAP, and CAA).

Almost all of these forms of impact can be seen as processes of learning between NGOs, and between NGOs and other institutions. Particular processes mentioned include imitation, the setting of standards (inside and outside the NGO sector), formal training, occupational mobility, and indigenous innovation. The provision of training by NGOs for other NGOs was very common amongst the larger NGOs: 63% of the surveyed NGOs reported providing training to other NGOs in 1992, although none specialised in this area.

As Table 6.5 below shows, perceived negative impacts were less in number.

Table 6.5: Perceptions of the impact of large NGOs (categorised as negative)

• Large NGOs move into areas occupied by small NGOs and capture their beneficiaries.	7
• They dominate ADAB.	2
• They ignore the coordinating efforts of ADAB.	2
• They negatively influence donors in their decisions about funding small NGOs.	2
• They drive up the salaries that small NGOs had to pay to employ staff.	1
• They have taken over the government's role in providing health and education service.	1
• They destabilise tradition in the rural areas.	1
• They lead to the public seeing NGOs as businesses.	1

N=32 Five other comments were made in response to the question but they were outside the frame of the question, being about other forms of NGO impact: On the successful promotion of specific issues: land reform and women's rights (3); and the fact that large NGOs provided a wider diversity of services and cover wider geographic area.

In the first case poor people are mentioned not as actual beneficiaries of NGO action, but almost

as pawns in a process of competition between NGOs. The same process could have been reinterpreted in terms of large NGOs moving into areas occupied by small NGOs and offering poor people a wider range of services. The other negative comments about impact reflect the less attractive aspects of learning at the sector level, of views prevailing through dominance, both at the grassroots level, and in Dhaka in their relationships with other NGOs and donors.

The second question listed above, about successful NGOs, required respondents to identify specific NGOs, as well as their criteria for choosing those NGOs. It was found that 26 NGO CEOs (74%) identified BRAC as the most successful NGO. Others which were identified but on a much less frequent basis were: Proshika (7), GSK (5), Caritas (5), Grameen Bank (4), RDRS (4), CCDB (2), UCEP, Radda Barnen, HEED, FIVDB and Shoptogram. Five of these were amongst the ten largest NGOs. Although the evidence discussed earlier shows that expenditure is inequitably distributed amongst NGOs, the responses to this question suggest that the perceived significance of NGO activities is even more concentrated. Only one NGO seen as successful was not included in the March 1992 sample and was well below the size of the others that were seen as successful. This was Shoptogram, ranked 54th in size in the ADAB survey. This is one of the few women headed NGOs and is widely known for its particular focus on women's development issues.

The extreme inequality of recognised achievement here has parallels in other fields. Redner analysed the database of papers maintained by the Institute for Scientific Information in Philadelphia. "Of those published between 1981 and 1997, 47 per cent were never referred to again in the scientific literature, even by the researchers who did the work. Another 33 per cent were cited 10 times or fewer, while just 0.1 per cent of papers attracted more than 1000 citations" (New Scientist, 1998:21). Learning in the sense of the selective retention of information can be very selective. The review of the organisational learning literature in Chapter Four reflected and made use of the same process.

In the interviews of CEO the word "success" was used in a very open ended way, suggesting something which is valued by the respondent and others. As indicated above, there was a substantial agreement on BRAC as the most valued NGO, but as might be expected, a considerable diversity of views amongst NGOs on why they saw it as successful. Criteria used to judge BRAC as successful are summarised in Table 6.6 below.

Table 6.6: Criteria used most frequently to describe BRAC as a successful NGO.

• Amount of publicity received.	5
• Size of budget.	5
• Capacity for self-reliance and sustainability.	5
• Nation wide scale and impact.	4
• Ability to innovate.	3
• Projects are replicated by others.	2
• Legitimising NGOs in the eyes of the government.	2

N =26. 38 criteria were mentioned in total, some NGOs referring to more than one, despite the format of the question.

Twelve other criteria mentioned only once included BRAC's vision, democratic process, the diversity of their work, ability to mobilise people, ability to balance mobilisation and income generation work, their education work, their awareness development work, the development of specialist training institutions, their access to donor funds, having funds available to meet emergency needs, the ability to scale up without loss of credibility, and gaining the respect of large donors such as USAID.

The outlier in the set of NGOs seen as most successful, Shoptogram, was selected by 2 CEOs on the grounds of the quality of the work that this NGO does with women, and the fact that they listen to the people they are working with. It was noticeable that such beneficiary oriented criteria were infrequently mentioned in explanations of the choice of the larger NGOs as most successful. The criteria used, such as those applied to BRAC given above, focused largely on features of the NGO as an organisation in itself. The first three especially. The attributes that are seen as important are visibility, size, geographic scale, survivability, adaptability and replication.

Although important, size does not seem to have been highly valued for its own sake. Large NGOs which were noticeable by their absence were CARE, World Vision, GSS and MIDAS. The last two are the NGO equivalent of the nouveau riche, they were both established in the 1980's , rather than the 1970's, and have had very high rates of growth in expenditure since then. The success of the first two may have been discounted because they were seen as part of a larger

international organisational structure. Longevity and indigenous development seemed to be seen as important requirements for perceived success, along with size.

When CEOs were asked which NGOs they had learned the most from, a similar but slightly larger set of NGOs was identified. Opinions were still concentrated on BRAC, but to a lesser extent (17 vs 26). Although recognised as successful (see above) more recognition was given to FIVDB (5) in response to this question. FIVDB is one of the smaller NGOs. It is based in the north east of Bangladesh and known particularly for its specialisation in adult literacy, including the preparation of training materials. These have been sold to other NGOs and widely used by them throughout Bangladesh. As with Shoptogram's perceived success specialisation seems to have provided FIVDB an opportunity for recognition independent of size.

Others mentioned as successful and also reported as being learned from were Proshika (4), Grameen Bank (4), Caritas (3), RDRS (3) and GSK (2). Some NGOs identified as most successful were not mentioned (Heed, UCEP, CCDB) as sources of learning. Two of these are known as Christian NGOs, and one provides institution based education, not a common activity amongst NGOs. Some NGOs not reported as most successful (Oxfam, VHSS, MCC, Action Aid, SCF US and UK, ICDRRB) were reported as sources of learning. All but VHSS are seen as foreign NGOs, and VHSS itself acts as a funding arm of the BPHC.

Within those 17 NGOs that said they had learned the most from BRAC there were, as above, a diversity of explanations of what it was that had been learned, with some areas of concentration. These are detailed in Table 6.7 below.

Table 6.7 What CEOs said their NGO had learned from BRAC

• Education, formal and informal	4
• Staff training	2
• Management	2
• Group formation	2
• Friere's methods of concientisation	1
• Village strategy	1

• Integration of activities	1
• Credit	1
• Handicrafts marketing	3
• Through BRAC staff joining the NGO*	2
• No reason given	2

N = 17 Some NGOs' explanations were in terms of more than one item.
 * Question interpreted as how rather than what was learned.

There are two possible interpretations of the greater diversity of answers to this question compared to those concerning perceived attributes of BRAC's success. Firstly, this diversity of views could be seen as evidence of what has been called by Levitt and March (1988) and others the path dependent nature of learning. What organisations can learn, in any practical sense of adopting new practices, is seriously constrained by their history to date. Their organisation has developed into a particular shape and function and the amount of variations which can be made from that form at any moment are limited. While there may be extensive agreement on the desirable attributes of an organisation there may be more varied means of achieving that end. Secondly, the attributes of success that were most frequently reported were generic features of organisations. From each path dependent position in the present there may be more than one route to success in the future.

The focus on education may have reflected both current and past concerns. My own observations of the NGO sector suggested that in the late 1980's informal and primary education was going to be a significant growth area in the NGO sector. In 1992 GSS were preparing for a major expansion based on bilaterally funded activity in primary education. BRAC also undertook a major investment in the provision of primary education in the early 1990's. However, education especially in the more informal and conscientisation form has been a continuing element of NGO activities since the early 1980's, prior to their expansion into savings and credit activities. The small number of references to credit may reflect the fact that there are other equally large but more specialist organisations focusing on savings and credit, such as the Grameen Bank.

6.5.2 NGO Perceptions of Themselves

The CEOs were asked: "What is the most significant difference between this and other NGOs ?" (Cell 1 in Table 6.3). Out of all the differences CEOs were aware of they were asked to be selective and focus on that which they saw as most important. I summarised their answers by then asking myself the same question, but with CEO's distinctions between NGOs being the objects of concern. What were the most important differences between the way the various CEOs see themselves? Within each binary category that contained more than one response this question was repeated, and repeated until all the CEO's responses had a category of their own. The result was a tree structure of categories, with smaller categories nested in the larger ones. The contents of the tree structure can be summarised in terms of which branches, or distinctions, encompass the most cases (respondents' distinctions). These are shown in Table 6.8 below. Branches having less than 10% of cases have not been further differentiated here, for the sake of brevity. This method of analysis, described as a "tree map", has since been used with NGO staff members to directly elicit their analysis of the organisations they work with (Davies, 1996a, 1998b).

Given the analysis of what is problematic about NGOs, developed in Chapter Five, it is appropriate to look at the extent to which NGOs' beneficiaries are central to NGOs' self-definition. As can be seen from Table 6.8, this was the case with a small minority (30%) of the NGOs interviewed. Almost all of these distinctions were based on the types of people the NGO worked with, distinguished in terms of areas and groups of people. Of these two thirds (11%) focused on the different types of organisations the NGO worked with rather than individuals. These organisations in effect acted as a mediating structure between NGOs and large numbers of beneficiaries. Only 5% of distinctions focused on the types of people who were beneficiaries (differentiated by age, and poverty). Only 2% of responses focused on the effects the NGO had on peoples' lives. Looking at those NGOs that differentiated themselves by the services they provided, only 3% of differences concerned the quality of service the NGO provided, either compared to the government, or to other NGOs (part of "method of service", in Table 6.8).

Table 6.8 Tree structure of types of distinctions NGOs made between their own and other NGOs.

Based on events in Bangladesh (97%)	Inside NGOs (53%)	Wholly internal (35%)	Human resources (29%)	Management (21%)	Org.Design (11%)						
					Staff (10%)						
				Culture (10%)							
				Financial resources (6%)							
		At the interface with others (18%)	Content of service (12%)								
			Method of service (6%)								
		External to NGOs (44%)	Beneficiaries (30%)	Types of (28%)	Organisations (11%)						
					People (5%)						
				Areas (12%)	Rural (9%)						
					Urban (3%)						
		Effects on (2%)									
		Others (14%)	Donors (7%)								
			Government structures (7%)								
Based on international events (3%)											
Note: Percentages are of all distinctions made by the 32 respondents. In many cases NGO's responses encapsulated more than one difference, despite the request to be selective.											

Only a small proportion of reported differences involved comparisons with donors or government structures (14%). NGO identity, as self-reported, has a strong internal focus (centred on human and financial resources, organisational procedures and systems, internal power structures and organisational culture and values) and to a lesser extent, on content and method of service delivery.

There was a noticeable difference between the way in which CEOs defined their own NGOs and the criteria associated with their choice of which NGO was the most successful. Looking back at the criteria most frequently used to select BRAC as most successful, none of these were widely used by NGOs in their self-definitions. No CEOs referred to the level of publicity they had achieved. The only reference to financial scale was a negative one, emphasising how small the NGO was. Self-reliance was only implicitly mentioned by two NGOs when referring to the sale of services as a distinguishing feature (under “method of service” above). Innovation was not mentioned as a distinguishing feature by any of the CEOs. Nor was replication of their work by others. Legitimating NGO work in the eyes of government was mentioned indirectly by two NGOs.

Given the level of agreement on BRAC’s “success” it might have been expected that some of the CEOs would feel their NGO stands out from the rest on one or more of the criteria of success they attributed to BRAC. One interpretation of why this was not observed is that CEOs may be seeing the current identity of their NGOs in far more *proximate* terms than those involved in assessing the *success* of an NGO. Many of the distinguishing features most frequently referred to focused on means rather than ends (human and financial resources, organisational procedures and systems, internal power structures and organisational culture and values). A less complimentary phrasing of these findings would be that the CEO’s responses suggest that these NGOs saw themselves in terms which were short sighted and self-centred. The same point has been made about other organisations by Levinthal and March (1993:1) in their analysis of “The myopia of learning” in organisations.

6.5.3 NGO Perceptions of Change Within the NGO Sector

In the 1992 survey NGO CEOs were asked about their perception of changes that had taken place within the NGO sector as a whole, in the last five years (Cell 4 in Table 6.3). As with the other questions respondents were asked to be selective and to focus on the change which they thought was most significant, as seen in their own terms.

The means used to inquire about change within the NGO sector were changed mid way through the survey, from one which differentiated change in target groups, the interventions used, and management practices, to one which did not. This was done in order to reduce the length of the individual interviews. The responses of the NGOs are summarised in Tables 6.9&6.10 below.

Table 6.9: NGO perceptions of the most significant change in the NGO sector 87-92
(First-sub-sample)

Change in target groups being aided	Change in intervention used	Change in management practices
<ul style="list-style-type: none"> • No changes seen (50%) • Increased range of types (14%) • Community to target group focus (14%) • More focus on women and children (14%) • Disabled people now included (8%) 	<ul style="list-style-type: none"> • More children and adult education (36%) • More credit (21%) • No noticeable change (21%) • More diversity (14%) • More environmental work (8%) 	<ul style="list-style-type: none"> • More emphasis on management, more professionalism (3) • No changes (3) • More staff training (2) • Improved reporting and stricter controls (2) • More hierarchy (1) • More bottom up planning (1) • Improved PR (1) • INGOs not expanding (1) • More corruption (1) • More computer use (1)

Sample = 14 NGOs. % = of NGOs' responses. In the case of interventions two NGOs gave more than one response.

The most striking feature of the responses of the 14 CEOs to the first question about change in target groups, interventions and management was the incidence of CEOs not able to recognise any particular changes taking place, most noticeably in terms of target groups (50% + 14%) but also in interventions used (21% + 14%). Both of these, when compared to the response

concerning changes in management, are consistent with the inward direction and proximate focus of NGO attention suggested by the responses to the other questions discussed above.

It is not possible to explain their responses by the absence of any changes to report on. In a separate question each CEO had already been asked if there had been any changes in their own NGO in terms of target groups reached, geographic coverage or interventions used. Only one NGO reported no change at all in these categories, 19 reported change in at least one category and seven reported changes in all three categories. Change was most commonly reported in forms of intervention (74%) and the geographic area covered (61%), but less so in target groups (45%). What was specially noticeable was the wide variety of new interventions reported by the CEOs.

Similar results have been found at the level of documented analyses of NGO experience by the DAC meta-evaluation of international NGOs carried out in 1997 (Kruse et al, 1997). They found there was a large pool of existing studies and findings, but widespread ignorance of their existence and little utilisation of those that were known. As noted by March (1991), Daft and Weick (1984), referred to in Chapter Four, there is a surplus of experience.

In the case of the second less structured and more open question about change, the remaining 21 NGO CEOs were all able to recognise significant changes, and there was some degree of agreement on the importance of some of these. Five changes accounted for 75% of all those reported (See Table 6.10). The dominant focus in these responses is to the changes in the institutional environment in which NGOs are working, especially relations with government. Changes that relate to how NGOs are working with the poor are in a minority (25%, marked *below)

The changes reported to be most significant can be related to specific events in Bangladesh during this period. In the late 1980's a number of important developments took place that were important for NGOs. One was the establishment of the NGOAB in May 1990. This came about as a result of pressure on the government from both NGOs and donors for a less complicated and time consuming process of registration and funds transfer than had existed in the 1980's. During that period NGOs typically had to deal with a number of ministries before they could receive

funds from overseas. The NGOAB was meant to provide a one-stop service, with approval being granted within 60 days of lodgement of an application. Its establishment signalled a more constructive relationship with NGOs. This process itself was in part driven by changes in the NGO sector also referred to earlier in this chapter, the growth in the number of NGOs and the increased desire by foreign donors to channel funding through NGOs.

Table 6.10: NGO perceptions of the most significant change in the NGO sector 87-92
(second sub-sample)

- | | |
|---|----|
| • Government is less suspicious, more accepting and and more cooperative in its work with NGOs, including as partners in development activities | 10 |
| • NGOs have been more willing to become involved in politics, and have had more influence | 6 |
| • There has been a proliferation of NGOs, especially small ones | 4 |
| • There has been more solidarity, and more cooperation on common issues, by NGOs | 3 |
| • There has been more donor funding available, and donors are more ready to fund NGOs | 2 |
| • NGOs are seen as more professional | 1 |
| • People are more aware of their rights* | 1 |
| • There has been a move from community to target group approaches* | 1 |
| • There has been a move from empowerment to service provision* | 1 |
| • There is a more sectoral focus* | 1 |
| • There is more concern about NGO sustainability | 1 |
| • NGOs are more aware of global issues | 1 |
| • NGOs are responding to issues in demand, not felt needs* | 1 |

Sample = 21 NGOs. Some NGOs gave more than one response.

Another key event took place later in 1990. In December 1990 the Ershad government resigned, and a caretaker government was installed. This led to elections in 1991 when a new government was formed under Prime Minister Khaleda Zia, leader of the Bangladesh Nationalist Party (BNP). During the period leading up to the fall of the Ershad government NGOs were not conspicuously involved as sector. It was only late in 1990 when other parties pushing for change turned to NGOs and questioned them about where they stood, that some large NGOs such as Proshika took

the initiative to push, via ADAB, resolutions supporting calls for the resignation of President Ershad. The NGO sector was by no means in the vanguard of change, but it was impelled to become involved because to not do so would have been read as support for the Ershad government (Sobhan, 1997).

During the caretaker period the larger NGOs, through ADAB, joined with other groups in Bangladesh seeking to influence the direction of the new government through the production of what were called Task Force Reports. The ADAB (1991) document, titled *The NGO Sector in Bangladesh* outlined the history of the NGO sector, its current achievements and priorities, discussed criticisms of NGOs and recommended a course of collaboration between NGOs and government.

The period of political activity and apparent good relations with the government, suggested by the responses of the NGO CEOs in early 1992, was not long lasting. In late 1992, some months after the completion of my survey, relationships worsened and have been problematic since (see below). The incentives for NGOs to orient their attention to the government first and foremost have been accentuated since the 1992 survey.

6.5.4 NGO Perceptions of Change Within Their Own Organisations

In addition to asking about significant change in the NGO sector NGO CEOs were also asked a similar open ended question about their perception of the most significant change within their own NGO (Cell 3, in Table 6.3 above). In both cases respondents were asked to be selective, from amongst all the changes they were aware of, and to focus on those they thought were most significant. In the question about changes in the NGO sector the reference period was five years. In the question about changes within the CEOs own NGO the reference period was one year. Despite the much shorter reference period respondents were able to answer in much greater detail.

Up to this point the 1992 survey findings on CEOs' views have been analysed from the point of view of an outsider, myself. In the case of the CEOs' reports of significant change within their

own NGO a more participatory process of analysis was attempted. At the end of the survey process, in March 1992, all those who were interviewed were invited to a meeting in central Dhaka at which some of the survey results were to be fed back and discussed by the participants. That meeting was attended by 16 people (representatives of 12 NGOs and 3 donor NGOs), equal to more than a third of the total sample of NGOs. Participants were given the text of the reported changes to read, and later they were each asked to cast a vote for one change only, which would be their answer to the following question:

"Which of these changes do you think is most significant? By significant I mean likely to have the most impact on the poorest in Bangladesh, either directly or through its impact on the behaviour of other organisations such as other NGOs, donors, or the government."

As each participant's vote was placed on a flip-chart they were asked to explain to the other participants the reasons behind their choice. At the end of this process participants were asked to vote again, and change their vote if they wanted to. They were also asked to document the reasons for their choice on a record sheet given to each of them.

In the first round of votes seven out of 30 changes were voted for, but this reduced to six in the next round. The distribution of votes also became more concentrated on the most popular changes. Two thirds of the votes concentrated on two changes which were very similar, those reported by Caritas (5 votes) and Proshika (5 votes). These concerned the handing over of management control over credit schemes from these NGOs to the peoples' organisations they had helped develop (See Table 6.11 below).

Table 6.11 Survey respondents' choice of the most significant reported change within an NGO: The two most popular choices.

CARITAS	“We handed over power to 24 Apex bodies in the x programme (our major programme). Under the Apex bodies there are a total of 6,300 groups, each with 20 to 80 people in them. Through the Apex bodies they are now managing revolving funds worth 11 crore (110 million taka). This is taking place under rules previously agreed to in an extended process of discussions between ourselves and the Apex bodies. We think this is very interesting and very exciting. We are sanguine that this will lead to integrated human development.”
Proshika	“In 1989/90 we had handed over implementation roles to the federations of groups, including the disbursement and collection of loans. Our workers became support staff to the groups through the federations, and their focus is now on development of management capacity. In 1990/91 we carried out an evaluation of this process and found that it had been successful. Credit recovery rates had gone up, on a continuing basis, and disbursements had gone up three fold. The groups' ability to take action independently of our workers increased at all levels. In some areas this took the form of members deciding to stand in elections, which we were not ourselves encouraging”.

The next change, reported by CARE (3 votes), concerned a move away from direct implementation and towards more funding of local NGOs. Two votes were cast for the change reported by SCF-US and a single vote was cast for the ASA change.

The reasons for the choices of the Caritas and Proshika changes were recorded by eight of the ten voters. In the case of both changes two different reasons were given in the same proportion, that the change will help ensure sustainability and that it will empower the poor. It was hoped that these explanations, explained (in more detail) to the participants, could themselves have been subject to a further round of voting, and explanation, but sufficient time was not available. This would have clarified the difference between concerns for sustainability and empowerment, but it would also at the same time have made more visible the internal variations in the interpretations given to each of these two terms (sustainability and empowerment) which undoubtedly exist.

The process of analysis described above embodies the evolutionary algorithm introduced in Chapter Three: the iteration of variation, selection and retention. During individual interviews each CEO reviewed a diversity of changes they were aware of (See (A) in Figure 6.4 below).

They then selected one (in most cases) that they felt was most significant (B). Those reported changes were then pooled together within a meeting, in effect re-creating a new diversity (C). Participants in the meeting were then asked to select one of these changes which they saw as most significant (D), within a particular context, described by the question above. A further form of diversity came into existence at this stage (in participants written notes), in the form of different explanations for votes cast in favour of the same change (E). These could then have been subject to a further process of selection by allowing participants to vote for the explanation they most agreed with (F).

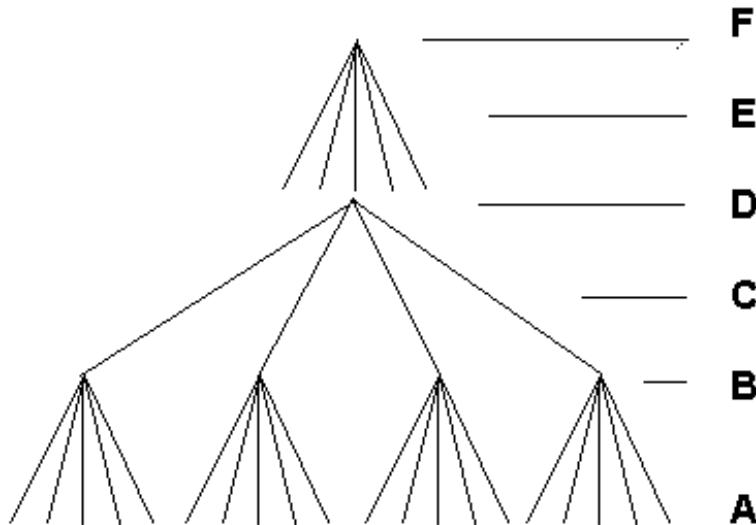


Figure 6.4 Iterated choice-explanation-choice as an embodiment of the evolutionary algorithm

Structuring a process of iterated choice, explanation and choice is one way of embodying the process of variation, selection and retention. This can serve two purposes. The simplest one is to reduce a large diversity of events to a smaller number. The other is to explore and articulate layers of meaning associated with those events. At point (F) in the process described in Figure 6.4 there is a change in logical types of information being managed. Instead of choosing changes, participant's explanations for the choice of changes are the entities being chosen (E). Where this change in the process is built in the group process involves the evolution of a chain of meaning, one connecting particular concrete events to more abstract criterion. In the second phase of the

field work in Bangladesh this process was used as the basis for the design of a participatory monitoring system, described in detail in Chapter Eight.

Subsequent experience with the case study of CCDB and further exposure to the NGO sector in Bangladesh over the following two years after this method experiment supported the view that the issues highlighted in this participatory analysis of the survey results were of major consequence. As Rutherford (1995) has pointed out, NGOs can extend access to savings and credit to poor people via a credit union or self-help group model in which the services are owned and managed by their users or by an independent banking services model in which the NGO owns and controls a fund which it lends to group members. Many of the major NGOs in Bangladesh that were involved in credit provision in the early 1990's have moved towards the banking model (BRAC, CARITAS, Proshika, CCDB, ASA, FIVDB). In Proshika's case control over the credit funds has not continued to be decentralised away from Proshika, but in fact the reverse is the case, credit performance and management is now tightly monitored and controlled by Proshika itself (Jain, 1996). The peoples' organisations that have been developed have become in effect unpaid but integrated arms of NGO banking operations. Beneficiaries typically take responsibility, within small groups, for authorising loans within agreed parameters and under some ongoing supervision of NGO staff. They are also responsible for the collection of loan repayments, including bad debts. Their free labour reduces the costs that NGOs would incur if their staff undertook all these tasks. At the same time the NGO typically retains control of the capital and the use of income generated by the loan capital, thus assisting the sustainability of the NGO. Evidence of a similar process taking place within CCDB is discussed in the next chapter.

A bias towards the empowerment of the poor would suggest a very different path, one where there was increasing independence of action by peoples' organisations in their relationship to their NGO patrons. This is quite inconsistent with their integration into common systems of surprisingly rigid and routinised credit delivery and recovery, as seen in the case of ASA and Grameen Bank (See Rutherford, 1995). In practice, evidence of moves towards empowerment of peoples' organisations in their relationships with NGOs has been conspicuously absent from NGOs examined during field work (CCDB), consultancy work with Proshika (Davies, 1995), and other research on large NGOs such as BRAC (Paul, 1995:44-8; BRAC, 1995). Furthermore, within BRAC, the largest and most successful NGO, there has been evidence of a retreat from the

earlier policy of helping to organise structures of peoples' organisations beyond that located at the village level (Montgomery et al, 1994; Paul, 1995). Reasons suggested for this include a concern about the possibility that "a more active (and a higher level of) member's representations would lead to pressure on BRAC from below to change it's policies, and to provide different services (e.g. savings rules)." (Montgomery et al, 1994:165). The ability of NGOs such as CCDB to tolerate and respond to differences between themselves and their beneficiaries (and between beneficiaries) is discussed in more detail in Chapter Seven.

The second set of changes selected in the March 1992 meeting, that of CARE switching some of its work from direct operational work to that of funding local NGOs, has remained of concern to a specific set of NGOs, the foreign NGOs that are operational in Bangladesh, and in some cases in competition with Bangladeshi NGOs for funds available from bilateral donors. In the 1992 survey nine of the eleven foreign NGOs in the sample surveyed (Action Aid, EDM, MCC, TDH-S, SCF-UK, World Vision, Radda Barna, SCF-USA and Concern) indicated that they were, or would like to, become involved in funding local NGOs. Some national NGOs such as CCDB and HEED which are operational were themselves funders of small NGOs. Forty three per cent of all the CEOs interviewed said they had funded other NGOs who were not themselves membership groups of poor people.

Interpretations of the meaning of this type of change were not discussed in the March meeting, but some possible rationales can be identified. Firstly, information gathered about staff recruitment and losses to other NGOs in the 1992 survey indicated that staff costs in small local organisations are generally likely to be lower than in international NGOs. Secondly, funding of such organisations enables what were administration costs associated with direct operational work to change their status on the balance sheet to being the value of a benefit delivered (a grant to a small local NGO). Thirdly, the smaller and more local an NGO is the more it might be seen as locally knowledgeable, capable and deserving. As will be detailed in the analysis of CCDB in Chapter Seven, information about costs within organisations can effect an organisations prospects for survival and growth, and is an important focus of organisational learning.

In the March 1992 meeting participants were asked another question which linked their perceptions of change more directly to their own organisation. The participants were asked to choose the one change they thought was most significant to them in terms of it being "most likely

to have an influence on the way in which your organisation functions in the future”.

Participants' voting patterns were quite different. The changes reported by Caritas and Proshika were given little attention and preferences were more widely distributed. The most popular was the adoption of strategic planning by CDS (3 votes). Others selected were the changes reported by BRAC (on monitoring), GSS (education), and TDH-N (health). A participatory analysis of these choices was not attempted in this meeting because this would only make sense where there was some shared contextual knowledge and perceived relevance, for example amongst staff from within the same NGO.

This set of responses was similar to that obtained when CEOs were asked about which NGOs they had learned the most from. In contrast to the answers concerning the most successful NGOs CEOs identified a wider range of NGOs and responses were less concentrated. Both sets of responses illustrate what has already been referred to as the path dependent nature of learning (Levitt and March, 1988). What organisations can learn, in any practical sense of adopting practices, is seriously constrained by their history. On the other hand, at the population levels, the weight of individual histories helps preserve some diversity of practice in the face of the dominating influence of size.

The questions about significance in terms of success and potential poverty impact are, however, judgements which are less constrained (though not wholly so) by the structure of the respondents' own organisations. The choice has less immediate consequences. The answers are more in the form of detached and superordinate values. A greater homogeneity of choice is possible, though not inevitable. Within the framework introduced in Chapter Three the width of agreement that was found amongst participants as to who was the most successful NGO, and which NGO's changes were likely to have the most impact on poverty, was an expression that some learning had taken place at the population level of the NGO sector. A particular set of views had been selected and retained across a number of organisations.

The choice of BRAC as most successful and the choice of changes made by Proshika and Caritas as likely to have the most impact on poverty seems to suggest that being successful and having an impact on poverty are seen as two separate achievements. This interpretation needs to be tempered by the fact that the participatory analysis involved an incomplete sample of NGO

representatives. It is possible that the 1992 evaluations of changes that took place in 1991 had not yet been fully assimilated into CEO's judgements of NGO success, which are based on an assessment of the NGO's behaviour over a much longer period of time. Nevertheless, the criterion of success given, which are based on long term performance, still did not give conspicuous attention to achievements or effectiveness in poverty alleviation.

Negative changes

All the intra-NGO changes reported by individual NGOs were presented in positive terms. Within the changes reported as seen in the NGO sector at large (Tables 6.9-6.10) the proportion of apparently negative changes was small (references to "more corruption", "more hierarchy", and "NGOs are responding to issues in demand, not felt needs"). Even in the discussion of the impact of large NGOs on other NGOs, negative forms of impact were in the minority.

Left as it is this set of results could suggest a body of views on the NGO sector which was not under challenge, where experience was essentially confirming existing conceptions. In the course of the 1992 survey two questions were asked which sought to explore areas of dissonance, where reality was not seen to confirm expectations. CEOs were asked to focus on events in their own NGO and identify "the biggest mistake that the NGO had made in 1991" and focus on events in the NGO sector as a whole and identify "What have been the most serious criticisms of NGOs in Bangladesh?".

Given that these answers were given to a foreign researcher essentially unknown to the NGOs concerned the responses cannot be considered a full reflection of the CEO's own knowledge, but a sub-set of which it was thought could safely be put in the public domain. In this respect their contents suggest the willingness of NGOs to take risks and expose themselves to criticism from outside parties, and their views of the areas of activity where those risks can be taken. As noted in Chapter Four, it has been argued by Argyris (1990) and Senge (1990) that willingness to be open to criticism is a key feature of successful learning organisations. From an evolutionary perspective the existence and awareness of failures is crucial since it implies the existence and use of variations in practice, the source of new learning.

Of the 30 NGOs who were asked the question concerning the biggest mistake made in 1991, three denied any mistakes were made (ADAB, MIDAS, World Vision) and another four indicated that mistakes were made but could not be recalled because they were too small or otherwise difficult to recall (CMES, Nijera Kori, BRAC, SCI). The first group was characterised by a high level of what could almost be called denial. The most extreme case was World Vision who reported that not only were there no mistakes but that “We have been able to reach our targets, our evaluation was good, our auditing was good, our reports were good.” The possibility of anything unexpected happening (and therefore any form of failure) was rigorously denied by MIDAS, a small enterprise development agency. According to the CEO, everything in the past year had gone according to the plan. It is interesting to note that despite their substantial size (ranked 5 and 8 in Table 6.1 above) neither was identified by other NGOs in the 1992 survey as most successful. Nor were the changes they reported taking place in their NGO in 1991 selected by any participants in the March 1992 meeting as likely to have the most impact on poverty in Bangladesh.

A partial explanation for their defensiveness might be seen in their relationship with their donors. Both NGOs only had two donors, and in both cases one of those was USAID. USAID is generally recognised as very contract and control oriented in its relationships with NGOs (Gran, 1983; Sogge, 1996). The defensiveness of a third NGO (ADAB) seems likely to be more situational. At the time of interview ADAB was undergoing a transition in leadership, and was still the focus of struggles for influence between different member NGOs.

It is difficult to find a common characteristic shared by the other four NGOs that reported negligible mistakes. They include both big and middle sized NGOs, and there is nothing in common in their relationships with donors.

The types of mistakes that were reported by the other CEOs could be classed into those involving delays in time (13), over-ambitious objectives (6), ineffective action (4), and uncertainty of outcome (1). Those concerning the characteristics of objectives appear to reflect a form of second order learning. The mistakes took place in areas involving or potentially affecting the NGOs relationships with its own staff (5), donors (5), government and business (4), and beneficiaries (2). The two NGOs who reported mistakes in their work with beneficiaries were

CCDB and SCF-USA. Both reported mistakes involving over-ambitious expectations of how beneficiaries could participate: in project planning and management respectively. Where second order learning was reported it was within certain boundaries, which included what could be called acceptable mistakes.

The response which apparently involved the most risk was that of Caritas. The CEO reported that threats of blackmail had been made to Caritas because of the excessively high prices paid by Caritas as a result of insufficiently open invitations to tender for the provision of disaster relief supplies following the cyclone in 1991. In interviews with other CEOs Caritas was frequently reported as a successful NGO and also one which the respondents NGO had learned from. However this correlation was not seen in the case of Proshika. Although seen as successful, and reported as a source of learning by other NGOs the mistake reported by Proshika did not involve significant risk. It referred to a problem with over-ambitious, but otherwise still acceptable objectives in its relationships with the government. The same was the case with BRAC, although the deputy-CEO reported that there were many mistakes in the field, these were all judged to be small ones.

Looking at the CEOs' views of public criticisms of NGO (See Table 6.12) the limited openness amongst respondents about mistakes made was understandable. Reversing their contents it would seem that NGOs feel that the people of Bangladesh expect them to meet some very high standards. Ideally, it seems, NGOs would be people oriented, incorruptible, efficient, ecumenical, modest in their standards of living, not pre-occupied by financial matters, willing to be judged by others and cooperative with each other.

Table 6.12 Perceptions of public criticisms of NGOs

• NGOs are behaving like government, telling people what to do, and being top down despite their talk	6
• NGOs are corrupt	5
• NGOs are inefficient or their effectiveness has not been proven	5
• NGOs attempt to convert people to Christianity	4
• NGOs are being run like businesses	3
• NGOs salaries are too high, compared to government	3
• NGOs are unaccountable	3
• NGOs don't listen to or cooperate with each other	3

NGO anxiety about public and government acceptance of NGOs would have been sustained, if not increased, by events that took place in the two years following the 1992 survey. The NGO sector in Bangladesh came under heavy criticism from two directions: from a newly appointed head of the NGOAB in Dhaka later in 1992, and from fundamentalists in the rural areas in 1994. The attack by the NGOAB was accompanied by a large number of anti-NGO articles in the press, and culminated in an attempt to close down ADAB, the voluntary body representing NGOs in Bangladesh. The attack on ADAB was rebuffed after the intervention of the US Ambassador, who spoke to the Prime Minister, after being asked to intervene by the head of ADAB (Dhaka Courier, 1992). Research by Jamil and Mannan (1994) on the content of newspaper articles about NGOs during this period found that NGOs were almost always portrayed in a negative light while the government was depicted as an innocent victim of corrupt NGOs.

NGOs were both surprised by the attack and unclear why it took place. Four different reasons were suggested by Holloway (1992), of PACT-Bangladesh: (a) Envy by government staff over increased flow of donor funds to NGOs, and associated nationalism; (b) Newly elected local MPs finding that the spread of NGOs was reducing scope for them to claim kudos from development works in the rural areas; (c) Islamic fundamentalists reacting against the secular influence of NGOs in rural areas, and the fact that many are funded by western (read “Christian”) donors; (d) Factions associated with the previous leadership of ADAB wanting to counter-attack the new leadership and regain control.

Eighteen months later in 1994 some of the largest NGOs, including BRAC, found their project activities and offices in the rural areas under attack from fundamentalists groups. Fatwas were pronounced by some mullahs against participation in NGO activities and in some areas NGO schools were burned down. Again interpretations were varied, from those that saw this as a reaction against the effectiveness of NGO aided development, to those that saw it more as a reflection of local political struggles, with NGOs simply being used as a pawn in these battles. In 1994 the NGOs responded to these attacks on a wider front than in 1992. ADAB took the lead in promoting the placement of pro-NGO stories in the media, and training was provided to NGO field staff on how to deal with criticisms of their work as being anti-Islamic (Holloway, 1994). There were signs of some collective learning by the NGO sector.

Looking back at these recent developments Sobhan (1997:6) has made the interesting observation that “...the most serious attempts either to co-opt or discredit the NGOs have emerged most strongly under democratically elected governments rather than under unelected military dictatorships”. His own interpretation of this development is that elected governments feel NGOs threaten their “prerogative to win support through dispensation of patronage in the form of government-controlled development resources.” (Sobhan, 1997:6). NGOs are not only in economic competition with each other for donor resources and beneficiaries in the field but also are in de facto political competition with the government, as bearers of resources and opportunities which can influence attitudes. This is the case despite the fact that with few exceptions (Nijera Kori, GSS) NGOs in Bangladesh see themselves as politically neutral, unlike many NGOs in Latin America and the Philippines (Sobhan, 1997). Awareness of this day to day reality is very likely to effect where NGO CEOs’ attention is directed, more towards government bodies and by default, less towards their beneficiaries, as visible in Table 6.10.

6.6 Conclusions

In the first half of this chapter the focus was on structural features of the Bangladesh NGO sector. These were summarised in terms of four attributes of learning behaviour: homology, frequency, scale and openness. In the second half the focus was on the interpretations of developments in the NGO sector made by key actors within that sector, specifically, by the CEOs of the NGOs I

interviewed in 1992. Based on a framework developed some time after the original survey, the CEOs views were differentiated in two ways. Firstly, in terms of learning that had taken place versus that which was taking place at the time of interview. Secondly, in terms of learning about events within the CEOs own NGO versus events in the sector as a whole.

One attribute of learning behaviour not examined in the first part of the chapter was direction of learning. One striking feature of the CEOs' past learning was how NGO centred it was and how little it related to the lives of NGO beneficiaries. For the interviewed NGO CEOs, success in the NGO sector as a whole was about organisational growth and size, and only slightly related to meeting the needs of intended beneficiaries. When differentiating themselves from other NGOs the majority of CEOs focused on internal and management centred attributes rather than attributes of their clients or their services. There was very little attention to quality of service, effects on beneficiaries or differentiating beneficiaries in any depth. This suggested little (self-perceived) specialisation by NGOs in these latter areas. A similar bias was evident in the analysis of current learning. Limited attention was given to changes in the areas of target groups being assisted and interventions used, compared to the area of management practices. The ways in which NGOs did differentiate themselves from each other suggested a very proximate focus, on their immediate methods of operation, rather than attributes of wider or longer term significance, such as scale of coverage, or self-sustainability.

This behaviour is consistent with the evolutionary perspective developed in Chapters Three and Four. In the discussion of March's contribution, the problematic nature of learning was identified as a consequence of its *local* nature. Behaviour which was locally rational was not necessarily so when viewed on a wider scale, or from different locations. March emphasised, as have others since (Kauffman, 1996), that local searches for information have advantages over more distant searches, in terms of cost and certainty. In practice much of our experience of the wider world is mediated, rather than direct.

These characteristic are consistent with some other population features of learning noted earlier. Increased funding granted to an NGO based on a percentage of its previous expenditure levels involves the use of a local criteria. The reference point is the previous funding level, not the achievements of other NGOs, which are less accessible and more ambivalent in meaning. The

highly concentrated reputations of success within the surveyed NGOs may also reflect an economising search, making use of the information closest at hand. Because the largest NGOs have many more staff to mediate their existence to others around them much of the information that will be close at hand will be about such large NGOs. Concentration of reputation in published papers in science generally, and in the literature on organisational learning, is also likely to be effected by the local nature of searches. Some references will be available in a paper at hand. Others will be available within those references, but accessing these will be more time consuming, and less obvious in their relevance. Others may be in more isolated networks of texts and only found by chance. One wider implication of this analysis of learning is that, in the first instance, explanations for learned behaviour should be sought locally and then sought further afield..

When attention was turned to the individual learning behaviour of NGOs their reported experiences of learning were also directed at the largest NGOs, but involved a wider range of sources, suggesting the effects of path dependence in learning. What individual NGOs could usefully learn was conditioned by their individual histories. This constraint on individual NGOs may in fact be helping maintain diversity and flexibility of learning at the population level, by preserving the relevance of a wider variety of information. The dominating effects of size were also counterweighted in two cases by the value of specialisation. When assessed in terms of perceived success and being seen as a source of learning two specialised NGOs were able to achieve recognition despite their small size.

One small experiment was made with effecting population level processes of learning. The team based analysis of significant changes in NGO activities in the past year made use of the evolutionary algorithm. This enabled a large variety of changes to be summarised in a way that added meaning. Meaning was added by exploring a second level of selection processes, the reasons why participants had chosen some changes as the most important. While there was a strong level of agreement on particular changes, there was a major division on the interpretation of why those changes were important. This split was between sustainability and empowerment as criteria of significance. The latter has more immediate relevance for poor beneficiaries, and the former has a more immediate relevance to the service providing organisation. Attention to the depth of learning can reveal differences that may make an important difference.

Overall, the interviews with NGO CEOs suggest that the survival and growth of NGOs was seen as an important value in itself. While there was agreement on which changes reported by the interviewed NGOs had the greatest potential to have an impact on poverty in Bangladesh these NGOs were not those reported by the largest and most successful NGO. The task of learning how to effectively meet the needs of a diversity of beneficiaries is evidently complicated by other possibly more important needs centred on the organisations own survival and growth. How some NGOs manage these conflicting demands will be explored in the next chapter.

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**CHAPTER SEVEN: LEARNING WITHIN ONE NGO: THE CHRISTIAN
COMMISSION FOR DEVELOPMENT IN BANGLADESH**

7.1 Introduction

This case study focuses on one large Bangladeshi NGO, the Christian Commission for Development in Bangladesh (CCDB). CCDB was chosen as the case study on a purposive basis, from amongst the 32 NGOs contacted during the 1992 survey. The case study examines how CCDB manages diversity. CCDB works with many thousands of poor people, with a wide variety of needs. Each day its staff face choices as to what information about these people and their needs they should attend to, remember, and communicate on to others within CCDB. The same question is faced by middle and senior ranking staff within the organisation who are receiving such filtered and edited information, including those responsible for communicating the work of CCDB to other organisations CCDB is in contact with. A diversity of events (and their interpretations) is being managed by processes of organisational learning: selective attention to and retention of information. The aim of this chapter is to explain both the content of that which is selectively retained and the mechanisms whereby this takes place.

The first section of the chapter outlines the methodology. A rationale is given for the selection of CCDB as a case study and the fieldwork process is briefly described. The framework for analysis of learning within CCDB is developed, based on distinctions made in earlier chapters between direction, frequency, openness and scale of learning. This is then applied in a two-part analysis. The first looks at organisational structures as the embodiment of past learning. The second focuses on particular types of routines within CCDB which enable current learning on a large scale. The analysis is completed with an examination of the attributes of learning present in CCDB's own self-representation, its 1994/5 *Annual Reflection* (CCDB, 1995a)

7.2 Methodology

7.2.1 The Selection of CCDB as a Case Study

In the course of the 1992 survey of NGO CEOs an attempt was made to identify a NGO which could be used for a case study of organisational learning. CCDB was chosen on the basis of a purposive rather than random sample. The intention was not to produce an account of organisational learning that was representative of the NGO sector as a whole in Bangladesh, a task that would be almost impossible, given its skewed size distribution. Instead the intention was to focus on the edges of what was possible within the Bangladesh NGO sector. Where the conditions seem to be the most favourable in terms of NGOs learning from the poor, what are the constraints? Results from such an inquiry would have practical relevance, they could suggest how the limits of existing capacities within the sector could be expanded. The same purposive sampling strategy is embodied in the design of the participatory monitoring system detailed in Chapter Eight.

Information gathered through initial contacts with CCDB staff during the 1992 survey suggested that CCDB was well placed, relative to many other Bangladeshi NGOs, to learn from the experience of its poor beneficiaries. Firstly, in interviews with CCDB senior staff, in 1992 and in its publications (CCDB 1990a, 1991b, 1991c), it was evident that CCDB's development philosophy placed substantial importance on peoples' participation in their own development, including the use of aid given by NGOs such as itself. In 1992 CCDB had begun to implement a process of "*Peoples' Participatory Planning*" (PPP) in 10 different project locations throughout Bangladesh (CCDB, 1993a). The old Multi-sectoral Rural Development Program (MRDP) was redesigned as the Peoples' Participatory Rural Development Program (PPRDP). This initiative was preceded by an extensive process of staff training in the concept of participation and how it could be applied to project planning (CCDB, 1990a, 1991c). Furthermore, a key element of the PPP process was a cycle of "Recollecting the Past, Analysing the Present and Visualising the Future" (CCDB, 1990a). This could be seen as a form of learning process.

CCDB's espoused ideology had moral and practical implications. If genuinely accepted by all

staff it would imply much more openness to the world views of those they were assisting, and acceptance of those views. In practical terms it would also require much more flexibility and variability in the forms of assistance the NGO was willing to provide. In effect, a greater capacity to respond to diversity. Both could lead to a better fit between the actions of the NGO and the needs of these people.

A second reason for the selection that CCDB's development discourse was shared by its donors, almost all of which were Protestant church based NGO, largely but not solely located in Europe. EZE, CCDB's largest donor, had been instrumental in exposing CCDB staff to the idea of participatory planning, as used by NGOs in India. In 1991 CCDB's donors agreed to fund CCDB's program proposal for July 1992 to June 1995 on the explicit understanding that "In this plan the key emphasis is on the process of participation and peoples' planning" (CCDB, 1991b)

Thirdly, CCDB was evidently in a position of financial security. As will be detailed below, CCDB has received funding support from most of its Protestant donors for most of its lifetime and had grounds to believe that such funding would continue to be available. In the course of their relationship with CCDB these donors have given CCDB substantial flexibility in its use of their funds. Variations are allowed in line item expenditures of up to 40% without explanation and greater if with explanation, even after the fact. Donors funded a proportion of the whole program, they had agreed they would not pick and choose the parts of the CCDB program they liked and ignore the rest. Funding by its donors had increased steadily over the years, allowing both the continuation of old projects and the development of new initiatives in old and new project locations (See Table 7.1 below). Although no longer the largest NGO in Bangladesh as it was in the mid-1970's, in the early 1990's it was still in the top 10 of the largest NGOs (by expenditure), and recognised as a major NGO.

In a meeting with CCDB staff in early 1992 other features had impressed me as well. Unlike some other NGOs interviewed (Midas, World Vision) they could readily identify where they felt they had made a significant mistake in the work in the past year, and how it needed to be rectified. They recounted how they had sent an assessment mission immediately after the 1991 cyclone, but no assistance was provided until that mission returned, losing valuable time during

which emergency assistance could have been made available. I met not only the CEO, but at his invitation, the five senior staff who appeared to share significant management responsibilities. In the light of comments by some writers about the dependence of NGOs on their founder CEOs (Zadek, 1996) this also suggested a degree of decentralisation and potentially more openness to a range of experience.

Implicit in the selection of CCDB as a case study was not only a belief in the importance of an appropriate development ideology, but also a non-interventionist approach by donors to the NGOs. Together they might allow an NGO to attend to the poor and learn from them, and not have their attention misdirected elsewhere. Given the laissez-faire attributes of some of the major donor to the NGO sector, evident during the 1992 survey, CCDB could not be described as unique in terms of its relationship with its donors. But when combined with its particular development ideology it did seem to represent the opposite edge of NGO sector experience to top down and technically driven interventions, such as Uthe DirectorID's funding of NGO involvement in family planning and population control via the Asia Foundation in Dhaka (Asia Foundation, 1992).

In terms of the ecologically situated theory of learning developed in Chapters Three and Four, the focus on CCDB was in effect a decision to test the null hypothesis, that appropriate organisational learning could take place in the absence of external demands.

7.2.2 Fieldwork with CCDB

The fieldwork on which this chapter is based was carried out through a series of visits to CCDB between 1992 and 1995. This proceeded in three stages: (a) An initial exploratory visit in early 1993; (b) A series of three visits in 1994 centred on the development of a participatory monitoring system, which included attendance at CCDB's Round Table meeting with its donors later in the year; and (c) A final visit in March 1995 when a brief participatory evaluation of that system was carried out. Field work with CCDB effectively stopped after March 1995, though news of developments within CCDB has been received since then. Following the work in Bangladesh, contact has also been made with of the donor NGOs who have been funding CCDB

over the last ten years (CAA and Christian Aid). Consultancy work has also provided opportunities for further contact with the Bangladeshi NGO sector, with Proshika in 1995 and ActionAid Bangladesh in 1997.

The field work methodology could be described as a form of participant observation within the context of a formal organisation rather than a village setting. From late 1993 onwards my negotiations with the CCDB Director over the development of a participatory monitoring system within CCDB meant that I had an acknowledged role as a worker within CCDB with a specific task and some rights and responsibilities. The process of developing the participatory monitoring system provided me with opportunities for seeing how CCDB worked from a more internal and accepted position than that of a visiting researcher, both in Dhaka and in the project areas where the participatory monitoring system was established. However this difference should not be overstated. As is evident in Annual Reports (CCDB, 1988) and other documents, CCDB staff have over the years had extensive experience in dealing with expatriate visitors and advisors.

Most of the information collected from CCDB staff was obtained through a mixture of informal and impromptu meetings, participation in structured CCDB events (especially workshops) and some semi-structured interviews. Information collected on a daily basis was kept in field notebooks, and later transferred to a text database. Wherever possible use was made of data held in various forms of office records, some of which were later entered and stored as spreadsheets. No use was made of formal surveys, except in the 1992 interviews of NGO CEOs. The intention was to try to avoid generating a sense of CCDB staff being the objects of my research, and as much as possible, to maintain an air of normality and acceptance about my presence within CCDB. However, CCDB staff were aware that I was researching a thesis, as well as helping them to develop a participatory monitoring system (PMS).

Field work was concentrated on the PPRDP because of the number of people it was reaching, as well as its financial and ideological significance within CCDB. In 1993-4 the PPRDP was reaching more than 46,000 people, approximately 90% of all those assisted by CCDB programs (CCDB, 1994b). The PPRDP accounted for 71% of CCDB's total expenditure. The PPRDP was also the initial focus of CCDB's efforts to introduce Peoples' Participatory Planning (PPP),

which started in 1992. It was later extended to two other CCDB programs (LISA and the CBCPRP). The importance given to the PPRDP was evident in its prominence in CCDB's annual reports. It accounted for more than half the contents of the annual reports to donors in the early 1990's, in contrast to a third or less occupied by its predecessor in the 1980's.

In the course of setting up the PMS, described in Chapter Eight, a specific focus was made on four of the ten PPRDP project areas, located in the Rajshahi area, in western Bangladesh (Chapai, Manda, Mohanpur and Tanore thanas). These included one Project Office seen as the most successful by the Director, plus three others in close physical proximity. Much of the information concerning the field level operations of the CCDB PPRDP have been obtained from visits to these project areas.

Two de facto research assistants were used. SS was an ex-employee of Action Aid and was seen by CCDB primarily as a translator of Bangla language reports generated by the participatory monitoring system. He accompanied me on two field trips to the Rajshahi project areas in 1994. KS was a member of CCDB's Training Unit, selected by me and approved by the Director, to work with me on the task of training CCDB Project Office staff in the operation of the participatory monitoring system. KS was a middle ranking staff member, but one who had quickly risen from the lowest ranking field office position to a middle ranking Dhaka based position. KS accompanied me on three field trips to the Rajshahi project areas, and we also worked together in Dhaka. After the formal ending of my work with CCDB in April 1995 KS was transferred to the Research Unit where he continued to be responsible for the participatory monitoring system, and was involved in its extension to new project areas. Both SS and KS were Hindu men, recently married. Hindus were in a minority with CCDB, compared to the proportions of Muslims and Christians (See below).

7.2.3 The Framework for Analysis

The dependent variable, or explanandum, in this chapter is the way in which CCDB learns from its intended beneficiaries, the rural poor of Bangladesh. Learning from the poor is not a simple

task. This is not only because of differences within and between poor communities, and the complications caused by growth in numbers of beneficiaries (referred to in Chapter Five). In the words of Kauffman and Macready (1995) “Adapting organisms confront conflicting constraints both in their internal organization and in their interactions with their environments.” The needs of different staff within CCDB, and the needs of other organisations outside CCDB, such as donors, central and local government bodies, also have to be met along with those of the intended beneficiaries. Individuals and organisations are typically located in a web of interactions, each of which can impose demands and provide opportunities, and which have to be reconciled. As was argued in Chapter Four, it is not sufficient to think of organisational learning in terms of a simple feedback loop, which may be useful when thinking about how individuals learn particular tasks.

Particular organisational structures and routines can be seen as solutions which an organisation has evolved in response to the experience of conflicting constraints and opportunities. This perspective is similar to that used by Stinchcombe in his analysis of “Information and Organizations”. His aim was “to analyse the structure of organisations as determined by their growth towards sources of news, news about uncertainties that most affect their outcomes” [actions by the organisation] (Stinchcombe, 1990:6).

In Chapter Three it was suggested that the process of learning, because it always involves some costs, can be observed in the form of a *selective* focusing in on events in the environment. Within an organisation there will be some areas of specialisation, structures where particular types of knowledge significant to an organisation are differentiated in some detail. Routines enacted within the various structures will vary in their frequency, affecting how often updated information about different parts of the environment becomes available within the organisation. Those structures and routines will be amended from time to time, altering the ways in which organisational experience is summarised. The nature of these structures and routines reflects what the organisation has learned to learn about.

The analysis that follows examines CCDB’s structures and routines in these terms. The first part will attend to the structures which have evolved in CCDB, up to 1994. Such structures can be differentiated in terms of features which are enduring and those which have changed. The

balance of these features will suggest how open an organisation has been to new learning in the past. Some structures can be found throughout an organisation and others will be more local. Some structures will be highly differentiated, others not so. These differences can be seen as a reflection of the scale and direction of what CCDB has learned in the past.

The second part will focus on a set of major routines which enables CCDB to learn from the present. Almost all of these are meetings: heterarchical structures involving communication across vertically specialised lines of responsibility within CCDB. These can be differentiated by their frequency, scale (of participation and application) and direction (location within CCDB). In both analysis (structures and routines) some attention will also be given to other attributes of learning discussed in earlier chapters, those of openness and levels of learning.

The final part of the analysis will focus briefly on the structure of the CCDB Annual Reflection. This is a public document through which CCDB represents itself to the world at large. As with CCDB's own organisational structure and routines, the contents of this document can be analysed in terms of attributes of learning behaviour, including the types and frequencies of events that are given importance or neglected.

7.3 The Structure of CCDB

7.3.1 Size and Growth: The overall parameters of achievement

In Chapter Six size was seen as an important indicator of success for an NGO. According to CCDB staff, and other anecdotal evidence, when CCDB was first established by the World Council of Churches in 1971 it was the largest NGO in Bangladesh, albeit within a relatively small population of NGOs. By 1991 CCDB was the 10th largest NGO in Bangladesh, in a population of more than 600 NGOs. In the early 1990's CCDB was still growing, but at a rate slower than most of the other larger NGOs surveyed in 1992. In the two, three year funding periods (1992-95, 1995-97) CCDB obtained increases of funding by approximately 10% per period (in US dollars). This compared to an overall growth rate in funding available per NGO,

for all NGOAB registered NGOs, of 41% per annum in the 1990-95 period (NGOAB, 1994). By the sector standards explored in the last chapter CCDB was in danger of being seen as less successful, regardless of what it thought of its own sustained achievements. At the field level, staff reported to me that some beneficiaries interpreted CCDB's relative inactivity, compared to neighbouring BRAC and Grameen, as a possible sign that CCDB might be going to close down. CCDB seemed to be in a Red Queen situation, described in Chapter Three. In order to simply remain as successful as it had in the past it had to run faster and faster.

Since it was first established CCDB appeared to have gained more control in its relationship with its donors. The total number of donors decreased from 52 donors in 1971 down to 18 in 1991. The World Council of Churchs' role had changed from that of line manager of CCDB to that of intermediary and facilitator between CCDB and its foreign donors. Funding arrangements were simplified by a move in the early 1980's to percentage rather than project specific funding. In the process, CCDB developed a long term relationship with almost all its donors. The WCC had funded CCDB since its establishment in 1973, and the other major donors such as ICCO and EZE funded CCDB since the 1970's. There were no new major donors in the 1980's and 1990's.

In the process CCDB developed and maintained a particular relationship with its donors. Although CCDB could not be described a specialist in terms of the services it provided it was a semi-specialist in terms of it funding sources. Through the process of its creation by the WCC in 1971, it was linked into to Protestant church donor organisations. Catholic church funding was channelled via Caritas and Lutheran church funding via Rangpur-Dinajpur Rural Service. Non-WCC affiliated Protestant churches funded HEED. In 1992/3 CCDB's three largest donors, ICCO (Netherlands), EZE (Germany) and DIA (Netherlands), accounted for 74% of CCDB funds. Three other Protestant donors (Christian Aid, Bread for the World, and Church World Service USA) provided a further 18%. CCDB ended its only relationship with a non-church donor (CAA/AFFHC) in 1994. Although CCDB's six main donors were funding 14 of the 32 large NGOs interviewed in 1992, none of these were explicitly Christian in name or affiliation. Even where two donors (CA, EZE) were in the role of main donor (to FIVDB, Nijera Kori, GUP, SCI), the relationship had typically lasted for 10 years or more. CCDB gave the appearance of being in a secure niche, but not one that offered the potential for growth that was

open to many other NGOs.

7.3.2 Projects: The basis of CCDB's structure

For the staff of CCDB the key difference within the structure of CCDB was that between the field offices and the Dhaka head office. Promotions, or even transfers, to Dhaka office were valued by the majority because of the better opportunities and facilities available within Dhaka, compared to the rural based field offices, none of which were located even in the district capitals. However the existence of such opportunities was itself dependent on another structural distinction, that of the different CCDB projects. As Rondinelli (1983:4) and Hirschman (1967:1) have pointed out projects are a key construct in aided development, they are “the privileged particles of development”. In CCDB projects form the basis for major distinctions within budgets, the allocation of staff and publicly published reports on CCDB’s work. They are the basis of the NGOs claim for funding. Without them the difference in opportunities between the field offices and Dhaka would not exist.

The history and geographic distribution of CCDB’s projects is summarised in Table 7.1, on the basis of records that were available in 1994. In the 1970’s CCDB was active in districts located in the north-west (Pabna, Rajshahi), central (Manikganj) and south (Madaripur, Barisal) of Bangladesh. Although this table may be incomplete, it seems that in the early 1990’s CCDB was still active in more than 80% of the areas it was working in the 1970’s. Nine of the ten PPRDP projects in operation in 1992 were part of a continuing history of CCDB involvement in those thana that dated back to the early 1970’s. In these areas CCDB has had an extended opportunity to learn about the needs of the poor. At the same time it could be expected that CCDB’s donors would have high expectations CCDB’s impact in these areas, that evidence would be conspicuous. In practice there was little evidence of such donor expectations, though it was clear to me that the staff of CCDB knew that their long presence in these areas could raise awkward questions.

Table 7.1 Key dates in the history of CCDB Projects (in order of establishment)

Project (Original Name)	District	Thana	Year est.	Now called
1. Agriculture and Community Development Project (ACDP)	Gopalganj	Gournadi Agailjhara Wazipur Kotwalipara	1974 1974 1974 1974	PPRDP closed closed closed
	Barisal	Muksudpur	1974	PPRDP
2. Agricultural Development Project	Pabna	Santhia Ishurdi Sujanagar	1975 1975 1975	PPRDP PPRDP PPRDP
	Rajshahi	Mohanpur Tanore	1975 1974	PPRDP PPRDP
	Nawabganj	Chapai	1975	PPRDP
	Naogoan	Manda	1975	PPRDP
3. Shivalaya Rural Development Project (SRDP)	Manikganj	Shivalaya	1973	PPRDP
4. Small Local Organisations (SLO)	13+	Multiple	1982	WSLO
5. Chimbuk Rehabilitation Project (CRP)	Bandarban HT - -- ---	Bandarban Ruma Ruangchhari	1984 1984 1984	CRP CRP CRP
6. Local Initiative Support Areas (LISA)	13 districts Gazipur ---	Many Kaliganj Joydevpur Kapasia Mymensingh Tangail ---	1984 1988 1988 1988 1988 1988 1988	closed closed closed closed LISA closed closed
		Bhaluka	1988	
		Mirjapur	1988	
		Shakipur	1988	
		Ghatail	1988	
7. Traditional Birth Attendant and Village Health Practitioners Project (TBA/VHP)	Naogoan Pabna Barisal Manikganj Bandarban HT	Manda Ishurdi Gournadi Sivalaya Bandurban	1985 1985 1985 1990? 1990?	TBA TBA TBA TBA closed
8. Training with Research, Experimentation, Cooperation and Evaluation program(TREACE)	---	---	---	---
9. Disaster Preparedness Program (DPP)	Dhaka based	Outreach	1985	closed
10. Women Executive Development Program (WED)	Dhaka based	Outreach	1990	closed
	---	---	---	---
11. Community Based Calamity Preparedness and Rehabilitation Program (CBCPRP)	Cox's Bazaar	Moheskali Cox's Bazaar	1992 1992	CBCPRP CBCPRP

12. Human and Organizational Potential Enhancement Program (HOPE)	Dhaka based	Outreach	1994	HOPE
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Various rationales for this prolonged engagement were identified. The extended exposure of those communities to CCDB meant that CCDB was less vulnerable to claims of proselytizing amongst Muslims than would be the case when moving into new project areas, an advantage explicitly referred to by the Director of CCDB. The Director pointed out that CCDB could say, “If we are busy converting, where are all the new converts after all these years?” Given that such criticisms were made even against the large secular NGOs such as BRAC (See Chapter Six) CCDB had special grounds for concern. It was also the case that in the Rajshahi and Barisal district there are small but significant Christian communities. It was clear from discussions with the Director that he felt CCDB had some responsibility for the future of the Christian community in Bangladesh. Keeping a presence in such areas may have been seen as one appropriate response.

Organisational inertia, seen as a characteristic of most organisations by organisation ecologists (Hannan and Freeman, 1974), could be an alternate explanation. Their most generous interpretation of inertia is that competence arises through repeated performance and is rewarded. The process of routinisation gives those performances, and the associated structures, a taken-for-granted character which makes them resistant to change. Levitt and March (1988) have talked in similar terms, about competency traps, and the inbuilt biases towards exploitation of existing knowledge versus exploration. A more political but not necessarily contradictory interpretation is that various local interests groups establish their relationships with and within the CCDB project structure, and develop an investment in their (legitimate and no-so-legitimate) specialisations. In 1994 attempts by CCDB to retrench local staff in one PPRDP Project Office were met by threats, involving the potential use of local connections. Similar developments are mentioned in Benini’s (1997b) analysis of RDRS, another large NGO similar to CCDB, based in north-western Bangladesh and using Lutheran church funds.

Given the long term exposure to peoples’ lives and conditions in these project areas, and CCDB’s apparent financial security it might be expected that in each PPRDP Project Office there would be significant signs of specialised skills and knowledge. If that knowledge was responsive to

local conditions then variations should be expected between Project Offices in the manifestations of that knowledge. One form of evidence would be variations in organisational structures and project content.

While the focus of the field research was on the four project offices in the Rajshahi area only, the evidence that was available indicated that CCDB structures were very similar in all 10 project areas. A common organogram, normative as it may be, existed for all 10 PPRDP Project Office locations. The same basic package of activities (savings and loans, grants for common purpose activities, skills and awareness training) were available in each location. Staff-beneficiary ratios and loan capital-beneficiary ratios were very similar across all projects. In the late 1980's and early 1990's the trend, as it was visible in CCDB reports (CCDB, 1988, 1996a) was towards greater homogenisation of the 10 projects, not less. In the 1987-88 Annual Report what were later to be the PPRDP projects were described as three different projects, each focused on a different area of the country (Pabna-Rajshahi, Barisal, and Manikganj.) In the early 1990's there was no longer any visible differentiation by area. In informal conversations with Project Officers they were aware of the different histories of many of the projects, and their legacies. However, in an attempt to identify variations in credit management practices between projects it was clear staff knew variations were not supposed to be present, and felt obliged to report accordingly. Learning at this level had not been legitimated. Openness of learning seems to have diminished.

Returning to CCDB's project structure, there are two other notable features in the sequence given in Table 7.1 One is the history of the Local Initiative Support Areas (LISA) program, and the other is the development of Dhaka based projects. LISA was started as specialist project focusing on functional literacy and non-formal education. CCDB's expectation was that these activities would stimulate other locally relevant development initiatives. After starting in 13 districts in 1982 the focus was narrowed down to 7 upazilla (thana) in 1988 and one in 1992. By 1995 half of the program activities were being implemented through small local organisations, rather than directly by CCDB staff (CCDB, 1996a). The part still directly administered by CCDB has taken on the same samiti (small group) structure found in the PPRDP (see below), as well as the provision of savings and credit via these groups, and the PPP process. Although the geographical contraction was justified in the late 1980's (CCDB, 1988) in terms of reducing

administrative costs, and increasing potential synergy through concentrating activities the overall impression is one of a failed project. It had been reduced in scale, colonised by practices from other projects and its original core elements delegated out to other much smaller organisations. In the 1994 RTM, when donors questioned the value of keeping LISA as a separate project the CCDB staff made a defence not on the grounds of how successful the literacy activities had been, but in other terms (its women's focus, a place to test new staffing and credit arrangements). This apparent failure is not surprising. A global review of research on adult literacy interventions suggests that their success has been very limited (Abadzi, 1994). CCDB responded to this apparent failure not by closing it down, as some donors suggested, but by proposing new interpretations of its purpose. The significance of this form of second-order learning is explored further below.

A fourth notable development in the history of CCDB projects took place from the late 1980's onwards when a number of Dhaka based activities which involved support for field projects were in effect projectised (TREACE, DPP, WED, HOPE). These were packaged as fundable activities, and no longer treated as overheads of other funded projects. One was deliberately time bound (WED), and another (TREACE) though terminated has re-emerged in a form more specifically focused on training (HOPE). Although monitoring and evaluation activities lost the projectised status they had partially achieved under TREACE they have been given an increasingly separate identity in CCDB's annual reports (in the years 1992 to 1995). These developments suggest a process of specialisation, but one taking place centrally rather than in the field. The rationale given for the HOPE program is that CCDB has been learning from its experience. The 1995 CCDB annual report states that "Working in the PPP process CCDB has gathered a lot of knowledge and experiences which can also be shared with and disseminated among other like minded NGOs, sister organisations and CCDB's networking agencies" The focus of HOPE activities are not poor households, or CCDB field workers, but other organisations. Unlike the training CCDB gives to its beneficiaries free of charge, individual NGO participants were charged Taka 500 (£8.33) to attend courses lasting 5 to 7 days.

Another feature of the history of projects within CCDB was less evident to outsiders. In late 1993 CCDB entered a tripartite relationship with World Bank and the Government of

Bangladesh. CCDB's role, new to the NGO sector in Bangladesh at that time, was to help the Bank and the government address the social consequences of a rural roads improvement program, particularly resettlements. The project, known as the Rural Roads Maintenance Program (RRMP), was not documented in CCDB's annual reports or in its annual Round Table meeting with donors. No funding was required from CCDB's donors and almost all staff were obtained by re-assignment from other CCDB projects, as part of a re-structuring associated with the transition from a Multi-sectoral Rural Development Program (MRDP), to the new PPRDP.

It has been pointed out by Cyert and March (1963), in their *Behavioural Theory of the Firm* that "slack" or surplus resources in organisations gives them the capacity to adapt to new circumstances. In his ecological theory of learning in animals Davey (1989) goes further and argues that "ecologically surplus abilities" which provide the ability to cope with unforeseen problems "provides a useful means of defining animal intelligence". Paradoxically, what looks like inefficiency in an organisation's current performance (e.g. high staffing levels) may have a longer term rationality and intelligence.

When I asked about the RRMP project the Director gave two rationalisations for CCDB's involvement. One reason was so CCDB could hedge their bets in terms of funding sources. While mentioning the global recession, and the collapse of Eastern Europe he said CCDB did not feel a threat of loss of funding from its donors. Nevertheless it was thought to be a good idea to have other sources. A second rationale was that CCDB felt the need to be more professional and this sort of work would put them under pressure to be more so. When I asked why this need, he cited the growing trend to professionalisation amongst NGOs, and even in donors, who years ago were as voluntary based as the NGOs. There was a perceived pressure to learn, in the sense of accumulate skills, but not necessarily in a way that directly related to the needs of CCDB's existing beneficiaries.

Because events in organisations, such as new projects, can be given multiple interpretations this equivocality can be used as a way of resolving multiple demands. As well as giving the above explanations the Director also indicated that he felt CCDB was under some pressure from the government to participate as a partner in the RRMP. An additional interpretation of my own was that the RRMP would not only provide a means of managing surplus staff. It could have

provided access to attractive new employment opportunities outside of CCDB for SB, the most senior Muslim staff member within CCDB. Phrased in terms of an evolutionary perspective, projects may be subject to selection not just on the grounds of one simple set of fitness criteria, held in common by many parties, but also by different criteria held to be important by many parties. Instead of talking about fitness, which suggests a single requirement, a better term suggesting the more plural nature of this process might be fittingness.

7.3.3 Non-project structures within the Dhaka Office

So far the internal structure of CCDB has been examined in terms of projects. Within each project and within the unprojectised sections of the Dhaka office there are other structural features that carry both the lessons of the past and influence current learning. To my surprise there was little in the way of formal organograms within CCDB. They were not displayed on walls or noticeboards or featured noticeably in internal or external publications. This contrasted with a strong sense of ordered status with the CCDB, discussed below. Their absence may have reflected what I later noted was a relatively high frequency of re-structuring of roles within CCDB, especially at the Dhaka level. There was an extensive re-structuring of field offices in 1992, a less extensive one in the Dhaka office in 1993 and a further re-structuring in the Dhaka office in 1995. Two organograms were found. One of the Dhaka office dating from 1992 had elements of heterarchy. Although the CEO was at the top the component units underneath had lines linking them to each other as well as the CEO. When at my request a Dhaka Office organogram was drawn up by the Personnel Office in 1994 it was very flat in shape. Twelve different section heads reported directly to the CEO. But on the other hand most had their own hierarchy of staff reporting to them .

A similar shape was evident in the second organogram, of PPRDP Project Offices. It also emerged when I asked the four Rajshahi Project Officers to draw organograms for their projects, when designing the participatory monitoring system. Each Project Officer had many units reporting directly to them, but then other names were listed vertically under each of these. All these diagrams suggested that the use of team-like groupings had an important place within

CCDB's hierarchical organisational structure. These were second most to the CEO, and second most to the Project Offices. As explained in Chapter Four, teams can be seen as the structural equivalent of generalist responses, suitable to new complex problems not manageable by particular specialised units. When the PMS was introduced in 1994 it was these same second line senior staff who were used as teams to analyse the qualitative information submitted by field staff.

In CCDB the relative importance of the different sections of the Dhaka office structure can be crudely measured by the number of staff a section head directly supervises, weighted by a measure of the status (e.g. their designated grade) of those supervised. The seven most important sections of the Dhaka office, on this measure, are given in Table 7.2 below.

Table 7.2 The main sections of CCDB Dhaka Office in 1993/4

Sections	Staff directly supervised	Multiplied by their grade
The Director	12	93
Programs	14*	97
Finance	13	62
Administration	12	48
Training/HOPE**	10	58
Research	5	25
Information	3	12

* Includes 10 PPRDP Project Officers located outside of Dhaka ** Name changed during the 1990's

As a result of a change made in 1993 the supervision of the PPRDP Project Officers were concentrated in the hand of one Coordinator - Programs, versus three before. This effectively decentralised the management of the PPRDP, a process consistent with the decentralised thrust of the PPP process, and with the development of a greater capacity for CCDB to adapt to local needs. According to senior Dhaka staff pressure for this change from the field offices were accompanied by references to the need for CCDB Dhaka to be consistent with the PPP ideology. The change meant the positions of three senior staff members were released and available for other tasks, within the Dhaka office.

The large Finance Unit remained unchanged in size and management through the 1990's. It was the first section of CCDB to acquire computers and associated with this development was privileged with the only air conditioned room in CCDB until 1994. Accurate information about finances is critical to decision making both inside the organisation and externally, particularly to ensure the release of donor funds by the NGOAB (detailed below). One significant change was the allocation of a new position of "Coordinator - Planning" which effectively split off this function from the Program and Finance Coordinators, and lead to more specialisation of this function within CCDB. The second of the ex-PPRDP supervisors took over the role of Coordinator - Administration, releasing the previous Coordinator to work on the new RRMP.

The Training Unit was also a long established unit within CCDB. However, old training "Calendars" (one inch thick books) suggested that it was much more active in the past. The decentralisation implicit in the PPP process implied that centrally planned and managed training programs were no longer seen as appropriate. From 1992 onwards it was intended that the unit would be transformed into a project known as HOPE (Human and Organisational Potential Enhancement) whose focus would be on promoting the values implicit in the PPP process. In 1994/5 its main advocates seemed to be the Director and CT, a consultant provided by EZE to organise staff and organisational development workshops for CCDB. In practice its development was delayed for some years. Not until 1995 did it appear as a separately documented project in CCDB's Annual Report (1995a).

Staff in the training unit joked to me in 1994 that HOPE was in fact hopeless. On the one hand there was little support for this new development from the Project Office level. Their concerns, expressed to me in 1994 and evident in reports on CCDB Workshops, and annual reports, were for more practical skills training and less "conceptual" training. Their views coincided with those of the beneficiaries (CCDB-RU, 1994a). On the other, there were problems caused by the limited capacity of the staff member then in charge, plus the diversion of the new Coordinator's (1993) attention to the management of the RRMP. It was not until 1995 that a new Coordinator was appointed and the problems of direction were addressed. There were other higher priorities. The resolution took place in 1995 when training centres were established on a zonal basis (3-4

project office groupings) and the head office training unit oriented towards training other NGOs.

The research unit was similarly dependent on the presence of key individuals, and effective demand for its services. Anecdotal evidence suggested that there had been the equivalent of research/monitoring/evaluation section in the late 1980's but it disappeared with the loss of a key staff member (TB) around 1990. It was followed by an Information Unit headed by a media studies graduate recruited from outside CCDB in 1992. Although it was planned to expand this unit to take on monitoring and evaluation tasks, in practice a separate Research Unit was established to undertake these tasks. This unit expanded rapidly in 1994/5 at the same time as the Information Unit lost staff (to other NGOs). The split was accentuated not only by both differences in professional orientation (publicity versus analysis), but also by personality and capacity (most notably, the ability to work to a deadline).

The devolution of responsibility for the PPRDP in 1993 suggests reduced need for direct day to day knowledge in that area, at the Dhaka office level. On the other hand the development of the Research unit almost suggests the opposite. This contradiction is less acute if the growth of the Research unit is related to the Director's awareness of a growing need for professionalism. Its existence may have helped some donors to resolve doubts about CCDB's overall status in these terms. But its specific products may not be so critical. It is possible that there was a substantial element of symbolic action involved. The uncertainties being resolved are at the level of belief and capacity, rather than specific performance. Even allowing for some uncertainties needing to be resolved about actual performance, the information being collected and analysed by the Research Unit was not about day to day performance, as required by line managers, but longer term trends, those associated with impact (CCDB, 1995b), questions of concern to the CEO and to donors.

The history of changes in structure at the Project Office level was not established in the same detail as that of the Dhaka office. However, two major changes were noted. One was that the distinction between savings and credit and other activities seems to have become much stronger under the PPRDP, to the point of savings and credit having its own line of responsibility to the Project Officer, unlike earlier times when it was managed by staff who reported to a second in

command dealing with other technical staff as well. In 1994 savings and credit activities extended their pre-eminence when all other staff were required to help ensure full credit recovery, at the time repayments were due. The reasons for the perceived importance of savings and credit at that time are discussed below.

A second change took place in 1994 in the course of the 1995 budget preparation process. As part of cost reduction efforts, some Project Offices gave up the use of Unit Offices, small sub-offices located in different parts of the Project Office area. Differentiating the needs of the beneficiaries by location was evidently of secondary importance.

7.3.4 CCDB Staff: The Constituents of CCDB's Structures

CCDB's organogram(s) as discussed above is a branching structure. It overlays a more basic form of structure, a simple rank ordering of staff according to relative status. The evidence available suggests that this ranking is more stable and enduring than the organograms that are based on them. Associated with this stability is a great degree of differentiation of status. This suggests that the issues of status are of particular importance to the parties involved, and have been for some time.

According to CCDB records, CCDB had 724 staff in 1993. These staff were organised into a what appear to an outsider as hierarchies within hierarchies, all differentiated by opportunity and status. Records provided by the Personnel Officer placed these staff into four categories, which differed in terms of job security and salary levels. The largest group were 582 people described as "regular staff". These ranged from night watchmen to the Director of CCDB, and all had permanent employment. A further 56 people were described as "fixed term staff". These worked solely with the Community Based Calamity Preparedness Program (CBC PRP) and were on low and middle ranking salaries. A third group was made up of 310 people described as "Samaj Kormi" (literally social or society worker), and later renamed as "Forum Kormi". These worked in the ten PPRDP project areas as intermediaries between the beneficiary groups (samities) and CCDB field office staff. They were paid modest monthly salaries for what was seen by CCDB as

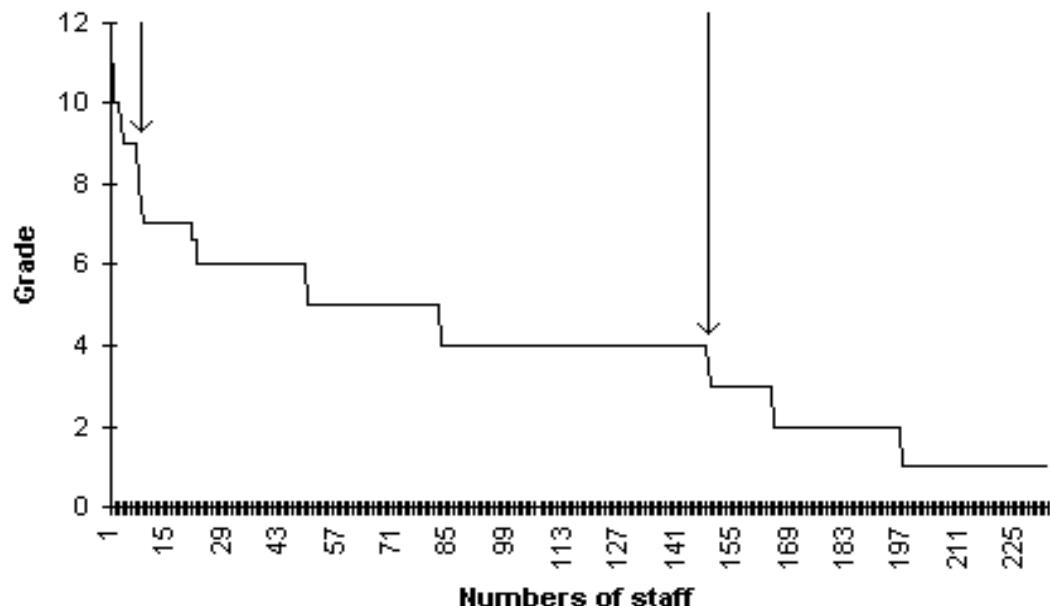
part-time work. Their employment conditions changed dramatically in 1994, when responsibility for their continuing employment was effectively transferred to the beneficiaries organisations. A fourth and smaller group of 41 people known as “TBAs” (traditional birth attendants) were working in 6 project areas, four of which were PPRDP areas. Their renumeration was more limited.

Since the employment of a Personnel Officer in 1989 regular and fixed term CCDB staff have themselves been formally differentiated according to a grade system with 11 levels. When the distribution of staff numbers at each grade level are examined (See Figure 7.1 below) three de facto subsidiary hierarchies that can be identified. Here the term hierarchy is used to describe not only a rank ordering but a pyramid shaped distribution of the members in that rank ordering. At the top of the organisation is the first, a small group of seven staff, occupying grades 9 to 11. The relationship of this group to the Director made up the relatively flat part of the CCDB’s organogram described above. The second and largest hierarchy are the staff who occupy grades 4 to 8. The third is that of menial staff (cooks, cleaners, drivers, assistants) who occupy grades 1-3. The same structure is replicated in the Project Offices of the PPRDP. Approximately two thirds are in the middle hierarchy of grades, and one third in the bottom. Overall, 15% of CCDB staff worked in the Dhaka Office.

The CCDB’s staff structure also embodied another form of hierarchy, based on educational status. Although there were more than a dozen different types of educational status held by CCDB staff these were collapsed into five ranked categories on the advice of my research assistant, an ex-NGO employee acutely aware of important status differences. Status in terms of these categories correlated strongly with official grade status within CCDB (<0.01 one-tailed). Masters degree holders had an average CCDB grade of 7, versus those with some primary education but no certificates having an average grade of 1.4. Formal educational qualification were in almost all cases acquired prior to employment with CCDB. In informal discussions with CCDB staff in the Rajshahi project offices and in the Dhaka office formal educational achievements such as degrees were frequently cited as the basis of a persons qualifications for a position of a certain level or above. Experience within the specific field or skills that were specifically relevant to the position, and which was recently acquired within or outside CCDB,

were rarely mentioned. The structure of educational status within CCDB was not being informed by ongoing experience.

Figure 7.1 The distribution of CCDB staff by grades (Dhaka Office)



Within CCDB the participation of women staff members was also organised on a hierarchical basis. At the field level 66% of the Samaj Kormis employed by the PPRDP to work with the samiti members were women. Within the ranks of the regular staff women made up 15% of the staff of the PPRDP Project Offices. In Dhaka the two most senior women staff member were junior to eight more senior men. These two women (the Personnel Officer and Women's Issues Officer) were both marginal to most decision making processes within the Dhaka Office. There were two main exceptions to this trend of diminishing participation with increasing grade. At the Project Office level two of the 10 Project Officers (in charge of each Project Office) were women, at least 5% more than expected. Both were relatively recent appointments. In the Dhaka office the greater than expected proportion of women staff (17% versus less than 15%) was largely due to recent appointments made by the expatriate head of the research unit.

This inequality of access for women suggests that CCDB has not been significantly in-formed by its experience of working for women's development in its development projects. Where there was evidence it was recent, and in positions that had some visibility to donors and other outsiders (the exceptions being the research staff). Overall, the evidence suggests that cultural rules that favour men over women still prevailed in CCDB at almost each level of decision making and opportunity within CCDB. These rules were least dominant where opportunities are least significant, at the level of Samaj Kormi.

Another key difference between CCDB staff was their religion. CCDB was founded by the World Council of Churches, and still is explicitly identified as a Christian organisation and part of the Christian community in Bangladesh. However it was also intended from the outset that it would be ecumenical in its work, i.e. without prejudice based on religious belief. In practice, the structure of peoples' participation in CCDB, in terms of religious affiliation, is very similar to that of women, described above.

Although CCDB works in areas of Bangladesh with significant populations of Buddhists, Christians and Hindus (in the Hill Tracts, and isolated tribal areas of other districts such as Tanore), overall at least 90% of CCDB's beneficiaries are Muslim. At the Rajshahi Project Office level of the PPRDP the percentage of Muslim staff is highest in the lowest grade positions (76%). This falls to 47% at Grade 6 and at the level of Project Officer, those in charge of each Project Office, only 1 of the 4 (Grade 7) staff are Muslim. Within the Dhaka office 40% of the staff are Muslim 47% Christian, and 13% Hindu. At the lowest three grades in the Dhaka office 57% are Muslim and in the middle grades the percentage falls to 26%. Unlike the Project Offices, within the top three grades of the Dhaka office Muslims are well represented, occupying 4 of the top 7 most senior positions (grades 9-11).

The nature of this structure can be seen as a trade-off or means of reconciling the contradictory requirements of CCDB's own Christian identity and philosophy with the operational requirements of organisational survival in a dominantly Muslim culture. In the PPRDP the high concentration of Muslim staff in the positions of Community Organiser and Field Manager has

practical value since that staff group is in the most direct working relationship with *samiti* members, most of which are Muslim. At the Dhaka office level there seems to be some association of Muslim staff members with positions requiring external liaison and non-Muslims staff with more inward oriented positions (Personnel, Planning, and Program Coordination). This form of adaptation, of literally being in-formed by the demands of its wider environment has its costs, that of bringing into the organisation the conflicts between religions that the organisation has to cope with in its external relationships with other organisations in Bangladesh. An ex-senior staff member of CCDB informed me that SB, the most senior Muslim staff member of CCDB, was closely associated with the Jamat Islam, a fundamentalist political party. His public association with that party (a recent event) posed a particular problem for the CCDB Director.

The existence of these hierarchical structures of employment security, grade, education status, gender and religion status suggest that CCDB has been significantly informed by Bangladeshi cultural values. In his analysis of behaviour and poverty in Bangladesh Maloney argues that in Bangladesh “the principle of hierarchy in interpersonal relations is accepted as morally right and necessary...” (Maloney, 1991:40). Clear signals of relative status enables the resolution of uncertainty around expectations of service, respect, and patronage. Its significance here is as an obstacle preventing CCDB learning from the experience of its beneficiaries. Associated with hierarchy are pre-occupations with establishing and securing rank differences, rivalry and associated defensiveness, and continual orientation towards the needs of ones superiors (Maloney, 1991:39-51) . CCDB’s development ideology, which is ostensibly biased in the reverse direction, towards the needs and views of the most powerless in Bangladeshi society, is in direct competition with these values. In addition to these differences in orientation there are others less visible. Within this hierarchical view of society there is an implicitly static view of human society, despite the individual jockeying for position. CCDB’s ideology is ostensibly about development or change and thus in contradiction again with these dominant values. Fortunately, within CCDB’s publications there is an explicit awareness that values, and not just techniques, are at stake, and that they face a form of cultural hegemony, and that their own organisation is enmeshed within it. (CCDB, 1995a:9).

The role of kinship and other networks

In Bangladesh informal networks can be based on kinship, common place of birth, political affiliation, and religion. In the course of my fieldwork with CCDB knowledge of kinships connections was accumulated opportunistically. Kinship connections between staff of CCDB were common, but not easily identifiable without a willing informant. The Program Coordinator, BS, was the son-in-law of the Director. KB, a staff member in the Training Unit shares the same name as the Director and was thought to be related. In the Tanore Project Office area, one the four Project Offices focused on during the field work, the Women's Issues Officer is a close relative of the Director. In late 1994 she married another staff member based in a nearby Project Office, and both have continued to work with CCDB. SB, head of the RRMP, and a senior staff member of CCDB, has a brother working in the Tanore PPRDP Project Office.

The incidence of such connections was not treated by staff as anything unusual, within the Bangladeshi context. However, the situation in CCDB is different to most other NGOs. The Bangladeshi Christian community is small, less than 5% of the population (BBS, 1993). Marriage is typically confined within the community. Employment opportunities, facilitated via personal connections, are particularly limited for Christians. CCDB is one of the few organisations where such connections can be made. It seems likely, though not proven, that informal kinship and religion based networks would be more than normally important within CCDB.

Such networks have both positive and negative implications for how the organisation might learn. Informal networks provide alternate channels for the flow of information, enabling more heterarchy. In particular they may allow the flow of critical views, inhibited in communication up formal lines of authority, and the flow of information that is outside what peoples' role specify they should be concerned about. Very early in 1994 I found that senior staff were very unwilling to comment on or interfere in the work of other staff not under their supervision, despite the practicality and apparent inoffensive nature of the request. Role boundaries were very clearly delineated.

TB, ex-senior staff member of CCDB, pointed out two of the negative features. Such relationships, especially the promotion of BS, would make it harder for senior staff to criticise anyone else in CCDB from seeking the promotion or employment of their kin. It would also, in the case of staff members such as BS, make it more difficult for them to speak critically to those that have gained them their employment or promotion.

Another consequence is the appointment of what were covertly described by one CCDB informant as “rehabilitation cases”, to describe people with negligible skills simply occupying positions on a long term basis, usually as a result of kinship connections. This category seemed to apply to one staff member whose sole task was the taking of minutes in meetings and their translation into English, a task that often took months before minutes of meetings or workshops were circulated. Others occupied potentially important roles, such as a women doctor who was the CCDB medical adviser. The majority of her time in 1993/4 was taken up with her own further training. Her knowledge of events at the field level of CCDB’s projects was minimal and almost entirely uncritical. Such staff would not even fit within the generous description of “organisational slack”, described above.

The association of family links to personal opportunity was not seen only amongst Bangladeshi staff working with CCDB. CCDB staff reported that NC, the head of the newly established Research Unit was the brother-in-law of the Emergencies Officer in the World Council of Churches (WCC) in Geneva, who was reported to have asked the Director to find him a place in CCDB. In the course of his stay in CCDB NC established a close working relationship between CCDB and the Helen Keller Institute, an organisation reported to be managed by his brother. This relationship was associated with CCDB’s decision to implement a nutrition surveillance program in two project areas, which meshed in with a larger national system operated by HKI in partnership with other large NGOs. When NC involved CCDB in a national AIDS workshop in association with an AIDS organisation some CCDB staff saw the influence of another family link, a relative of his wife. Late in 1994 a young Swiss woman, with a family member employed by the WCC, arrived at CCDB and stayed with CCDB for more than six months, pursuing a series of informal research projects and providing casual help to the Information Unit. A secretary to a WCC staff member, with no obviously relevant skills was sent to Bangladesh to

attend the 1994 RTM.

What is important here is only partially the truth of these perceived links. The fact that they were seen to be present and emphasised by CCDB staff is a reflection of how individual achievement within an NGO such as CCDB is likely to be perceived. In addition to a lack of opportunity for upward mobility (detailed below) and the emphasis on fixed educational status versus acquired skills, achievements that are made are likely to be mis-interpreted, and devalued. Incentives to improve individual job performance are further reduced. What remains though are incentives and means to hold onto jobs. Not surprisingly, regular employment is difficult to find in Bangladesh. In 1994 the Personnel Officer of CCDB was receiving 20 to 25 unsolicited job applications per week. This is likely to be the tip of a large iceberg, the larger fraction being made up of many more informal requests being made to various CCDB staff members to identify and lobby for job opportunities for friends and relatives.

It could be argued that the family links that have been described are intrusions into the functioning of an otherwise modern organisation. However, the reverse may be the case, that the arrival of practices such as the removal of automatic increments and increased use of dismissal in 1994/5 may be signs that this modern form is still very much in the process of being born. In a discussion with the Director in 1994 he pointed out on his own initiative that he thought people in Bangladesh saw organisations (including CCDB) in terms of families and that this was one reason why it was so difficult to get rid of staff. TB, an ex-senior CCDB staff member, made a similar family based explanation of the Directors own behaviour and policies. TB offered the view that the switch in the 1980's from the more political approach of concientisation and mobilisation to credit as the central activity of many major NGOs, including CCDB, was associated with the life cycles of the CEOs of NGOs. As people get older they are less prepared to take risks. Many of the major NGOs (Proshika, BRAC, GB, FIVDB, Nijera Kori etc) are led by CEOs who have been in charge for a decade or more. Within the same passage of time the growth in the size of these NGOs has meant there is now much more at stake, in terms of peoples employment and welfare, than there was when these NGOs' CEOs were starting their work. They are understandably less willing to take risks than they were in the past. A similar interpretation of the influence of CEO's as fathers to their organisations has been proposed by

Zadek (1996:24) on the basis of data collected on South African NGOs. CCDB was not only being informed by cultural norms regarding status differences, but also by the most widely available experience of organisations, that of family, and perhaps that of particular families.

Staff mobility: Memory and new knowledge

Staff mobility is another mechanism by which the rigidity of a hierarchy can be mitigated and new organisational learning can take place. Large volumes of experience can be transferred at a time, including tacit as well as explicit knowledge. On the other hand, the overall duration of peoples' employment in an organisation provides some indication of its capacity to retain lessons from its past experience.

Although CCDB was established in the 1970's staff numbers have grown since then and those who were employed then now only make a small proportion of the total staff establishment (17% in Dhaka and 13% in the PPRDP Project Offices). They are most concentrated amongst the senior staff (62% of the top 4 grades 7-11). The Director has been with CCDB since it was established in 1973, a situation that the 1992 survey indicated is common to other large well established NGOs in Bangladesh (Proshika, BRAC, GB, Nijera Kori, GSS). CCDB has only lost two senior staff over the past 15 years, SC, who left in 1980 to start up ASA, and TB who left in 1991 to become an independent consultant. The most recently employed staff member at this level (MH), who had previously been working with another NGO, was hired in 1984. Other new staff more recently recruited from outside CCDB have been given Grade 5 status.

Within the Rajshahi Project Offices the highest grades are also occupied by staff who have worked for CCDB for the longest period, though this is shorter than in Dhaka. There was one significant exception, a Project Officer (Grade 7) with employment experience with another NGO, who was recruited in 1991. Field staff, and office staff in particular, were the most recently employed, with an average employment of eight and four years respectively. The short term memory of the office staff is not problematic, because their work is highly routinised whereas the work of field staff involves more discretion and this requires more contextual

knowledge. For example, how to manage a samiti that is defaulting on its loans from CCDB.

The significance of the duration of staff employment within CCDB needs to be seen in the context of other changes. The average length of employment, both in Dhaka and in the PPRDP Project Offices is eight years, i.e. dating from 1986. This is almost the equivalent of three periods of donor program funding (normally 3 years) but little more than a third of the period of time CCDB has been working in the PPRDP areas. Assuming there is not a high level of in and out migration in the PPRDP areas the people of those areas are likely to have had more time to learn about CCDB than the staff of CCDB have had time to learn about them. As will be detailed below, CCDB staff in turn have had more time to learn about its donors than their representatives have had time to learn about CCDB.

An examination of the correlation between years of employment by CCDB and current grade (in 1994) suggests a very low level of upward mobility, and one mainly concentrated in the upper grades. In the Dhaka office the overall correlation was 0.22 ($n = 83$, significant at the <0.05 level). The removal of staff in grades 1-3, justified on the basis that they cannot normally expect to be promoted above grade 3, increased the correlation to 0.45. Removal of grades 9 - 11, on the grounds already mentioned that they consist of a separate hierarchy within the overall hierarchy, reduced the correlation to a non-significant 0.23 ($n = 49$, not significant at <0.05). At the level of the PPRDP Project Offices upward mobility was also almost non-existent when all grades were considered and very low when grades 1-3 were excluded (0.06 and 0.20 respectively). Low upward mobility has two possible implications. Firstly, staff are likely to see little incentive to develop and show evidence of capacity beyond their current role. Secondly, there will be less vertical transfer of informal and tacit knowledge gained from working in a closer relationship to CCDB's beneficiaries.

KS, the Training Unit staff member who helped me set up the participatory monitoring system in 1994 had originally started work with CCDB as Samaj Kormi. But he could not identify anyone else in Dhaka Office who had started work at that level. Inquiries about the field origins of other Dhaka Office staff showed that almost all of the accounts staff had been promoted or transferred from field office positions but none of the other administrative staff. With the exception of KS,

none of the Research Unit, Information Unit or Training Unit staff had worked in field offices. Six of the seven senior staff had worked at field level, but at senior levels. The first hand field level knowledge available in Dhaka was either old (senior staff) or held by people in one unit where procedures were very routinised and contextual knowledge was not of great value (Finance unit).

Evidence from the four project offices in the Rajshahi area suggested that horizontal mobility within CCDB was relatively common. Of all staff within these Project Offices 58% were no longer working in the same Project Office, after an average total of nine years employment. Much of the staff movement between project locations seems to have been associated with the establishment of the PPRDP program in 1990-91. Amongst the senior staff (grades 8 and above) in Dhaka all the staff the level of mobility appeared much higher. All, except the Director, seemed to have rotated through a number of different positions over the years, on intervals of around 2-4 years. A similar higher level of horizontal mobility seemed to have existed at the level of Project Officers, judging from the changes I saw in the 1993-5 period. In the absence of significant opportunities for upward mobility the possibility of horizontal mobility provided the Director with at least two advantages. People could be juggled around to see where they fitted best. During my field work in 1994-5 an individualistic and outspoken senior staff member was found a niche, which satisfied him, producing audio-visual materials for training activities. The other advantage was that provided a potential form of discipline, the element of uncertainty, and the possibility of being sent to undesirable locations may have helped mitigate complacency and unresponsiveness amongst staff.

Another important difference amongst staff was the location of their employment relative to their original homes. At the Project Office level, in the Rajshahi area, an average of 26% of staff came from the project area itself. In some Project Offices such as Manda this figure was as high as 33%. Such staff were almost all from the lowest grades within the office, but significantly included many field staff whose work involved contact with CCDB's beneficiaries. In contrast, none of the Project Offices in the Rajshahi area were from the area, and they all had very few years experience in their present post (an average of 1.75 years). In these circumstances many of the field level staff have had a much greater opportunity to get to know local communities, and

establish connections, than their superiors. They are in effect part of the environment which newly appointed Project Officers have had to learn about and adapt to. When CCDB attempted to reduce staff in its Project Offices in mid-1994 some of these staff were able to put up serious resistance to efforts made by their own Project Officers to reduce their staff numbers, including making threats to the Project Offices based on their capacity to mobilise local support (witnessed in Chapai). In response to that problem CCDB has put greater emphasis on employing field staff in areas away from their place of birth. The cost of this form of organisational self-defence is a likely reduction in the extent to which staff have a detailed knowledge of the local context in which they are working, including the beneficiaries.

Other personnel management practices have also effected CCDB's functioning. Each year automatic salary increments have been given to all grades each year, creating a disincentive for staff to improve their performance. It has also meant that some low grade staff employed many years ago now have salaries higher than those of more recently employed higher grade staff, providing grounds for internal dissension. In addition, CCDB's staff costs have risen each year, regardless of what was happening to the scale of their field operations. This has been an issue of concern to donors, and these have required some adaptation by CCDB. In 1993 annual staff appraisals were introduced, resulting in some Project Office staff not receiving their annual increments in 1994/5. In 1994, for the first time, a reward was given to one Project Officer for the high levels of credit repayment achieved by his office. More dramatic changes have been made to the employment conditions of the Samaj Kormi. In 1994 responsibility for their employment was handed over to the samities, a move that was the subject of argument and tension between CCDB, the samities and the Samaj Kormis.

Other significant changes were also underway in the early 1990's. Loss of staff due to resignations, terminations and dismissals over the years appears to have been very small (i.e. less than 1% per annum). This pattern changed significantly in 1993/94 when there were 5 resignations and 25 terminations from CCDB as a whole.

7.3.5 CCDB's beneficiaries

Information on the numbers of people reached by the PPRDP, and its 1980's predecessor the Multi-sectoral Rural Development Program (MRDP), is provided in Table 7.3 below. By 1995 CCDB (1996a) estimated that 37,000 families were associated with CCDB samities, and that when all families members where considered, almost 200,000 people could be benefiting indirectly from the PPRDP program. Although this may seem a large number, it is small in comparison to the claim made a year earlier by Proshika that more than 650,000 poor people belonged to the groups that it had helped form (Proshika, 1994). Although NGOs in Bangladesh were growing in size and number during this period, the number of people being reached by CCDB's PPRDP was essentially static. CCDB itself was expanding in terms of its annual expenditure but not in terms of its coverage. The limited data available on recruitment of new members, and dropouts of old members indicated that although the absolute drop-out rate was higher in the late 1980s' drop-outs were exceeding new members in the mid-1990s, by a two to one ratio.

Based on his study of north American voluntary organisations MacPherson (1990) has argued that membership is a principal resource for such organisations. Although the largest Bangladeshi NGOs are service rather than membership organisations, a similar case could be put forward about their beneficiaries. The figures given by Proshika above are presented in the first paragraph of the Executive Summary of their 1993 annual report. Benini (1997) has also made the same observation based on his work with other large NGOs in Bangladesh (RDRS, Caritas). In Chapter Six, scale of impact was seen as the fourth most important attribute of success in an NGO, after those to do with attributes of the organisation itself. Numbers of beneficiaries are, along with the number of districts, thana, unions and villages covered, the most easily available proxy indicator of impact. Statistics on geographical coverage are enhanced by incomplete coverage of villages, unions, and thana. This pattern of coverage is widespread within Bangladesh and is evident in the way other NGOs are able to move in and establish themselves in areas where an NGOs says that it is already operating. In Mohanpur thana in Rajshahi district, Grameen moved in after CCDB and BRAC moved in after Grameen.

CCDB's beneficiaries are not an amorphous mass. From around 1987 CCDB's beneficiaries were deliberately organised into small groups (*dol*) of at least five people and in the late 1980's these were then grouped into societies (*samities*), with a size of 30-40 people. From 1992 Samiti Representative Forums (SRFs) were formed of representatives sent by six member samities. Groups of 18 samities (3 PRFs) were also grouped together to form a larger body known as the Peoples Representative Forums (PRFs). Their numbers and growth are shown in Table 7.3 below. Unlike the peoples' organisations associated with RDRS (Benini and Benini, 1997) the SRFs had come quickly into existence by central command, not by local and voluntary decisions over a period of years.

Table 7.3 Beneficiary numbers and structure: A seven year profile

	MMRDP			PPRDp			
	1989	1990	1991	1992	1993	1994	1995
PRFs	none	none	none	45	65	61	65
SRFs	none	none	none	221	232	232	236
% female	78	80	?	80	?	81	81
<i>Samiti</i>	1,101	1,166	?	1,365	1,387	1,382	1,397
% female	75	76	?	80	80	81	81
<i>Dol</i> (Group)	6,719	?	?	?	?	?	?
Beneficiaries	42,823	46,460	?	45,491	46,109	46,376	45,151
Villages	?	705	?	674	785	782	845

Source: CCDB Annual Reports (CCDB 1990d, 1991a, 1993a, 1994b, 1995a)

The formation of these structures is seen by CCDB as part of a process of institution building, a process which is meant to be empowering (CCDB, 1996a). Given this goal what is striking about these structures is their homogeneity. The PPRDP project offices are located in 10 different thana, in southern, central and western Bangladesh (See Table 7.1, p193 above). A similar question can be raised as that already put forward concerning the structures and activities of the

different PPRDP offices. If the beneficiary organisations were genuine local initiatives wouldn't these structures be expected to be much more diverse, because of variations in local needs and the effects of local histories of development initiatives?

One explanation for the homogeneity of these structures may be imitation, as reported in Chapter Six. Similar hierarchical structures of peoples' organisations can be found in almost all the major NGO projects and were pioneered by NGOs such as BRAC, Proshika, GSS, Nijera Kori, RDRS, Caritas and others in the later 1970's and early 1980's (Chowdhury, 1990; Benini and Benini, 1997). Imitation alone would not however explain why this homogeneity has persisted over time, especially in the face of variations in local needs.

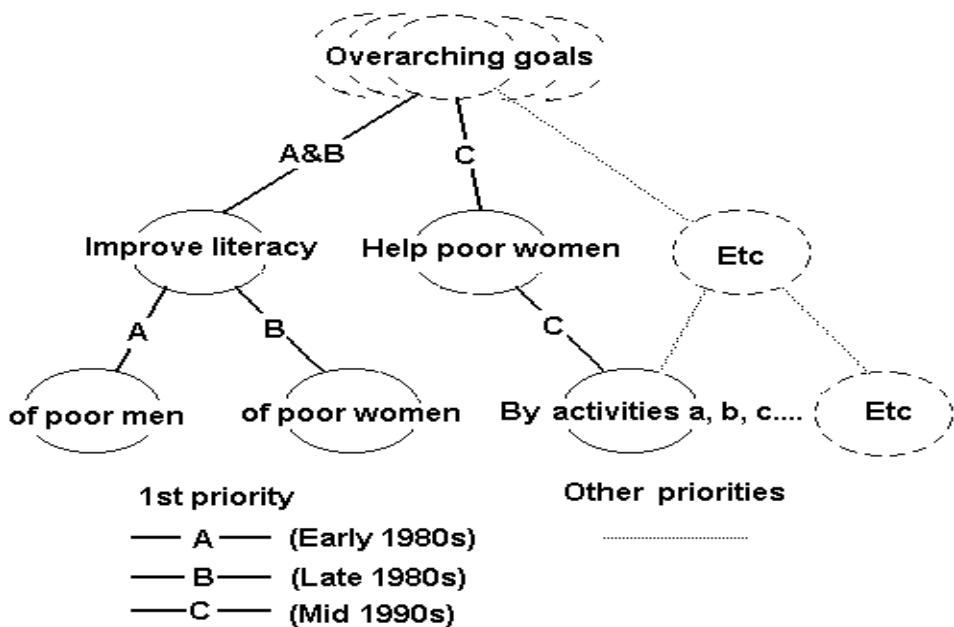
Evidence from within CCDB suggested there was an outright unwillingness to allow learning about more locally suitable variants of these structures. In a CCDB program strategy workshop in early 1994 the Program Coordinator for the whole PPRDP explicitly rejected a suggestion that there should be any local variation in structures (CCDB, 1994d). Even though it is inevitable amongst 10 different project locations, and more than 1300 samities, that variations in these structures will exist in practice the proceedings of the workshop do not give these any recognition at all. Standardised structures do provide an advantage to CCDB by enabling a simpler process of comparisons between groups, such as credit or grant use. In this respect, the beneficiaries' organisations' structures are specialised in their relationship to the needs of the CCDB superstructure, more than anything else. They are, if not the beneficiaries themselves, very much part of CCDB. The ability to make such comparisons between beneficiary groups is important so long as CCDB wants to retain some management role over those groups, rather than decentralise. CCDB's unwillingness to learn at this level has been sustainable because access to the assistance it provides to poor people is conditional upon their membership of these structures, both at samiti level (for credit) and the SRF level (for grants to samities).

Another significant distinction between CCDB's beneficiaries is their gender. Throughout the 1989-95 period women have made up approximately three quarters of CCDB's beneficiaries. Changes in the proportion of male versus women beneficiaries seem to have taken place earlier in the 1980's. The 1990 CCDB annual report provides a explanation for this transition in the LISA

project, which may have also applied to the PPRDP. “In the early stages of the LISA program, both adult men and female learners were encouraged to attend literacy classes. But the men were found to be highly irregular in attending classes and their receptivity was also very poor which resulted in a high dropout rate. Since the men were either earning a wage in the farm they seldom could spare time for a non-profit business like sitting in a class. Instead of being disappointed, CCDB changed its strategy and started organising women groups since July ‘89. The women on the other hand were found to be more attentive and receptive in literacy and functional education.” (CCDB, 1990d).

CCDB’s primary objective seems to have been to improve literacy. Their first response was not to change the product to better meet the needs of the consumer, but to seek different consumers for the same product. More ideological explanations based on an analysis of women versus men’s practical or strategic needs were not present in the same report. However, in subsequent discussions with donors, including the 1994 RTM (CCDB, 1995d) mentioned above, the focus of the LISA program on women was put forward by CCDB staff as a specific strength of the project and a justification for its continued existence in the face of donors’ doubts. Although CCDB’s response may sound opportunistic it can nevertheless be seen as an example of second order learning taking place, as introduced in Chapter Three. It followed an apparent failure at first order learning, the switch from men to women as the beneficiaries of literacy training. The process is summarised diagrammatically in Figure 7.2 below.

Figure 7.2 First and second order learning in the LISA project



This diagram can also be used to illustrate a similar transition within the PPRDP. The PPRDP was previously known as the Multi-sectoral Rural Development Program. This title privileges a focus on activities (categorised into sectors). The new name, the Peoples' Participatory Rural Development Program, points to people as the main actors and focus of attention, not CCDB's activities. However within the PPRDP there are various components which should then be subsidiary to this focus. Savings and credit is provided, along with pro-rata grants based on Peoples Participatory Planning exercises. Training is also provided for a range of purposes: improved incomes, better managed peoples organisations, and improved gender equity. The extent to which this change in interpretation has been associated with a change in actual practice will be explored in the next section of the chapter.

7.3.6 CCDB's structures: A summary

In section 7.2 of this chapter it was suggested that organisational structures were evidence of past learning. Some structures persist, others are changed. The balance is indicative of the degree of openness to new learning, up to now. Some structures can be found throughout the organisation, others more locally. Some will be articulated into more detail than others. These differences suggests the scale and direction of CCDB's past learning.

CCDB's relationship with its donors has been very stable, and has become slightly more specialised in the type of donors involved. Internally, the relationship has become less structured and more open. CCDB has gained some security and freedom, but in the process it has lost its size based status in the wider community of NGOs.

There are many locations where CCDB projects have persisted for ten to twenty years or more. Contrary to what might be expected if there was local learning within those projects, their individual identities have become less rather than more specialised over time. Within the PPRDP small geographical sub-offices were de-emphasised in 1994 and the range of services offered effectively diminished as S&C became the dominant activity. Some specialist roles established at the beginning of the PPRDP become non-functional. While coordination function of Dhaka office has been diminished and effectively decentralised, differences between Project Offices have not been allowed to emerge.

Beneficiary organisations have been developed on a top down basis in the late 1980's and early 1990's. These show minimal signs of being locally informed by experience and any variation seems to be discouraged. They are better seen as specialised extensions of CCDB, meeting its needs first of all.

In the Dhaka office the largest body of enduring specialist knowledge has been in the Finance unit. However, other new specialisations have emerged. Planning functions separated from finance, research has separated from information, Project Office level training has separated from training for other NGOs. A number of functions previously classed as overheads have been

projectised.

The most enduring, widespread and specialised structures within CCDB are those which make up the hierarchy of status. Important status differences exist in terms of employment status, grade, education, gender and religion. This structure has been informed by values in the surrounding culture. Mobility between status levels has been limited. The rigidity of organisational structure imposed by these differences has been mitigated by active use of horizontal transfers and staff reorganisations, and less deliberately by the functioning of informal networks. Performance differences within any rank position were only beginning to receive formal recognition in 1993-5, with the introduction differential pay increases and rewards, and more active retrenchment of staff.

In the early 1990's there were signs that CCDB was moving in the direction of greater flexibility, and ability to be informed by current experience. However, the direction of learning seems to have been away from field level operations and towards activities based at the Dhaka office. The scale of learning has remained largely static, with few new project locations being developed, in contrast to other NGOs such as Proshika (1994) and BRAC (1991). New learning has taken place at the project level in the form of a switch to project names and rationales which emphasise people first and project activities second. At best this suggests a form of second order learning, involving more than just a change of techniques. What needs to be explored below is the extent to which this change was visible in other aspects of CCDB practice.

7.4 Major Organisational Routines

The focus of this next section is on current learning within CCDB, as evident during the field work period. This process will be explored by examining a limited number of organisational routines which have some important common characteristics and differences. As pointed out in Chapter Four, the concept of routines is central to a number of evolutionary perspectives on learning in organisations (Levitt and March, 1988), most notably that Nelson and Winter's (1982) *Evolutionary Theory of Economic Change*. Existing routines embody past knowledge and the

process of routinisation, involving reduction of variation, is a process of learning. Many activities in organisations involve routinised work carried out by people on their own or within vertically specialised lines of responsibility. These are not the focus of this section.

Other types of routines, in the form of staff meetings of various kinds, involve more heterarchical communications. These provide opportunities for new learning outside day to day specialised responsibilities. Such meetings can take place at different frequencies, on different scales and in different locations, enabling different forms of learning to take place. Table 7.4 lists some of the major routines of this kind found within CCDB. They are ordered in terms of their frequency. There is also an approximate correlation between their frequency and scale, meetings dealing with larger scale events taking place less frequently. The list also includes two organisation-wide routines that involve multiple types of meetings and individual activity: the annual budget planning process and the three year indicative planning process. These are worth examining because of the scale on which information is being managed, and learning is taking place.

The analysis that follows will move from a focus on low to high frequency routines, with special attention to the PPRDP. The final part of this section focuses on routines involving CCDB's beneficiaries. Changes in these various routines over time will be interpreted as a form of learning, along with the changes in CCDB's static structures explored above.

Table 7.4: Major Organisational Routines within CCDB in 1990-1995

<i>Activity</i>	<i>Periodicity</i>	<i>Timing</i>	<i>Scale</i>
Indicative Program Proposal	Every 3 years	Before RTM	All of CCDB activities
Budget preparation	Annually	May/June	All of CCDB activities
Round Table Meetings with donors	Annually	October/November	All of CCDB activities
Field visits by donor representatives	Annually,	Prior to RTM	Individual Project Offices
Program Coordination Meetings	Two to three per year	January, July and later	All field projects
Zonal Meetings	Twice a year	Between PCMs	Groups of Project Offices
CCDB Commission Meetings	Six times a year	Variable	All of CCDB activities

Steering Meeting	Monthly	Variable	All Dhaka office activities
Departmental Meetings	Monthly	Variable	Individual dept. activities
Project Office Staff Meetings	Monthly	Variable	Individual Project Offices
Meetings with beneficiaries: Credit approval and disbursement Savings collection Training courses	6&3 monthly Monthly As planned annually	Fixed (months not known) Variable Variable	Individual samities and SRFs

7.4.1 The Indicative Program Proposal

Although there is a reference in CCDB reports (1990a) to the existence of 5 year plans being developed in the 1980's, the basic planning period used by CCDB in the 1990's is three years. Every three years an Indicative Program Proposal (IPP) is developed, in English, and submitted to CCDB's donors prior to the annual RTM with donors. At this meeting donors are expected to make funding commitments to CCDB for the next three years, preferably in the form outlined in the IPP. The last two IPPs (CCDB, 1991b; CCDB, 1994a) give surprisingly limited information on which staff actually participated in the planning process. The development of the IPP is however an organisation-wide event and at the least all Project Officers from all project locations could be expected to have participated in IPP planning meetings.

There was more clarity on beneficiary participation. In the 1992-5 IPP it is indicated that 5% of the samities participated in a participatory planning process, which it seems were then linked into the IPP. This involvement was in fact the first stage in the introduction of the PPP process within the PPRDP. Foreword to the 1995-8 IPP states explicitly that "this plan is prepared through Peoples' Participatory Planning Exercises". Although there were no quantitative details on the scale of peoples' participation 40% of the 1995-8 plan document focused on a case study of "People in Planning...". This suggested a widening of peoples' participation in the three year indicative planning process as well. In principle this should have dramatically increased CCDB's ability to learn directly from its beneficiaries.

A careful reading of the 1995-8 IPP shows that in practice the three year planning exercises took

place in only one SRF per Project Office, equivalent to less than 5% of all the SRFs. In the case of all the other SRFs, and their constituent samities, plans were made for a one year period only, as in the previous year. Even in the case of the 5% of SRFs involved there is no aggregation or analysis of their 3 year plans. Instead an example is given of the process as it took place in one SRF and one samiti within this SRF. These examples include budgets participants have drawn up for the next three years, along an income generation plan detailing expected earning by various activities. There is an air of unreality to such detail, since predicting income from any venture such as poultry rearing even over six months is likely to be difficult. It is hard not to conclude that the behaviour of these samiti members has been informed by CCDB's needs and not the reverse. CCDB needed to show donors that the PPP process is continuing. But it is hard to see how the process was meeting the beneficiaries needs. There was no evidence that the process informed CCDB and made more responsive, even at the grossest level. There is no reference in the 1995-8 IPP to any differences in needs between the 230 or more SRFs.

One practical reason why this did not happen was the limited time available. In 1994 members of the samities and SRFs went through an annual planning process in May-June, and the results of these activities were used as inputs into the annual budget prepared by each Project Office, and then aggregated at the Dhaka office level (see below). CCDB had to complete its budget before the beginning of the next financial year, starting in July. With approximately 1,380 samities involved extending the process to cover three rather than one year would have dramatically increased the size of the task. The case study described in the 1995-8 IPP seems to have taken place two weeks after the completion of annual budget planning process in late June 1994. Here CCDB's response seems to have been informed by its knowledge that it simply was not possible to carry out a participatory planning exercise for a three year period, on a huge scale in a short period of time.

There were two other changes that took place in the nature of peoples' participation in the planning process, which were also informed by the experiences of annual planning in the preceding year. The original implementation of PPP by CCDB in 1992 involved twelve modules of activities which were undertaken by each samiti over a 15 day period (CCDB, 1993b). In the 1994 planning process, described in the annual report, "the twelve modules of PPP were boiled

down in to some interrogative statements to adjust the exercise to the needs” (1994a). In effect, the process involved “Recollecting the past” (activities and events in the last two years), “Analysing the present” and “Visualizing the Future”. This process was much more focused on specific development initiatives: their results in the past, their current relevance and which of them were of highest priority in the future. The 1992 exercise had involved a much wider situational analysis of the village and the nation.

In the IPP’s 1994 case study the participatory planning process took place both at the samiti level and the SRFs which they belonged to. This was justified because the SRFs, as umbrella organisations, were seen to have different responsibilities and needs to those of their member samities. This process was an extension of the PPP process compared to that in 1992 when only the samities were involved. The actual practice was more ambivalent in its meaning. The case study described the consolidation of Samiti plans as one of the seven constituent activities in the SRF level planning process. My own contact with actual SRFs during this planning process suggested that this activity was at least in some cases becoming the main activity of the SRF level planning. Furthermore, there was evidence from the timing of meetings and comments made in these meetings that rather than consolidating, some of these meetings were actually planning on behalf of their constituent samities. This was more consistent with the very short period of time each Project Office had available to develop and integrate plans from 80-130 samities and up to 22 SRFs.

Although the PPP process was introduced for the benefit of the beneficiaries the adaptations made by the CCDB staff in the face of the constraints that existed were not against the interests of the beneficiaries. In the analysis of the 1992 PPP exercises there are a number of references to the dissatisfaction beneficiaries felt over the time consuming nature of the PPP process (CCDB, 1993b). “Many of the participants were landless and day-labourer. Since they had been constantly involved in the exercise at a stretch for about 10 to 15 days, their family members experienced economic hardship ...Since most of the Samiti members are women, their participation in the training centres creates problem in the management of their families...One day, during the lunch break, some participants were seen crying. They said that while they were having food their family members were starving at home. They could not finish their lunch”.

The original PPP process had assumed that the availability of beneficiaries' time would not be a problem. This tendency has been noted in other examinations of NGOs' use of participatory approaches to planning, monitoring and evaluating (Abbot and Guijt, 1997; Davies, 1997a). Once again, Thoreau's anxiety is understandable.

7.4.2 Annual Budget Preparation

Changes in procedure

The annual planning process starts in early May each year, and is expected to be finalised by late June. From 1991, when the PPP process was first introduced on a trial basis, this process has involved both CCDB staff and beneficiaries. A number of key changes have been made in the way in which beneficiaries were involved each year, from 1991 to 1994. Routinisation was in process, not something that had been completed. In the first trial exercises in 1991 beneficiaries were asked to develop plans for the coming three years, but in the absence of knowledge about how much money would be available to implement these plans. Not surprisingly, CCDB found that some groups developed unrealistic plans that CCDB could not support (CCDB, 1993b).

In the 1992 planning process the PPRDP budget included a specific sum of money designated for use by samities, according to their plans. This was equivalent to around Taka 132 (US\$3.10) per person per annum, and represented 11% of the PPRDP budget, excluding loan disbursements. In June 1994 I asked HT, the Coordinator - Planning, how the 1994 planning process was different from that of 1993. Two changes were noted. One was that instead of giving the samities one general purpose grant three new grants would be made available, two of which would be for more specific purposes (for training and seedlings) and one for the use of the Samiti Representative Forums (SRF). According to HT Project Office staff had said to him "If we want SRFs to become active then they need a focus, they need resources, they need training". The seedling's grant was justified as a category of activity because "there is a need to support collective activities". Another purpose specific grant introduced in the 1994/5 budget planning process was Taka 10,000 per SRF for corrugated iron (CI) sheeting for a SRF centre, should the members

choose to build one, plus taka 2,500 in cash for associated costs.

These new distinctions between grants were based on CCDB's desires for the beneficiaries' development apparently in the face of their evident preferences for other things. If they had wanted to spend money in areas such as training and seedlings mentioned by HT they would have been able to do so in the previous year. If they had wanted the SRF to take a role in planning the use of grants they could have delegated authority upwards to do so. At the very most they might have needed to be told there was no prohibition against doing such things. But to partition funds specifically for these ends meant CCDB was trying to lead the horse to water and make it drink. A form of learning seems to have taken place, CCDB had noted that the beneficiaries people had not acted in the ways that CCDB had expected, and CCDB had changed its behaviour in response. It was not however a change that corresponded with the beneficiaries' own desires. The one positive feature, was that despite the introduction of the partitioning of grants the total amount delegated to be under the beneficiaries' control increased between 1992 and 1994 by a third.

This modest performance by CCDB needs to be seen in context. In 1991 IIED sent a questionnaire out to more than 1,000 rural development organisations in 50 countries. The main conclusion of their research was that "local community participation in problems assessment and analysis is fairly common...[but] substantially less so for the monitoring and evaluation phases" and more notably, "there is very limited complete financial control given to the local community in all four phases of the work" (Gijt, 1991). The case of Caritas and its federations, discussed in Chapter Six, stands out as exceptional.

HT identified a second change in the planning process as the most significant. He pointed out that grants from donors had increased by around 5-7% a year, and that in the long run they do not expect much increase from donors. At the same time CCDB was faced with a rising salary bill, because each year staff were given annual increments. Although he did not say so, CCDB's staff numbers were also increasing year by year. Taken together CCDB would have been finding it more and more difficult to fund its existing project activities with the resources it had available. CCDB's response to this problem was to try to reduce its costs and to increase its income. HT

reported that CCDB were expecting that in the 1994/5 budget 60% of the overheads of the Project Offices would be financed from service charges (i.e. interest) on credit. The long term aim was that all the Project Office staff would be funded from this source of revenue. During the 1990's the amount of capital CCDB had available to lend to beneficiaries was being continually augmented by donor funds, by between US\$160,000 and US\$250,000 a year. Credit disbursed per annum grew from US\$2.9 million in 1992/3 to US\$5.2 million in 1994/5. It was anticipated that the size of the capital would need to grow a further 200% before all staff costs could be covered. By covering its staff costs from self generated revenue it could "send all new funds to 'program costs'[i.e. not overheads], an attractive proposition to donors". The driving force behind this change was the desire that CCDB should survive in what it saw as a difficult funding environment.

An associated part of the CCDB strategy was to reduce costs, specifically staffing costs. This was being done in two ways. Firstly, a policy was adopted at the Dhaka level that CCDB would cease to pay the Forum Kormi allowances. These accounted for 7% of the PPRDP budget in 1992/3. This was also justified in terms of reducing beneficiaries' dependency on CCDB, with the expectation that the beneficiaries will either be able to do the work of the Forum Kormi themselves or would be willing to take over responsibility to pay them. CCDB was decentralising responsibility but not resources. The 7% of the budget used to pay the Forum Kormis was to be retained by CCDB, to meet other costs, including those of other staff.

The second part of the cost reduction strategy was to hand over the planning of each Project Office budget to the respective Project Officer. This was also consistent with CCDB development ideology which made reference to the need for more participatory management (CCDB 1994e, 1996b). In 1994 Project Officers were given autonomy to plan the structure of their own budgets, within an allocation of funds calculated on the basis of the above target. As of early 1994 only one Project Office (Chapai) had reached the point of its credit staff (33% of all its staff) being funded from service charges. HT recognised that most Project Officers would face problems reconciling their expected income and expenditure and would have to look at how they could cut staff.

The construction of the budget

Once the parameters had been set in Dhaka the process of budget planning involved a movement of information (the budget guidelines) down the CCDB hierarchy from the Dhaka office out to the Project Officers and then down the beneficiaries' own hierarchies, and then all the way back from the beneficiaries to the Project Officers and then to the Dhaka Office. This was the normal process, at least since the inception of PPP in 1992. Two potential learning problems were involved, which are directly associated with the nature of hierarchies as structures of communication. Firstly, as information went down the hierarchy, the budget guidelines could become subject to an increasing variety of interpretations, especially at the Project Office level where verbal transmission of key details takes over from the transfer of copies of the original written document.

The impact of this potential diversity of interpretation on organisational learning was itself influenced by prior learning within CCDB. In the Chapai Project Office, the Project Officer (OT) reported to me that "Last year the samities made their own plans, in their own way. This year the Dhaka Office has given guidelines on priority areas, such as tubewells etc., in the budget guidelines. I have informed the staff, who have informed the samities". This was despite the Coordinator Planning's expectation that Project Officers would understand that there were substantial elements in the document which he definitely wanted to be seen as guidelines, not instructions. The idea that the SRFs might use some of their own pro-rata grant money from CCDB to pay the Forum Kormi was not considered by OT, because it had not been spelled out as a possibility. Other Project Office staff in the Rajshahi area had a more flexible view of how the SRFs could manage, but none seemed ready to be very open in reporting to Dhaka how SRFs would use grant money for this purpose. The idea that money that was previously spent by CCDB to pay the Forum Kormis should be now be transferred as grant money to the beneficiaries, who could use it to pay the Forum Kormis, or do other things with it, was never mentioned as a possibility by any of the staff in the four Project Offices. Attitudes to authority were not only limiting Project Officers capacities to be locally adaptive, but also were limiting their ability to even think about delegating power to people below them, the beneficiaries.

As information came back in from the samities and SRFs to the Project Offices, a diversity of views and plans representing the needs of 45,000 people had to be progressively filtered and synthesised by more than 1,600 beneficiary organisations and then aggregated into a single coherent and not very large document. A period of six weeks was allowed by HT between the time his guidelines were sent out and the date of a meeting to be held in Dhaka where all Project Officers and Dhaka staff would discuss the plans and aggregate them into a final budget document. A huge loss of information was not only inevitable, but also necessary.

Staff at the Project Office level had to adapt their methods of planning, including the involvement of the beneficiaries, to what was possible within a six week slot of time. Their initiatives went further than those already agreed at the Dhaka office level. As mentioned above, these had involved cutting back the number of PPP modules from twelve to three (one reflecting on the past, one looking at the present and one towards the future). When I met with the Mohanpur Project Officer in Dhaka at the beginning of the planning period he explained to me his plans for the planning process. Most of the planning would take place at the SRF level, and two days would be spent by each SRF. Later when I visited him at the Mohanpur Project Office, he reported that the SRF planning meetings had all been completed in one day, rather than two. His overriding concern was to have the SRF's plans ready in time for the planned budget meeting in Dhaka in late June. In Tanore the SRF planning process was also abbreviated. The average SRF meeting lasted for 6-7 hours. Although planning was supposed to take place at the samiti and SRF level, for the Tanore staff what mattered was the planning at the SRF level. They pointed out how it had been more difficult the previous year when they had to compile plans for 96 samities.

Despite CCDB's ideology, which stressed the capacities of the beneficiaries, the planning process at the SRF level was not only being aided by the Forum Kormis, but also by Project Office staff. In the words of one Field Manager in Chapai "Normally a SRF cannot do a plan sensibly, they need help from CO [Community Organiser] and FM [Field Manager]. The CO helps with the plan and writing, 2 copies are made, one for CPM [Community Program Manager] and one for SRF" Although he explained his role as problem solver for the CO it was clear that he was

simply providing the additional labour that was necessary, the COs themselves were not sufficient. When I asked what was the difference between the SRF we had just visited and others, hoping to identify some criteria of quality, his response was very pragmatic, “The others have not yet submitted their plans. They are in the process”. When I asked specifically how the planning process was different, between one SRF and another, the FM commented about how in one SRF there was “a lot of debate and argument” When asked whether it was good or bad to have lots of debate he pointed out that “All papers must be ready for the budget meeting, 22nd June is deadline. If the SRF takes a long time for discussion we will be in trouble... It will take less time if staff can spend more time with SRFs”. In the Tanore and Mohanpur Project Office staff were supporting all the SRFs in their planning process. The involvement of staff speeded up the process but shortages of capable staff meant they could not be involved everywhere, creating an additional incentive to focus on the SRFs.

Other staff responses within these meetings helped simplified matters. In some cases staff persuaded beneficiaries that some activities (such as a duck project) should be funded by loans rather than grants, on the grounds that benefits would go to individuals. This re-categorisation meant costings would not have to be prepared. This advice seemed inconsistent with the fact that slab latrines also fitted into this category (of being for private benefit). With slab latrines samiti members were happy to allocate these to individuals on a queue basis, and to make a partial cost recovery so more members could get slab latrines from the funds available. However slab latrines were a very popular activity and were part of the SRF plans in all the Project Offices. Costing them was not difficult. Other activities such as training were not much of a problem for CCDB staff because where they had already been provided their costs were already known. That did not apply for new forms of training being required by beneficiaries. In most cases these would require the use of outside sources of training, whose costs and availability were uncertain. In summary, there were clear incentives for staff to respond to SRF proposals in a way that reduced diversity and change in grant use.

The next main task was to aggregate all the individual SRF and samiti plans (where they existed) into one Project Office wide plan which could then be presented at a meeting in Dhaka. This process took place firstly at the Unit Office level then at the Project Office in a meeting of the

senior Project Office staff. In one meeting I attended at the Chapai Project Office the central focus was on the calculation of unit costs for all the proposed activities. Variations in costs were questioned and common figure agreed upon. All activities of the same type were then aggregated in terms of numbers and costs.

The necessity for aggregation generated incentives to simplify what was potentially a wide variety of planned activities by the SRFs. When asked about the difference with last year's planning process I was told by a staff member that "This year they [beneficiaries] are all told the cash available and the time available for training. Last years different samities took different time periods and costs for the same training". The introduction of two standard training durations (short and long) meant staff did not have to take so much time in aggregating the samiti plans. There were also economies of scale involved in working out costings of common activities. In Tanore the most common activities were listed first and others later. In the process of producing an average costing for an activity across many SRFs the locally balanced budgets of each SRF no longer added up to one aggregate balanced budget. Amendments need to be made to the total numbers of some activities. When one staff member in the Chapai meeting raised the point that adult literacy courses will be 6 months long not 3 months the total number of schools per Unit Office area was reduced from 20 to 10, at one quick stroke. During the course of the meeting similar but less dramatic adjustments to numbers took place. In these circumstances it was understandable why the Project Office staff might have found SRF representation in these meetings awkward!

The significance of external demand

In late June 1994 a budget planning meeting was held in Dhaka, and attended by all Project Officers, plus senior CCDB staff. During that meeting the aggregated plans from each Project Office, which included the beneficiaries' own plans, were discussed in some detail. The main output of this meeting was similar to that at the project level. This was a tabulation of the various activities that would be undertaken, their number, unit and total costs. The product was incorporated into the CCDB budget for the coming year. The primary purpose of this

aggregation process seemed to be to enable CCDB to lodge a PPRDP budget with the NGO Affairs Bureau (NGOAB) that is “in accordance with the Govt. budget proforma”. These were the words on the covering page of the approved budget circulated to each Project Office in October, five months after the Project Office level planning process. The information that was needed was quite specific and the planning process was designed to ensure its availability.

The primacy of the product at the end seemed to be highlighted by the fact that HT’s own knowledge of the planning process at the Project Office level did not seem very detailed. When I asked him if he could identify which of Project Offices were good in terms of their planning process he found difficulty in recommending one. This contrasted with the ease with which senior staff identified Chapai as a good Project Office in terms of program activities (judged on the basis of credit repayments). Although he received aggregations of plans from each Project Office these do not seem to have been given much attention as documents reflecting a planning process that was supposed to be based on PPP. During the budget construction process there was evidence of learning taking place, but it was moving the planning process in the opposite direction suggested by the PPP ideology, towards more control by staff, not less. Less rather than more differentiation of people’ needs.

The budget preparation process highlights the powerful effects of certain information demands within organisations. In this case they were significantly influenced by an outside party. CCDB needed the approval of the NGOAB every three years for its three year Indicative Program Proposal, and each year for its annual budget. Without that approval no donor funds could officially be released. This control was more than nominal. Delays of up to three months had been experienced in 1992, and in the same year CCDB had been required to undertake an evaluation of its activities over the past three year’s prior to approval of the 1992-5 program. The demands of the NGOAB were not themselves very complex, partly because the NGOAB was operating with a staff establishment that had remained the same in the 1991-4 period, despite massive increases in the numbers of registered NGOAB NGOs, and external funding for those NGOs. According to CCDB staff the NGOAB’s concerns were that there should be clear targets for expenditure, that there should not be significant under-expenditure relative to these targets and that overheads in projects should not exceed 20%.

On first glance these do not seem unreasonable requests, from the point of view of the interests of the government and the beneficiaries. Having to meet the overheads criteria should be in the interests of the beneficiaries. However, the effects were not so direct. Although CCDB had developed a strategy for managing overheads, which had its own justifications in terms of saleability of projects to donors, only the cost reduction elements of this strategy would address the NGOAB's concerns. Increased income, from credit interest, would not change the balance of expenditure on staff versus beneficiaries. CCDB also had to take care in how it presented its budget details to the NGOAB. The Coordinator Planning pointed out that "the main problem was ensuring that all subsequent reports needed to be consistent with the initial figures presented, this was difficult". Although the NGOAB made inquiries to CCDB from time to time about its activities these were not necessarily politically motivated, or out of concern for the NGO's beneficiaries. According to one CCDB staff member "the staff already have too much work, sometimes they ask for more detail, in order to justify delays in processing applications which by law need to be processed within a certain period". When the NGOAB did make inquiries they focused on those things which were most proximate to their concerns, how CCDB used its accounting categories and how they related to records kept in the field. "This is why we have so many accounting staff", the Director reported to me. In his view the management of donors was easier, they share a common philosophy and where there are different requirements they can be sorted out in individual discussions. In his view "It is the government that is the main problem".

The most significant aspect of the NGOAB's information requirements were those concerning targets (for activities and expenditures). The NGOAB did not recognise the samities and SRFs as organisations which were independent of CCDB and who should be separately held accountable for grants they received from NGOs like CCDB. The NGOAB's requirement for CCDB to detail its expenditure targets meant in practice that the use of grants to beneficiaries also had to be planned and accounted for, along with CCDB's own direct expenditure of money (on behalf of beneficiaries). Without these demands the annual planning process at the beneficiaries level, might have taken a different form altogether. In this context the Director's opinion, expressed to me, that the focus on targets in CCDB's annual reports was largely due to the influence of the NGOAB and its target mentality, was understandable.

Managing internal demands

The process of drawing up the budget in 1994 was complicated by Project Officers' concerns about managing the consequences of the changes in the budget guidelines outlined earlier. These were how to manage the necessary staff cutbacks and the new arrangements for the Forum Kormis. These changes were generated by Dhaka Office's response to CCDB's anticipated funding difficulties. This itself was the outcome of a mix of internal developments (rising costs) and external developments (limited growth in donor funds).

The Project Officers concern about staff cutbacks was not focused on the likely impact on the quality of CCDB's work with the beneficiaries. They were concerned that staff who felt most under threat would organise, with the assistance of local groups, against the Project Officer. Cases were cited of staff lockouts in Project Offices in the previous year. The Tanore Project Office recounted how the sacking of two Forum Kormi in Mohanpur in 1993 had led to one Unit office being closed for a month, and how one of two Forum Kormi sacked in her own area the same year that had led to 2 samities refusing to pay back their loans, under their influence. In one meeting discussing the budget implications I witnessed a junior staff member make a clear threat in front of other staff that if his employment was threatened he would take action against CCDB.

Later I received indirect feedback from the Project Officer concerned that my presence in the meeting had been helpful to him, it had helped moderate the tenor of the meeting. In his words, "less people were shouting".

Apart from sending delegations to Dhaka the Project Office used a number of other strategies to meet the constraints contained in the budget guidelines. Three of the four Project Officers in Rajshahi withdrew staff from the Unit Offices and placed them in their main Project Office. This either reduced rent costs or made rental income available, depending on the tenure of the Unit Offices. One consequence of this process was reduced accessibility of the CCDB staff by the beneficiaries and vice versa. The Chapai Project Office planned to use savings they had made in the previous year to boost their loan capital and thus generate more service charge revenue, which could be used to pay more salaries. Those savings could of course been used to provide more grant money to the beneficiaries or more training. The Tanore and Chapai Project Officers mentioned plans to withhold increments and festival allowances, something the Dhaka office had

found difficulty doing.

Both field staff and SRF representatives reacted to the threats to their interests by pressurising the Project Offices not to make the proposed changes, and these pressures were in turn communicated back up the CCDB hierarchy by the Project Officers, including visits to Dhaka. The net outcome of this complex process was an apparent gain by Project Office staff, but not by beneficiaries. Forum Kormis were no longer hired by CCDB, but no significant cuts seemed to have been made in field staff numbers.

These developments are of interest in that they highlight the complex interactions between the adaptations made by various stakeholders in response to changes. What appeared to HT in Dhaka as a development that would be attractive to donors took on quite negative consequences for CCDB's beneficiaries, as various actors in the structure in between responded to the local consequences.

7.4.3 Round Table Meetings

Round Table Meetings (RTMs) with donors are the key point in CCDB's annual calendar. All the documentation produced by CCDB during the year about its various activities is tabled at such meetings, including some which are produced specially for the meeting. They are particularly important every third year, when the three year IPP is presented for approval.

Between 1991 and 1995 participation in the RTMs fluctuated from 6 to 23, with the numbers always being highest when the RTM is held in Dhaka. In the 1990-94 period continuity amongst donor participants was very low. Amongst the 22 donors, 50% had sent representatives to only one RTM, 9% to two RTMs, 18% to three RTMs, 9% to four RTMs and only 14% (3) to all 5 RTMs (WCC, EZE, HEKS). Continuity of individual staff was even lower: 75% of individuals had attended only one meeting, 14% - two meetings, 9% - three meetings and only 2% (one) had attended all five meetings.

The consequence of this low level of continuity was a form of collective behaviour which resembles that of a person with brain damage, who has difficulty remembering what s/he did in the previous unit of time (the last RTM). This was especially noticeable in the 1994 RTM, in the two meetings discussing funding, where knowledge of previous agreements about procedures for funding, and decisions about funding, were confused and significant time had to be spent re-establishing that knowledge, or versions thereof. Memory loss was also evident on the RTM's policy on evaluations, and previous positions taken on what CCDB's role should be with the marketing of goods produced by the beneficiaries.

In contrast the continuity of CCDB participation in RTMs has been high. Amongst the eight most senior staff, the Director had attended all 5 RTMs, and four senior staff had attended four of the RTMs. While this difference in continuity gives CCDB some room to manoeuvre it also means that any previous commitments it has obtained from donors cannot be relied on, they are vulnerable to being forgotten or overridden.

Although more than 30 CCDB staff attended the 1994 RTM the participation of middle and junior ranking staff was limited, perhaps understandably given the importance of the event. This was specially notable, and significant, during the RTM session devoted to the analysis of the RTM process itself. This was facilitated by a consultant contracted to the WCC, as part of a wider review of the use of RTMs. Approximately 70% of the comments were made by seven donors. Many of their contents implied many unfulfilled expectations despite the laudatory comments made about the RTM process by the WCC Chairperson. Comments by CCDB were made by only the Director and one senior staff member, while other CCDB staff listened in silence. Ironically, these comments included the need for a free and open discussion in RTMs. They did not actually address any of the concerns raised by the donors. While this session presented an opportunity to learn how to learn, in the sense of making best use of RTMs, the evidence on this occasion was one of a public failure to do so.

The participation of CCDB's beneficiaries in the RTMs was an innovation introduced in the 1993 RTM, held in Dhaka. In the 1994 RTM a total of eight beneficiaries attended, three more than the year before. All of these came from the PPRDP areas, none were invited from the other six

projects, which were not explicitly labelled as participatory projects. Although beneficiaries belong to samities which are in turn organised into larger bodies (SRF and PRF) the beneficiaries were not present as elected representatives of those bodies. Minutes of the 1993 and 1994 RTM meetings do not even indicate if they were office holders in their own samities. Those who were present seem to have been selected by some delegated Project Offices, and they came to the RTM more as a sample of beneficiaries. One consequence of the sampling approach is that the voices of the beneficiaries present at the RTM would themselves only be a sample. They would not represent the views of the 35,000 people directly involved in the PPRDP. A minor change in the practice of their representation at the RTMs could potentially make a very big difference to the RTM process and the capacity of the other participants to be informed by the event, to learn directly from the poor.

The behaviour of CCDB contrasted dramatically with that of Caritas, mentioned in Chapter Six. Caritas has organised more than one “National Leaders Conference”, made up of representatives from their larger versions of SRFs. They have been the vehicle for what seems a significant transfer of power from NGO to beneficiaries also referred to in Chapter Six. On the other hand, Proshika does not offer a very positive model in this area. Despite having more than 70 thana level peoples’ organisations, representing more than 10,000 beneficiaries each, none were invited to the Proshika - Donor Consortium meeting in the early 1990s’.

Within the 1994 RTM the beneficiaries that did attend had various means of participating. One was as an audience, along with others. Because the proceedings were in English some effort was made to provide translations by CCDB staff sitting next to them, but not very diligently. This provision seemed to be in response to criticisms by donors that such assistance had been neglected in the previous RTM. Beneficiaries also participated in small group discussions of pre-defined questions, mixed in with staff and donor representatives. This practice was a continuation from the previous RTM. The same was the case with a third practice of asking donors and staff if they had any questions they wanted to ask the beneficiaries.

In the 1994 RTM two additional practices were introduced. The first was an opportunity, in a brief time slot, to tell “their life stories of how they joined the Samiti and became self-reliant”.

The time frame was unrelated to the rest of the RTM's focus which was on CCDB's work over the past year. The question seemed biased not towards the identification of news, that might make a difference to existing understandings, but the confirmation of existing interpretations. Nevertheless there were some surprises, some beneficiaries were learning from CCDB in unexpected ways. One of the beneficiaries, already a member of a samiti, said "I would like to establish an organisation with local women for their betterment by doing small business and training" (CCDB, 1995a).

The second new practice was participation, as a separate group, but in parallel with staff and donor groups, in the analysis of events identified by the recently established participatory monitoring system as most the most significant in the last 10 months. Despite its potential value as a means of learning from poor people the key moment, when the views of different groups were shared and compared in a plenary, was almost cancelled by the Chairperson, because of his over-riding concern about keeping to a tight time schedule.

In the 1994 RTM there were two sessions where participation was deliberately very limited. All middle and junior rank CCDB staff, and all beneficiaries were excluded. This session focused on the budget for the 1995-8 Program. Unlike other sessions in the RTM this session was explicitly concerned with decision making, as distinct from making information available. Formal decision making, in as much as choices are made between exclusive options, is very much about organisational learning. Differences between the funding options being considered could make a substantial difference to CCDB's future development. Particular difficulties were introduced into the process by the poor memory of the donor representatives for any decisions made in the past about processes for reaching these decisions. In these circumstances limiting participation had a number of advantages. In addition to easing the management of participants, it also created a less public realm, where defensiveness about appearances was less necessary. Greater flexibility of position could be expected.

The management of time, as well as participation, was an important influence on the learning that could take place in the RTM. The time that was available in the RTM was limited by the large amount of time spent by CCDB staff in presentations of information about each of the project

activities. This was in addition to the substantial amounts of written information made available to the participants. A substantial amount of the content of what was provided was data rather than information, the former not being a “difference that made a difference” The excessive availability of this information was in effect a factor preventing higher-order learning. Discussion time would be needed for any questioning of assumptions, an essential part of second order learning. The need for less presentations, especially of written reports, was commented on by two donor representatives in the session evaluating of the RTM process.

Field visits by donor representatives

Visitor's books at the CCDB Project Offices in the Rajshahi district indicate that up to 20 people a year visit CCDB's projects in the Rajshahi area. These include government officials, senior CCDB staff, church representatives from within Bangladesh and overseas, and representatives from CCDB's donors. In locations closer to Dhaka the number of visitors is generally higher. The 1987-8 Annual Report (CCDB, 1988:8) records that the Shivalaya project, near Dhaka, received 33 foreign visitors. NGOs such as CCDB have the opportunity to learn about the needs of visitors and how to manage those needs. Although they may receive many visitors in the course of a year visits by individual donors rarely take place more than once or twice a year. Their opportunities to learn about CCDB's responses to field visits are much less.

An opportunity for donor field visits is normally scheduled in by CCDB as a pre-RTM event. In 1994 I took part as a participant and observer in one such three day field visit to the Rajshahi PPRDP project by the ICCO and EZE donor representatives. They are CCDB's two largest donors. Such visits were clearly significantly orchestrated events, with substantially routinised elements based on past experience. Project Officers had prepared and printed itineraries, supported by tables of figures and background information about the project area. The schedule was packed with events. Large crowds of people were waiting at some locations for visitors expected at specific times. Developments of specific note were singled out for visits, such as a samiti's investment in a collective pond fishing venture, or a disabled man running a roadside stall funded by his wife's loan from CCDB. On one occasion in the three days visit an elaborate

formal ceremony of welcome, along with speeches by various parties, music and dances, were provided and precluded anything but a fleeting visit at dusk to a nearby pond that had been stocked with fish, funded by loans from CCDB.

Despite the efforts put into the construction of such events, dissonant information capable of making a difference to donors views, could be found. In a meeting with samiti women attending a health education training session it was established that some of the women there had attended such courses more than fifteen times, many more than would be needed even for very dull students. Further questioning suggested that the prospect of possible employment by CCDB, or another NGO, was one factor influencing some womens' decisions to attend.

Even though significant information can be obtained in the midst of orchestrated events its discovery does not ensure that changes in practice will take place that are in the interests of the beneficiaries. In the RTM that followed the field visit to the Rajshahi area the EZE representatives raised the issue of how effective and relevant such training was, but failed to gain a substantive reply. Christian Aid's file notes in London record this incident with an exclamation point, followed by notes expressing some skepticism about the ritualistic nature of PPP, but there is no evidence of any further attention to the matter. There was however some evidence of learning underway within CCDB as a result of the incident. The CCDB staff member who accompanied the representatives of EZE and ICCO on the field visit informed me six months later that he had been told after the RTM that he had not managed the visit as well as he should have.

7.4.4 Commission meetings

In the 1992 survey of NGOs, the CCDB senior staff differentiated CCDB from other NGOs in Bangladesh by the fact that it was responsible to an elected board of management (the Commission). Unlike many other NGOs that had management boards which CCDB argued were commonly filled by the Director's own nominees, the Commission was made up of people elected by the National Council of Churches. Although the NCC had control of the Commission

the formal structure of its membership provided a significant space for groups other than Protestant clergy, including Muslims and non-Protestant Christians. The existence of the Commission implied a much greater local accountability than that faced by most foreign funded NGOs. The other side of this accountability is loss of independence. Through the Commission CCDB was in effect more enmeshed with aspects of Bangladeshi culture that it would have been otherwise. This may have been the price of greater security, as a Christian NGO in a largely Muslim country.

The Commission had significant rights in terms of its relationship with CCDB. The Commission has the authority to give final approval to employment of all staff from Grade 7 and upwards. This group included Project Officers and senior CCDB staff in Dhaka, representing the top 5% of CCDB staff. It has the right to comment on project proposals and contents but how far this authority extended was less clear. The Commission is given copies of all publications prepared for donors, including minutes of the RTM, but this right of access does not seem to have been reciprocated to the RTM. Although the RTM was a subject of discussion in the Commission meetings, the reverse has not been the case. It also receives information not normally sent to donors, including quarterly and half yearly reports on CCDB's programs, and proposals for information to be developed for RTMs. The Commission meets with CCDB much more frequently than the members of the RTM. Meetings are expected to take place every two months, though this is not always the case in practice. Membership of the Commission appears to be quite stable, with no changes in the 1990-94 period, a significant contrast to donor representation at RTMs. The Commission was clearly an important, persistent and stable feature of CCDB's environment. Unlike the RTM the Commission meetings are attended by a very limited number of CCDB staff, normally only the Director, his executive secretary and on some occasions another second senior staff member. There would be advantages to CCDB in this arrangement, if they wanted to carefully control the presentation of information available to the Commission. My own access to information about the Commission's proceedings was limited to opportunities to read but not photocopy the minutes of two meetings in early 1994, and some discussions with CCDB staff about the Commission, and their participation in Commission meetings.

The Commission's authority was a significant influence on CCDB's ability to learn, in three

respects. Firstly, although hiring of senior staff is not a common event, when it does take place the choices of personnel that are made in effect set some of the more enduring parameters of CCDB's structure. More significantly in terms of shorter term adaptability, the Commission appeared in 1994 to have the right to approve or veto changes in conditions of employment of existing staff, a factor which could significantly influence the motivation of existing CCDB staff to improve their performance. In mid 1994 the Director presented a picture to the Commission of the problem CCDB faced, rising staff costs and slow growth in donor income. His suggestion to withhold annual salary increments from poorly performing staff was vetoed, and instead the Commission recommended "a paper on the issue be prepared by the senior officers within 3 months for consideration by the Commission." Other recommendations from the Commission suggested the influence of staff lobbying via other networks. They had suggested "that effort be made to ensure the utilisation of services of technical staff in their respective areas", meaning they should not be used simply as additional administrative support. There is no direct evidence, but it seems one likely reason why no field staff were cut as a result of the 1994 budget preparation process, after the delegation of responsibility to Project Officers, was lobbying of the Commission by threatened parties, via networks outside CCDB.

The Commission was also able to have a more immediate and potentially significant effect on CCDB through its demands for specific types of information, to be produced on both a routine and a once-off basis. In the April 1994 meeting the Commission decided that "... the progress of CCDB activities on a quarterly basis showing targets, achievements, problems, solving measures taken etc., should be received by the Commission on a regular basis. This will help the commission understand the dynamics of the program and put forward suggestions for mid course adjustments." This seemed to be in response to dissatisfaction with the quality of information they had received from CCDB up to date. The overall thrust of their demands was for quantitative data. The main source of this demand was reported to be the Commissions Vice-Chairman, an ex-official of Planning Commission and later an independent consultant. The Commission also made a number of requests for evaluations to be carried out of different program activities, on a much less inhibited basis than the donors at the RTM. Donor initiated evaluations were subject to the consent of other RTM participants and were limited to one a year.

The Commission's requirement for quarterly reporting was the most problematic for CCDB staff. BS, the Coordinator Programs, responsible for overseeing the PPRDP and other field projects was given responsibility for designing a more satisfactory system in early 1994. Although the Commission's recommendation did not specify a focus on activities per se, the model developed by BS was based on activity categories used in the 1993-94 budget, enabling BS to use of existing Finance Unit data on budgeted and actual expenditures, and minimising the extra work involved in the preparation of the reports. This was supplemented by additional information about the numbers of people involved in each activity. This proposal was apparently not sufficient, and additional opinions and assistance were solicited by the Director from other staff members. The head of the Information Unit (EC) led his own staff in workshops with Project Office staff in efforts to identify indicators, but with no conspicuous success. In June BS was considering the possibility of thematic reports on specific issues rather than comprehensive reports on all aspects of the programs activities. Both EC, BS and the Director's Executive Secretary sought my comments and advice on the problem they were struggling with. When BS sought the opinions of the Project Officers on desirable reporting formats they sent back draft formats similar to those that had been used in the past under the MRDP, possibly because their production, as designs required the least additional work for the Project Office staff. The learning that was taking place was based on very local searches.

The Coordinator Programs saw the necessity of reporting targets and achievements in terms of activities as something that was problematic within a PPRDP type program. In his view, because PPP meant planning was very localised the significance of the combination of activities, people and costs in any one location, especially different project areas, was very difficult to compare. Aggregation was seen as a major problem. This was one reason why he was considering alternatives such as thematic reporting, a practice that has been introduced by the DFID NGO Unit for use by the largest recipients of DFID NGO block-grant funding in the UK. DFID were also faced with the problem of producing useful reports about a diversity of projects in different locations. While BS felt he could explain these difficulties to me he felt less confident in explaining it via a written report to the Commission. The other difficulty was in the language of targets which BS, and others in CCDB, felt was "not participatory". While this objection sounded slightly precious it was understandable. It was a pre-PPRDP language and carried

connotations of central planning, and of the CCDB being responsible for achievements, not the beneficiaries themselves. Use of the language alone might help the persistence of the associated attitudes, something which CCDB had tried to overcome by extensive staff training on the meaning and significance of PPP (CCDB 1990a, 1991c).

It is unlikely that these difficulties arose for the first time in mid-1994, two years after the PPRDP was well underway. The Director's own interest in my proposal for the development of a participatory monitoring system, first discussed with him during a brief visit in late 1993, was expressly based on a concern about the difficult of showing evidence of the achievements of the program. His decision to accept in mid-1993 the offer of expatriate technical assistance (via connections with the WCC) with the development of research capacity within CCDB, was probably influenced by a similar concern. CCDB was experiencing its own crisis of representation.

7.4.5 Program Coordination Meetings

Program Coordination Meetings (PCM) are held two to three times a year, in Dhaka. These involve up to 30 staff, including both senior staff from the Dhaka office, and up to three senior staff from each of the 10 PPRDP Project Offices, as well as the other CCDB programs. Associated with these are similar meetings called Zonal Meetings, held once or twice a year in the field, with staff from three or four PPRDP Project Offices at a time, and attended by three or four senior Dhaka Office staff.

The PCMs exemplified a second type of communication structure within CCDB. Normal day to day communications are hierarchical, going up and down defined and specialised branches of responsibility. In the PCMs I attended CCDB staff would sit around one large rectangular table setting, with senior staff in a row across one end. Project Office staff gave reports to the meeting in turn, usually with each report followed by questions, both from senior staff and to a lesser extent staff from PPRDP Project Offices and other programs. Everyone hears what was said, and people who were not directly responsible for or associated with the speaker could ask them

questions. In the PCM meetings attended in 1993 and 1994 comments from peers were common and frequently more critical (if not overtly so) than those made by senior staff. There was potential for a wider diversity of views to be heard than that normally between a staff member and their subordinate. In addition, there was normally a substantial amount of informal contact between all participants outside the meeting itself, allowing more uninhibited expression of views. The diversity of views expressed on an issue was not normally resolved into decisions in public. In many cases no specific decisions were made within the meeting. Where decisions were made it seemed that most were made after the event, by the Director and the senior Dhaka office staff.

A third form of staff meeting involved even less centralisation, and made more use of teams than hierarchy. On a number of occasions the Dhaka office set up workshops where staff from both field offices and the Dhaka office would address issues of less immediate significance. For example, the “Review of CCDB’s Present Organisational Program Strategy and Future Direction” (CCDB, 1994d). In these thematic workshops more use was made of sub-group discussions, with sub-groups being made up of staff of mixed status and responsibility. In these groups there was much more lateral communication, and diversity of views, than that possible in a single large meeting, such as that used in the PCMs. The reports of such workshops typically involved lists of comments and views, and some recommendations, but no decisions (CCDB, 1994e). Such workshops were not held on a regular basis, but as needs arose.

These three forms of communication structure can be seen as forms of behaviour, which CCDB has learned to use when faced with different degrees of uncertainty. In one-to-one meetings between seniors and subordinates within CCDB, participants normally address issues defined by their current roles and tasks, boundaries that have been informed in detail by CCDB’s past experience. The PCMs are more open to unexpected events and interpretations, but still work within the boundaries of defined projects and specific time periods. The thematic workshops are more open in their timing, not necessarily so project bound, more future oriented and less associated with the need to make immediate decisions. In as much as they involve more focused participation, the Zonal meetings with Project office staff in particular field locations, seemed to address a scale of uncertainty lying between that addressed by the PCMs and normal hierarchical

communications. Overall, conditions of greater uncertainty were being managed by allowing a greater diversity of views, but the use of such diversity was constrained by the cost in terms of the slower speed of any associated decision making that was necessary.

Within the PCM itself there were multiple layers of routinised and variable communication processes. This is another way of describing the attribute of “openness”, as defined in Chapters Three and Four. The main body of the meeting consists of PPRDP Project Officers and other Program heads presenting six monthly reports on their respective areas. In each PCM these are normally followed by some discussion of their contents. After these reports are completed the rest of the meeting is concentrated on discussions of specific issues of current concern, which can vary from meeting to meeting. Within the reports that are given by Project Officers there are some standardised contents but there are also sections which are prescribed anew each time the Coordinator Program’s memo is sent out giving notice of the next PCM. The most standardised elements of the Project Officers reports are those to do with budgets, savings and credit provision and training, all easy to quantify. In the January 1994 PCM the Project Officers of the PPRDP were also asked to report on progress with the development of peoples’ institutions and “changes noticed among the people”. Even this request had structure and openness. As well as identifying achievements they were also asked to focus on problems, both a listing of those identified by the Project Officers themselves and their responses to one generic problem identified by the Dhaka Office: How they will manage their expanded coverage in the face of the budget constraints faced by CCDB. In the attempts to document “changes noticed among the people” one Project Officer had carried out a survey of beneficiaries’ views while others had given more impressionistic accounts.

The standardised nature of the financial details provided in the reports was due to the fact that the Finance Unit in CCDB Dhaka Office required monthly reports of this information, in a form that has itself become more standardised over time (see below). There was a demand for this information, and its frequent production had facilitated routinisation. The absence of this information over a short period of time could make a significant difference to the viability of CCDB as an organisation. This was not the case with information about “changes noticed among the people”. Although there are clearly much more complex problems of measurement with

assessing changes in peoples lives (due to CCDB) than documenting the usage of money spent by CCDB, that difficulty is not sufficient to explain its lack of routinisation. With sufficient demand even poor quality indicators would be in use, as is the case with the indicators used to measure the performance of schools in the United Kingdom at present.

Despite all the time put into structuring these reports and producing them, the reports presented at the PCMs were in effect supplementary documents to the Project Officers' verbal presentations. The demands that the Project Officers felt were the most pressing and immediate were the queries and comments made by the other participants to their verbal reports. There was little opportunity for these to be based on the actual contents of the written reports. Many reports seemed to be circulated to the participants at the same time they began their presentations. Despite the variability in the contents of the reports there was much of interest in the reports, not only bland and unquestioning assertions of progress made but also some honest reporting of problems. For example, that the office holders in five samities in Tanore had attempted to appropriate the CCDB grant money for their own purposes. Even the opportunities to learn from the verbal reports were constrained by the number of reports that had to be presented, which meant in effect that later reports were given progressively less and less time for discussion. As with the annual planning exercise already described the very broad scale of the events that needed to be reported on, given the limited time available, imposed a major constraint on the information that could be attended to and thus have an impact.

The process in these meetings was evidence of the saying (source unknown) that "although evolution is effective it is very inefficient". In preparation for such meetings huge volumes of information known to CCDB field staff had been left aside in the process of creating a summary report at the Project Office level. Then in presenting that report in Dhaka, much of the text of the report itself was left aside for want of time. Then, in the minutes of such meetings, much of the contents of even these accounts were further abandoned, in the process of creating a wider summation. Six months in the lives of around 300 CCDB field staff and more than 45,000 people were finally summarised in the form of 13 pages of text (minutes of the meeting). Are there more efficient ways of managing diversity on a very large scale? In Chapter Eight a description will be given of a different approach to this task.

7.4.6 Monthly reports and meetings

Within CCDB there are a number of monthly routines involving staff meetings and the associated production of reports. These include:

- Meetings of staff within the Project Offices of the PPRDP.
- Communication of minutes of those meetings to Dhaka Office.
- Meetings of some of the main units with CCDB's Dhaka office.
- Preparation of reports on savings and credit program status within the PPRDP office, for communication to Dhaka Office.
- Summary of those reports by the Finance Unit, for senior Dhaka office staff.

As with the PCM process, these can be distinguished by the degree to which each of these has been routinised, versus remains open to variation in their focus each month. Staff meetings are, from the few I saw, not highly structured at all, and the contents varied very much according to current concerns as expressed by senior staff. In the Dhaka Office not all units had monthly meetings. They were held by the Coordinator for Administration, Programs and HOPE, but apparently not by the Coordinator Finance. The explanation for the latter seemed to be that in the case of the staff of the Finance Unit their work roles were already highly routinised, and results were evident in the records and reports they produced for the Coordinator Finance. There was little that was open ended and unplanned in their work. On the other hand, regular meetings between the Coordinators and the Director, do not take place either. In their place were more purpose specific meetings called on an as-needed basis, though these meetings are generically called Steering Committee meetings. This sort of arrangement would be more suitable for coping with much higher levels of uncertainty and change.

Monthly reporting on the status of the savings and credit activities had itself undergone a process of routinisation in the early 1990's. In 1989 CCDB had commissioned a consultant (Wright, 1990) to review its management of information, and this had led to the design of a comprehensive computer based approach covering all aspects of CCDB's work. However only limited aspects of Wright's proposals were implemented. One reason being that the data collection involved was more detailed than what CCDB staff felt they needed or could manage.

The situation changed when during the early implementation of the PPP process evidence emerged of a crisis in the performance of the savings credit program, with repayment rates falling dramatically. This appears to have been due in part to overly literal interpretations by field staff about the importance of people managing their own development. This development seems to have acted as a stimulus to improve the way in which CCDB monitored and managed the savings and credit program. In 1993 the re-organisation of PPRDP supervision under one rather than three Coordinators in Dhaka led to one common reporting format on the Dhaka Office level, for the PPRDP, versus three that existed beforehand. Later in the year, a common format for savings and credit performance was introduced by the Finance Unit, for use by Project Offices. In the process, the responsibility for producing financial reports was centralised, away from the Project Offices. Apart from giving Dhaka Office greater capacity to manage the savings and credit program this centralisation had additional advantages. Before the change Project Offices were vulnerable to substantial and time consuming demands for information from local government officials concerning project finances (Wright 1990), and delays in reporting to government offices in Dhaka were common. Financial reports to thana offices had been required fortnightly and involved details of performance in terms of physical and financial progress, being described as percentages of target figures (Wright, 1990).

From late 1993 performance of savings and credit activities was analysed by the Coordinator Finance (MI) in the Dhaka Office, summarised in one table, and distributed amongst senior staff of CCDB and back to the Project Offices. The table enables comparisons to be made between the different Project Offices in terms of the percentage of loan capital whose payment was overdue, over a series of six months. In 1994 MI was familiar enough with the data to be able to tell me which Project Offices were doing best and worst in these terms, without having to refer to his table. This table was *the only document* that I saw produced by CCDB during the 1993-95 period which provided time series information. It was also the only report produced at the Dhaka Office level, based on Project Office data, that was systematically sent back to all the Project Offices, every month. Unlike any other aspects of CCDB activities at the Project Office level records kept there on savings and credit performance even differentiated down to the level of the dol, the original constituents of the samities formed in the late 1980's. This was only the case however where they still had outstanding loans. The workings of this monitoring system

reflected CCDB's central pre-occupation in the 1993/4 period with credit. Categories of beneficiaries were finely differentiated and change was monitored over relatively small units of time.

The routine analysis of the savings and credit data by CCDB was unsophisticated by the standards of other major NGOs involved in credit in Bangladesh. There was no differentiation by the degree to which loans are overdue, or the scale of the individual loans involved. Project Officers had pointed out to me that much of the overdue money was bad debts from the 1980's and argued that this should be differentiated in the Dhaka level reports, to give better recognition to their current performance. Relative improvements in credit repayment, rather than absolute levels, would also have been a better measure of the current performance of Project Offices, indicating their current capacity, whereas absolute levels include the effects of past achievements. MI's ability to explain the reasons for variations between repayment levels in different Project Offices was actually very limited, and he suggested that I should talk to the Project Office staff to get their views. MI's response to my query about his use of the data was that CCDB was concerned with maintaining high levels of repayments over time, not local improvements which could be due to a variety of factors. Improvements in staff performance, or events at the levels of beneficiaries, were in effect were secondary. The central concern was with CCDB's overall financial wellbeing.

Although information on savings levels is also sent to Dhaka by the Project Officers on a monthly basis along with the credit data, this information does not pass beyond the desk of the Coordinator Programs (BS). There is no routine analysis of savings data, differentiated by Project Office, or trends over time. Annual reports do describe the total amount of beneficiaries savings for the year, but this information is not presented in time series form, showing trends over time even at this level of aggregation. The one distinction that is routinely made is between total savings of all individual members aggregated, and the total savings in samiti fund. The latter is intended to be for the collective use of the samiti, such as meeting the pro-rata contribution involved with the grants associated with the PPP process. Without such data on record CCDB would find it difficult to plan how much money it would need to disburse as pro-rata grants.

The use of savings as a potential use as an indicator of peoples' wellbeing was limited by CCDB's own interpretations of its meaning. Until 1994 at least, savings was seen in semi-moral terms as a habit that must be learned (CCDB, 1993a), and being able to do so was a pre-condition to credit access. The accumulation of savings was not seen as a measure of wellbeing in itself. Nor was the problem seen in terms of inappropriate opportunities to secure savings, which could be overcome by appropriate user-friendly services, as has been consistently argued by Rutherford (1997b). The consequences will be explored below.

From late 1993 credit repayment rates became the single main indicator of which CCDB Project Office was performing the best. The Chapai Project Office was identified by the Director as the best in 1994 on this criteria, and for the first time in CCDB, the Project Officer in charge was rewarded with a holiday for his family in Cox's Bazaar, a coastal tourist resort. This was because Chapai had achieved and maintained a credit repayment record of 100%. Although the Director had initially expressed some doubts about the wisdom of circulating credit performance to all the Project Offices, the net effect of this information, plus incentives such as holidays, was more attention by Project Officers to credit recovery, and correspondingly less to all other activities, especially training and the PPP aspects of their program. In 1994 all categories of staff at Project Offices were mobilised during the repayment months to ensure that credit due was fully repaid. The effect was such that even the 1995 CCDB study to assess the impact of the credit program (CCDB 1995b) noted with concern that a separation needed to be re-established between staff responsible for credit and those responsible for training and community organisation. Complaints also filtered through other networks to the Commission, which expressed concern. Another consequence, not documented by CCDB, was that there was minimal incentive for any CCDB staff to acknowledge or represent the interests of beneficiaries who do find themselves unable to make repayments on time.

7.4.7 Routines involving beneficiaries' organisations

Three types of beneficiaries' organisations have been developed by CCDB: the samities, the

SRFs and PRFs. In its “Review of CCDB’s Present Organisational Program Strategy and Future Direction” (1994d) it is clear that CCDB had specific expectations about their activities, ones they felt should apply across all 10 project areas. Individual samities and SRFs were expected to meet once a month. The PRFs, the equivalent of an annual general meeting for members of up to three SRFs, was expected to meet twice a year. In practice the planned meetings were not so frequent, the 1994/5 Annual Report recorded an average of nine meetings a year for the samities and ten for the SRFs. Most of the PRFs met only once in the year, and some not at all. Possibly in response to this difference from the desired standard the 1994/5 budget was structured to include funding for the materials and specialist labour required to build an office for the meetings of the SRFs. By 1994 the SRFs had become the key body mediating communications between CCDB and the beneficiaries. Unlike Caritas (Benini and Benini, 1997) there were no proposals for meetings between different PRFs, which could have provided opportunities for learning between such peoples’ organisations.

In the early 1990's procedures within the beneficiaries organisations were subject to increasing definition by CCDB, rather than by beneficiaries. At the beginning of the PPRDP the roles of Convenor, Animator and Recorder were added to each samiti, in addition to those of Chairman/women, Treasurer and Secretary. CCDB's expectation was that they would be able to facilitate the PPP process. Despite evidence in Research Unit reports (CCDB-RU, 1994a) that this intervention had failed completely further interventions were considered. In 1994 plans were made to encourage the SRFs to develop a set of by-laws governing their operations, including presumably the conduct of meetings. Since the Research Units own reports (CCDB-RU, 1994a) suggested that many of the samiti and SRF members were still illiterate it is highly likely that this development would involve significant staff involvement, as in the annual planning process, and this in turn would result in standardisation of the contents of the by-laws. The insistence of by-laws suggests that CCDB has not learned about its own failure to significantly increase literacy amongst samiti members.

As has been mentioned above, the PPP process takes place once a year and is, as shown above, closely tied in to CCDB's annual budget preparation process. Although there is a progressive aggregation of plans as they move up the CCDB hierarchy there is no corresponding progressive

aggregation of evaluations of the previous years' activities. The same has been found to be the case with the peoples' organisations organised by Proshika (Davies, 1995). This is despite the fact that such evaluations must take place, even if only very informally, in the process of planning next year's activities. Comparisons would be made between activities, and within the hierarchy, possibly between groups in terms of their relative levels of activity and achievement. The simplest explanation is that there was no evidence of any demand for such information from donors or government. The information that CCDB believed donors wanted was about long term impact. The information the NGOAB wanted was about plans and targets, the latter expressed largely in terms of outputs. The middle ground, beneficiaries views of the services provided, and what they had been able to do with them, was being ignored.

Training activities are an important component of the annual plans that are drawn up by the samities and SRFs. Training is the only other major activity that field staff are involved in, apart from savings and credit. In 1993/4, if the figures in CCDB's Annual Reflection can be relied upon, the equivalent of every samiti members in the PPRDP would have attended more than three different training events. These events last from one to six days and include both income generation oriented training (mainly agriculture based), health and literacy education, as well as PPP, and the operations of peoples' organisations. Although I did not spend time observing them, it seems likely that they have been significantly routinised over the years. The annual planning process which took place in 1994 introduced more structure into the training process by imposing categories of training (short and medium term) on the miscellany training durations that had existed the previous year.

Although there had been evaluations of various CCDB programs in the late 1980s and early 1990s (CCDB, 1990b, 1992a, 1992c, 1994f, 1995b, 1996e), including savings and credit, none of these have focused on training activities. This is despite the information available from the Research Units (CCDB-RU, 1994b:9) field work which suggests that "The samiti people are in general not very positive about the training. Their wishes seem not to be fulfilled, the duration is too long, and they sometimes seem to forget the learned lessons....The samiti members complain that they do not receive incentives to implement the learned lessons". Sessions about PPP are described as boring and preferences are expressed for training related to income generating

activities instead. Similar views can be noted in some Annual Reflections (CCDB 1994b).

Serious changes to the use of training seems to have been constrained by a combination of factors. Within CCDB, as indicated earlier, there were views about some types of training that people needed, and if necessary, special funds should be set up so they can get it (and not use the money elsewhere). Training activities were also very easy to document in terms of targets and achievements. They are planned for so many people for so many days on such and such topics, they take place usually without difficulty and are observable and countable events. Training activities are also what the CCDB field staff already know about, it is what they did under the previous MRDP, they have routinised their knowledge in this area. Finally, if samities want to use their grants for other than training activities then the roles of non-savings and credit staff are thrown into question, what should they be doing instead?

In contrast to the expenditure on training, and other uses of grant monies by samiti members, the end uses of credit does not have to be accounted for to the NGOAB, or the Commission. What does have to be accounted for is the volume of credit likely to be needed, and actually used, and this must be done on a six monthly basis, via auditors reports. In the Rajshahi Project Offices of the PPRDP samities seek approval for their credit requests twice a year and the actual credit is issued and collected four times a year (February, May, August, November). The six months periodicity in the approval process (if adhered to by beneficiaries in practice) requires some significant advance planning by samiti members. As well as some seasonally predictable needs for credit (e.g. for rice production) there are bound to be other unpredictable and emergency needs. Quarterly approvals, along with disbursements, would be better. The ideal would be continuous rather than batch processing, access to loans at any time of the year. In the private sector the main constraint to the adoption of continuous process is the absence of sufficient volumes of the material or events being processed (Pallister and Isaacs, 1996). In the case of CCDB the most significant constraint on more frequent iteration of the authorisation and disbursement process seemed to be processing costs. In an interview with the Chapai Project Office Credit Manager seven separate levels of authorisation were required even at the Project Office level. Despite the move to PPP only part of the process of credit authorisation and management had been devolved to the samities themselves, and therefore was without costs to

CCDB.

In the early 1990's loan repayments were made by beneficiaries at the end of the loan's term. While simple to administer, this practice carried a risk that beneficiaries may not be able to mobilise the single large sum of money necessary to make the loan repayment. Mobilising small amounts to make weekly payments was one part of the perceived success of the Grameen Bank's approach, a model that has been widely copied. CCDB staff had been aware for some time of the risks of people rolling over their debts, from one loan to another. In 1994 I was told how, some years ago, some CCDB field staff had been discovered acting as interim money lenders in such circumstances, using their savings in the CCDB staff credit union as loan capital. Although action was reportedly taken against the staff no action seemed to have been taken at that time to assess the scale of the rollover problem. However, in 1995 an impact study was carried out on the CCDB savings and credit program (CCDB, 1995b). In one project location sampled in this study it was found that 47% of samiti members who had taken loans had lost their capital, and as a result were borrowing money from money lenders and other sources to repay CCDB's loans, and then repaying those loans by taking larger loans from CCDB in the next loan cycle. In late 1995 CCDB changed its credit system and introduced a single term credit to be repaid over 12 months (CCDB, 1996a), in weekly installments.

The impression given by this story is of CCDB as slow learner, only made aware of the user-unfriendliness of its credit system when the problems it had caused had grown to such a scale that they must have threatened the viability of CCDB's own plans for its financial sustainability, via interest on credit. This delay itself was not without its problems. If loans are for productive purposes, the preferred end use of loans from CCDB's perspective, then immediate weekly repayments are inappropriate. This is especially the case where agricultural rather than artisanal or manufacturing production is involved. Six months might pass before income is received from such investments. It is less problematic where money is invested in trading stock, or immediate consumption, but both of these were less preferred uses in CCDB's eyes.

CCDB's response did not involve improved responsiveness to the needs of the samiti members. That would be visible in the development of loans with different repayment conditions, suitable

to different end uses. Beneficiaries would be differentiated. In the 1995 study it was noted that 25% were not in favour of weekly repayments. However, there was some recognition of the need to move in this direction. In the 1995/6 annual report it was suggested that "...the terms of credit, mode of payment and rate of service charge should be determined in closer cooperation with the PIs (peoples' institutions), accommodating diversities" (1996a).

The depositing of savings is another routine part of samiti activities, one that was expected to take place at each monthly meeting. These savings take two forms, savings that will remain solely for individual use, and savings that will become part of the samiti fund, intended to fund common purpose activities. Both forms of savings are mandatory, part of the requirements of being a samiti member, and a condition that has to be met to gain access to a loan. Unlike normal savings accounts in commercial banks these savings could not be withdrawn, unless the person wants to leave the samiti. Procedures for doing so seemed to be undeveloped. The only change that took place to this process in the early 1990's was to enable beneficiaries to "borrow" those savings as part of the loan they took from CCDB, on a pro-rata basis. They then paid interest, on this money back to themselves, along with interest to CCDB on its component of the loan. This was felt by CCDB to be better than leaving the savings sitting in the bank. It enabled CCDB to meet samiti members demands for bigger loans, but at no extra risk to itself, or without the need for more loan capital from CCDB's side. No other changes seem to have been made to the individual savings accounts in the 1990-95 period.

Although CCDB does not pay routine attention to the details of the beneficiaries' savings behaviour, the beneficiaries' savings behaviour does suggest they have attended to CCDB's behaviour and adjusted accordingly. An analysis of sub-sample of 30 samities in the Manda Project Office area shows that monthly rates of both individual and samiti funds savings diminishes as duration of membership lengthens (significant at <0.01). The same seems to be the case when the total additional savings per year for the whole PPRDP for the years 1992-5 are analysed, a period when membership was static. This is the reverse of what might be expected if samiti members were benefiting from CCDB assistance and finding the CCDB savings' facility of value. It would however be a functional adaptation if the only value of the savings' facility was to meet the requirement for access to CCDB loans and pro-rata grants (to samities, and

SRFs). In the Manda sample the average size of both sets of savings was above the maximum that was needed given CCDB's policy at the time on grant sizes and credit limits. In these circumstances it was not possible for members to cease to make savings because regular savings was a condition of retaining membership of CCDB samities. However, reducing the savings' rate was possible. In 1994/5 the average samiti member was saving 18 taka a month with CCDB, equal to approximately US\$0.50c. This figure was down 28% from the previous year. Loan volumes did not decline.

There was evidence of samiti members adapting to what CCDB had to offer, in another way as well. In the PPRDP the proportion of samiti members who were borrowing was surprisingly high, at 91% in 1994/5 (CCDB, 1995a:38). This compares to the rule of thumb of one borrower to three savers in developed countries, and two borrowers to three savers in developing countries (Rutherford, 1997c). It is also high when it is recognised that there are other successful savings and credit schemes targeted at the very poor in Bangladesh, such as that run by Buro Tangail and Federal Savings where the percentage of clients borrowing is between half and two thirds respectively. Rutherford (1995) has argued that weekly repayment schemes favoured by credit providing NGOs in Bangladesh are in fact used by poor people primarily as savings' schemes, and the loans are in effect "advances on savings", and paid for out of regular income, not from new income generating investments. "Field staff are well aware of this, and show it when they explain problems of late repayments in terms of factors which cut down on normal income - factors like weather, illness, and seasonal variations in the availability of day labouring jobs". The high level of use of CCDB's credit facility is in effect a reflection of samiti members responses to the paucity of more suitable alternative means of making savings.

Evidence from Rajshahi and elsewhere suggested that the range of choice available to samiti members was in fact changing. This was not so much because of changes in CCDB's practices, but because of changes in the NGO sector at large. The growth in numbers of NGOs, and very large NGOs in particular, meant more and parts of the country were being reached by NGOs. Sobhan (1997) cites evidence that in the early 1990's NGOs were active in 75% of the 489 thana in Bangladesh. In the Rajshahi area more and more NGOs had become active in CCDB's project areas. In Chapai new NGOs became active in 1978 (Kolani Mohila Sangstha), 1980 (CARE),

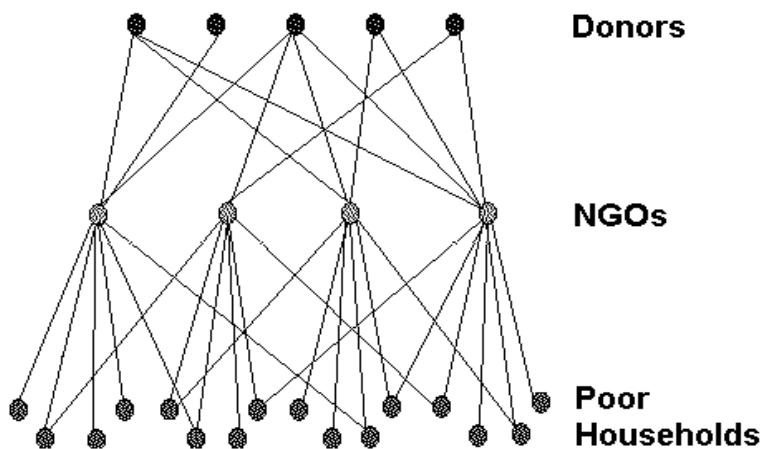
1984 (BRAC), 1987 (Grameen Bank) and 1993 (Jatiya Mohila Sangstha). Three other locally based NGOs had also become active in the area in the 1990's. Grameen, BRAC and ASA were also active in the other three Rajshahi Project Office areas, as well as 3 more local NGOs in Mohanpur, and possibly others as well. Benini and Benini (1997:21) refer to how in the northwest of Bangladesh RDRS has also lost its virtual monopoly status as a service provider and to the fact that now "as in other parts of Bangladesh, there is fierce competition among NGOs fought out primarily through their credit programs".

The evidence from within CCDB and from other sources (Sobhan, 1997) indicates that poor people are increasingly making use of what is a wider range of choices of NGO services. Not only are they well aware of the differences between what is on offer by different NGOs, for example the terms of the attributes of the savings and credit services (CCDB-RU, 1994d), but they also change their membership from one NGO to the other, or have different family members involved as members in different NGOs (CCDB 1996g). The 1994 BRAC Impact assessment study included a case study of a village in the Chapai area. Not only were individual families managing membership in BRAC and CCDB samities, but some of the families with membership in CCDB samities were reported to be on-lending CCDB loans to BRAC member families at 10% a month. This was possible because unlike BRAC CCDB was not requiring weekly repayments on loans (Greeley, 1994). Becoming a member of a samiti is the basic organisational routine at the level of samities, within which all others take place. By making their own adaptations at this level poor households were managing the constraints imposed by the particular savings and loan routines that were associated with different memberships.

Instead of being at the bottom of a single hierarchy of hierarchies (samities under SRFs, under Unit offices, under Project Offices, under the Dhaka Office) poor people in the Rajshahi area were now at the base of a number of hierarchies which, in practice if not in policy, were competing for their membership. The structure was becoming more heterarchical. Messages about their preferences, if only signalled when people voted with their feet, could get up to senior managers via more than one channel. The situation is summarised diagrammatically in Figure 7.3 below.

What seems to be emerging in these circumstances is the completion of a feedback loop between learning at the level of individual NGOs and learning at the NGO population level. In the past individual NGOs were funded, for presumably having achieved at least a minimal level of performance. The continuation and expansion of their funding has prompted imitation of NGOs as a form of organisation, and of their specific activities. Having reached a certain density, what were separate NGO hierarchies have become linked via common beneficiaries into heterarchies. In principle, membership and movement within heterarchies then gives poor households more bargaining power in their relationship with individual NGOs, because they need poor households as members. Where this is the case the responsiveness of NGOs to the needs of poor households is likely to be increased. In 1995 ActionAid Bangladesh carried out what may be the first study by an NGO in Bangladesh that was focused specifically on drop-outs, from its two most well established savings and credit programs. Findings led to changes in the savings and credit program and a further tracer study was commissioned in a second project area in 1997 (Davies, 1997a).

Figure 7.3 Heterarchical relationships between poor households, NGOs and donors



A significant constraint on the development of this process is NGOs' "theories of the business", referred to in Chapter Five. In particular, their policies on poor households having multiple memberships in NGO programs, and the extent to which those policies are acted on, and even known to be breached. The NGOAB policy (NGOAB, 1990) is ostensibly to prevent duplication, but in practice the overlapping of NGOs in the Rajshahi area suggests this is a policy that they are not monitoring or enforcing. In his review of the Bangladesh NGO sector carried out in 1995/6

Sobhan (1997) notes that “Almost without exception , NGOs do not permit their groups to access programs and services provided by other NGOs”. Evidence from the PMS (CCDB, 1996g) and from incidental discussions with CCDB staff, suggest that at the field level policy and practice are both more ambivalent, with NGO staff turning a blind eye when it is in their interests, and at other times invoking policy. The main significance of what these policies, which are promoting restrictive trade practices, is likely to be not so much on the scale of multiple membership but on the ability of junior staff to communicate up their own organisational hierarchies significant messages from beneficiaries having multiple memberships, and others that have changed membership. In 1994/5 CCDB’s participatory monitoring system was enabling some of these stories to reach the attention of the highest level staff within CCDB, in a publicly documented way.

7.5 CCDB’s Annual Reflection

The exploration of CCDB’s major routines has ended with an examination of some of the changes that have taken place in the services provided to their beneficiaries by CCDB, and beneficiaries’ own responses. This concluding section will briefly look at CCDB’s own summation of all its work, the Annual Reflection, and the differences to which it gives attention.

The Annual Reflection is an annual report that goes CCDB’s donors, to the Commission, the NGOAB, and to anyone wanting general information about CCDB (who can read English). Its contents reflect CCDB’s own interpretations of work, one that it feels would be at least publicly acceptable, and possibly in demand. Unlike all other documents prepared by the Information and Research Units it is produced every year and follows a relatively standard format. It is written and vetted by the most educated and senior staff in CCDB.

There are four important features of the content of the Annual Reflection. The first is the nature of the atemporal distinctions that are made. In the both the PPRDP and pre-PPRDP period (<1992) the reports have been structured around the different programs CCDB was implementing. These were differentiated in the first instance by whether they involve multi- or mono-sectoral activities. The mono-sectoral programs were further differentiated by the type of

activity carried out by each program. The same was also the case with the PPRDP, the one multi-sectoral program. Within each of the categories of activity associated with the PPRDP in the annual reports since 1992/93 there is no disaggregation by geographic area or groups of people despite the fact that as of 1995 the PPRDP was active in eleven different thana spread through western, central and southern Bangladesh. This is also despite the fact that one of the Annual Reflection's (1994/5) itself notes that "...expectations vary from Samiti to Samiti and also regionally, depending on so many factors". The structure that has been used by CCDB seems to represent what CCDB sees itself as most immediately responsible for: the implementation of activities and rather than the different effects and value of those activities.

A second feature of the Annual Reflections is their openness, or lack thereof. Apart from differentiating the people it is working with, to what extent does CCDB's Annual Reflection give their opinions a separate recognition and status? Although a three tiered structure of peoples' organisations now exists, there is no attempt at formal representation of their views in the Annual Reflection, or elsewhere, on a regular basis. Within the Annual Reflections the peoples' voice is either in the form of occasional second hand comments, or in the form of case studies of individuals whose status as representatives is unclear. They are simple examples, as was the case with the samiti members who participated in the 1994 RTM.. CCDB's Annual Reflection is not significantly informed by them. Their existence does not make a great deal of difference.

A third important feature of the reports is the treatment of time. Within the descriptions of individual programs the treatment of events is surprisingly atemporal, given that CCDB is implementing a *development* program. Time series either in tables or in text statements are non-existent. The nearest reference to change over time are in terms of additional activities that have been carried out in the last year, cumulative totals of activities, or to the fact that an activity has been implemented for the first time. The most common reference point for the scale of achievement are physical and financial targets whose origins are unexplained but which are presented as givens.

It is not possible to explain this in terms of technical limitations. CCDB has had computers, and resident and visiting advisers on their use since the mid-1980's. One explanation would focus on

organisational and national culture. Despite the egalitarian ethos embedded in the PPP ideology there still is a very strong hierarchical conception of social relations within CCDB, something which CCDB's Director and staff are aware of. Hierarchies, as distinct from heterarchies and networks, imply more fixity and stasis. A stable ordered view of the world, where everyone has their place. Within this world view it would not be inconsistent to see development as something that can be predefined and prescribed, and outcomes relatively assured. A time series view of the world would hardly be needed.

Even if a culture based explanation is plausible, further explanation is needed for the persistence over time of this atemporal reporting of CCDB's activities. The simplest explanation is that there simply has been no significant external demand for information to be presented in any other form. This is despite the fact that the annual reports are the most comprehensive single summary of CCDB's work and achievements that is received by its donors, and government.

CCDB's view of the world in which it is working is not completely atemporal. The case studies of individuals given in the annual reports (1994b, 1995a, 1996a) and newsletters, are all stories about developments over a period of years, usually involving a contrast in the condition of people (mostly women) before and after they joined their samiti. This period, often not detailed, can be anywhere from 3 to 8 years. Implicit in these cases studies is the view that the effect of development interventions cannot be expected to be visible in a shorter period of time. This view is not uncommon in the literature on NGO development projects (Fowler, 1997; Sogge, 1996). However, this belief implicitly devalues the current views of beneficiaries. It suggests that when beneficiaries make current assessments of the value of services provided by NGOs that they do not properly factor in the long term consequences for their interests. Devaluing their judgements of benefit has two effects. Firstly, it leaves NGOs with the much more difficult task of independently establishing impact, by some other means. Secondly, in as much as these inquiries distract attention and resources they must reduce the ability of an NGO to identify and quickly respond to changing needs in the present moment.

The fourth feature relates to the paucity of information about immediate outcomes, as distinct from CCDB's activities. While there is description and tabulation of training provided there is very little attention given in the annual reports, or in the PCMs, to information and analysis of the

activities undertaken by the beneficiaries themselves, using CCDB grants. For example, the construction of pit latrines, tube-wells, or tree nurseries. In the 1994/5 and 1995/6 annual reports the activities undertaken by 45,000 members were described in only four to five lines of text, and there was no accompanying analysis. This is despite the fact that information on these activities, as distinct from their long term success and impact, would not be difficult to collect.

In contrast to this amazing paucity of information about immediate outcomes, there is a significant coverage of the processes involved, especially those involving CCDB staff. Not only can CCDB staff expect to be held more accountable for the process dimension, it is this feature of CCDB which could be described as CCDB's "unique selling proposition" (USP) that it offers to donors. A USP is "a product benefit that can be regarded as unique and therefore can be used in advertising to differentiate it from the competition" (Pallister and Isaacs, 1996). CCDB documentation gives repeated emphasis on participation as a value to be understood and internalised. On one hand this can be lauded as an appropriate recognition of the importance of the cultural dimension to stimulating social and organisational change, especially in a context where hierarchical conceptions of relationships are so well embedded. However, on its own, unlinked to changed behaviour, this emphasis on participation as a value takes on the appearance of rhetoric.

Its persistence can be linked to the behaviour of donors. CCDB's donors, like many others, have to work on the basis of imperfect information, they cannot normally expect to have current and comprehensive information about the impact of projects they may be funding. What they do have more access to, through personal contacts with staff, and their publications, is information about the values that are prevalent in an organisation and which act as decision premises. On the basis of this information they can make tentative assumptions about the value of the projects they may be funding. CCDB may have tacitly or explicitly adapted to this need. CCDB's donors all belong to a network of Protestant donors, facilitated by the World Council of Churches. Their publications have share a distinct character of their own, having a strong emphasis on process, also appearing at times rhetorical and ungrounded. There is a common discourse readily available for emulation (Riddell, 1993; van Leeuwen, 1996, 1997).

7.6 Conclusions

CCDB was sampled on a purposive basis. It was thought that two features of their relationship with donors would enable CCDB to concentrate its attention on working with and learning from poor beneficiaries. There was the shared discourse based on the importance of peoples' participation, and a stable funding relationship, which included expectations of continual growth in the scale of CCDB's budget.

The evidence available in this chapter suggests that in the early 1990's, despite these favourable conditions, CCDB had a very limited capacity to learn from its beneficiaries. Although a three yearly indicative program planning process made use of PPP the planning process was more relevant to the needs of CCDB's donors than to the beneficiaries. Significant costs were involved for the small proportion of beneficiaries who took part. Where the participatory nature of the process was simplified this was driven primarily by the difficulty CCDB experienced when trying to apply the process on a large scale.

The main opportunity for CCDB's beneficiaries to inform CCDB of their needs was through their participation in the annual budget planning process. There were two main constraints. One was of scale, the difficulty of carrying out the PPP process across the whole of the PPRDP in a limited period of time. This lead to a radical shortening of the nature of planning events, and neglect of participation at the samiti level. The other was the need to meet the requirement of the NGOAB to account for samiti members' grant expenditure plans, despite the fact that they were notionally independent of CCDB. The aggregation of data required led to a radical reduction in the diversity of peoples' plans. Openness was further reduced when CCDB staff introduced specific-purpose grants, in order to encourage certain types of activity. Within CCDB, other initiatives to reduce costs (and staff responses to these initiatives) had effects which disadvantaged beneficiaries. Relations between CCDB and beneficiaries, mediated by Forum Kormis, were weakened and staff accessibility was reduced by closure of some unit offices.

The structure of participation in the annual round table meetings between CCDB and its donors

provided potential for learning, but this was not realised. Erratic donor representation weakened memory of past events and any understandings agreed by donors and CCDB. Beneficiary participation was as a sample rather than as genuine representatives of a large group. Opportunities for analysis within the meeting were limited by the large volume of information presented and staff unwillingness to speak out of turn. The most effective learning, in the sense of selective retention of information, took place in the more tightly controlled budget meetings. Despite the highly routinised nature of the associated field visits for donors, there were opportunities for learning. These were not realised because donors did not pursue the issues that did arise.

Commission meetings contrasted with those of the RTM. They were held frequently, and had stable membership. They commanded more information and exercised significant decision power over long term parameters of learning within CCDB. They helped CCDB survive within a non-Christian culture, but at a cost of loss of independence. The “theories of the business” held by some Commission members were influential within CCDB, despite their recognised lack of fit with CCDB’s ideology.

Program coordination meetings (PCMs) and related events were of interest because of their structure. They are major opportunities for hierarchical communications within CCDB, in a more accountable form than that available through informal networks. Other meetings were more team than hierarchy based. These were associated with analysis and planning of events that were less known and further into the future. Within the PCMs, and at each level of aggregation of information (e.g. within individual reports, between all reports), there was a balance of some pre-structuring of information needed and some unstructured openness to the unknown. The frequency and predictability of other meetings within CCDB varied according to how routine or un-predictable the events were that needed to be managed. High routinised tasks did not require meetings and highly unpredictable events required ad hoc rather than regular meetings.

Amongst the various activities undertaken by CCDB Project Office staff it was in the area of credit that specialised routines for updating knowledge were most developed. Procedures were

centralised and a common format introduced. Samities performance was differentiated in detail. Only in respect to credit were time series constructed and the analyses of performance data fed back to field staff. Improved credit performance was a key part of CCDB's strategy for survival. In contrast, information on savings (which was not relevant to this purpose) was collected but not differentiated in detail or analysed and fed back to Project Officers.

The samities, SRFs and PRFs are all expected to have meetings, and do so about 75% of the times expected. CCDB has imposed a number of defined roles for participants in all of these structures, including the adoption of by-laws. Unlike CCDB staff meetings, there are no heterarchical meetings, such as those involving members from different PRFs. There has been no evident bottom-up evolution of variation in structures or processes within these groups. Although CCDB wants members to participate in the annual planning process it does not seek and document their evaluations of the previous year's activities. Despite this lack of openness changes have taken place in the delivery of credit services. However these were not made until a problem caused by the previous loan conditions had grown to a very large scale. CCDB's response protected the solvency of the scheme, but did not enhance the responsiveness of the scheme to beneficiary needs. There was evidence however that CCDB beneficiaries were adapting to CCDB's behaviour, varying their savings rates, altering use of loan behaviour and joining other NGO schemes in parallel, in order to maximise the possible benefits. Increased density of NGO activities was allowing a more heterarchical structure to emerge at the population level of NGOs, within which consumer preferences had greater chance of being heard. This potential was constrained by NGO staff members' "theory of the business" in relation to NGO competition.

CCDB's Annual Reflection is a public presentation of what CCDB is all about. It is produced once a year, in English. Within that report the main differentiation made is between CCDB projects, and between their associated activities. There are no geographical or demographic differentiation of beneficiaries. Although a three-tiered structure of beneficiary organisations does exist there is no reporting at all of the views of their members, other than via isolated case studies. Descriptions of events are largely atemporal, despite CCDB's development aims. In the case studies the most common unit of time is pre and post samiti membership, where the latter

may be anywhere from 3 to 8 years. In terms of direction, frequency and openness of learning the Annual Reflection suggests that CCDB is insensitive and slow in learning from its beneficiaries. The proximate focus on activities and process is understandable in that it is here that staff may feel most accountable. Participatory process and values are also CCDB's USP, and the means by which prospective donors can make judgements about likely project value (in the normal absence of other information about effects and impact).

In this analysis of CCDB my own null hypothesis, in the form of initial assumptions about the value of donor non-intervention and appropriate development ideologies were not supported. The minimal intervention approach did not recognise that there were other external parties with contending values, having significant effects on CCDB's organisational learning. Confidence generated by what appears to be an appropriate ideology (in terms of the interests of poor beneficiaries) needs to be counterbalanced by a sufficient recognition of the powerful local effects of individual and organisational self-interest on the interpretation and implementation of development ideology. If ideologies are to become more substantial than rhetoric then they need to be grounded with descriptions of evidence of their implementation (a form of depth). In particular, if they are to be in the interests of the poor beneficiaries they will need to show evidence of ability to recognise diversity and change, and do so on a large scale. The participatory monitoring system described in the next chapter is one potential mechanism for enabling this process.

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“If you knew what was going to happen in advance every day you could do amazing things. You could become insanely wealthy, influence the political process et cetera. Well, it turns out that most people don't even know what happened yesterday in their own business. So, a lot of businesses are discovering they can take tremendous competitive advantage simply by finding out what happened yesterday as soon as possible.”

(Steve Jobs, Fortune, 1994:23)

8.1 Introduction

In Chapter Seven the focus was on organisational learning as it was taking place within the existing structures and systems of CCDB in the early 1990s. In this chapter the focus is on an intervention in the workings of CCDB. This took the form of the design and implementation of a participatory monitoring system (PMS) designed to aid the process of organisational learning. The overall purpose of the intervention was to test the value of an innovative design based on an evolutionary theory of learning. Unlike many conventional monitoring systems used in development projects it does not require the use of predefined indicators (Abbot and Guijt, 1997).

The chapter begins with an explanation of the background context in which the idea of a PMS was introduced and developed. These include developments amongst CCDB's donors and within CCDB itself. The next section describes the design of the PMS in detail, describing the core concepts and the structure of the system as it was implemented. Some initial expectations for the PMS are also spelled out. This is then followed by an extensive analysis of the performance of the PMS, once it was established. The qualitative content of the information finally selected at the Dhaka level is examined as a reflection of what has been learned by CCDB. A more quantitative analysis is then made of the behaviour and attributes of the PMS participants and how they have effected what was selected at the Dhaka level. This section is then followed by an

overall evaluation of the PMS, from within an evolutionary perspective. This begins with an analysis of the survival, replication and modification of the PMS. A more detailed analysis, focusing on the implications for CCDB's beneficiaries is then developed using the five attributes of learning developed in Chapters Three and Four. The chapter then concludes by identifying implications for donors to NGOs such as CCDB.

8.2 Background to the Development of the PMS

8.2.1 Events at the Donor level

In Chapter Seven reference was made to the role of the NGOAB and the CCDB Commission, and in particular the nature and effects of their demands for information from CCDB. In addition to these pressures, the attitudes of CCDB's donors, and developments affecting them in the early 1990's, were also an important part of the context in which the PMS was established. Their influence is visible in two sets of sources. One is the minutes of the CCDB RTMs in the early 1990's. The other is the documentation of a program of cooperative research initiated by four large Protestant donors in 1991 (EZE, ICCO, Christian Aid and Bread For the World), which initially focused on the subject of partnership (Riddell, 1993). All four donors involved funded CCDB.

The minutes of CCDB's RTMs show a continuing concern about impact issues but one which was moderated by expectations about the nature of the relationship between donors and funded NGO. Donors were clearly not meant to impose their needs and views on NGOs such as CCDB. In the 1990 RTM, the Chairman and WCC representative "appealed to avoid the use of the word "donor" for its negative implication and anti-development connotation". Instead they became "resource sharing partners" (CCDB, 1991e). The expectation that no one should assert their status was expressed in its more extreme form in the 1991 RTM when before talking about participation in the PPRDP an adviser on PPP from EZE "made it clear he is not a 'resource person'. This terminology directly contradicts and conflicts with participation. He likes to see himself more in terms of a committed participant and in the role of a facilitator, among other co-

participants and co-facilitators” (CCDB, 1991e). This adviser (CT), had been instrumental in linking CCDB in the 1989-91 period with Indian NGOs who were already experimenting with forms of peoples’ participatory planning.

In the 1991 RTM CCDB presented its Indicative Program Plan (IPP) for the next three years, including its proposals for the new PPRDP. After being presented with the plan one of the five issues which CCDB asked sub-groups to focus on, was “How can monitoring and evaluation be carried out within PPP (especially when govt. funds are involved)?” (CCDB, 1992d). As a result of that discussion five proposals were agreed on: (a) “CCDB prepare instrument (evaluation tool) to study PPP process”, (b) “CCDB classify all materials available with regard to PPP level exercises, interpret these and prepare into a report”, (c) “The dynamics of what happen within CCDB, the struggles of the staff, their fears, their pleasures, their achievements need to be documented by CCDB and shared”, (d) “CCDB develop with the people the basic criteria of evaluation by the people to evaluate their own work. CCDB document and share this with partners” (CCDB, 1992d).

In the 1992 RTM there was no further reference to these agreements, or attempt to establish what had been achieved. Instead it was stated that “People should be the main actors of their own development in the field of planning, implementation, monitoring and evaluation. As such the concerned agencies should allow CCDB three years time so she may come up with adequate information which may service the needs of every bodies. The issue will be further discussed in the next RTM” (CCDB, 1993c).

In the 1993 RTM a new representative from a smaller donor persisted in asking basic questions, focusing on outcome. “Let me ask in which areas of work and how it will be judged that the quality of life for people in that village will have changed for the better” (CCDB, 1994g). She was supported by another donor representative well known to CCDB who commented that “one needs indicators, therefore to me this process is no different from other development projects because all have certain goals and need indicators to judge their success” (CCDB, 1994g). CT and another EZE representative argued back that time needed to be given to the process, and pointed out that there is a baseline built into PPP, in the form of the module which involves a

review of the past. It was also the case that monitoring by the people was built into the PPP process, and that this involved the use of indicators. There the matter rested.

Looking back at the minutes of these RTMs the donors emphasis on monitoring and evaluating the impact of the PPRDP was haphazard and contradictory in its inclinations. Agreements were made and forgotten from one meeting to the next. Attitudes varied from the tolerant and open minded to the hard nosed and demanding (though less so). The Director was not under serious direct pressure to do something about monitoring the progress of the PPRDP, but the issue was clearly one that would remain of concern, and one which he may have felt he needed to respond to.

Despite the unimpressive performance of the donors, as suggested in the RTM minutes, there was evidence of a wider process of learning going on between CCDB's donors, which would impinge more directly on CCDB. In a report titled *Discerning the Way Together* Riddell (1993) analysed the state of partnerships between Protestant donor and the funded NGOs. As part of this exercise the four donors undertook a series of six sectoral assessments of the lessons learnt from a range of projects they have been funding. This included a file based review by Christian Aid of eight rural credit programs, including CCDB's MRDP in 1991/2. Riddell's report notes that "...the expectations of what these assessments would produce were far higher than the results achieved". Referring to the achievement of objectives in CCDB's program, Christian Aid's own credit study noted that "The programme objectives in CCDB's three year plan are set forth in terms which make their evaluation difficult. Although each programme component has a quantified financial and "person" target, and these targets appear to being met in the annual reports, it is not always clear whether the broader goals of the programme are being met, as they are not objectively defined." (Christian Aid, 1992).

Looking into the future the DWT report noted that "...increasing understanding of the extent of poverty and the pitifully small amount of money available to the agencies, have fuelled support for the view that it is necessary to have a better idea of the impact of the work done, and of the effectiveness of the money that is spent" This was not just a view developed internally, and stimulated by the results of studies like that by Christian Aid. It was also noted that "Finally, and

especially for those agencies dependent largely on official funds, efforts to limit government expenditure have increased pressure on NGOs to provide evidence of impact" (Riddell, 1993). Both ICCO and EZE received a major portion of their annual income from their governments (APRODEV, 1997). They were also CCDB's largest donors.

The Riddell study was followed by a second program of cooperation between the same Protestant donors in 1995 focusing planning, monitoring and evaluation. From 1995 onwards CCDB became involved, along with its major donors, in a planned series of workshops on this subject in Europe, Africa and Bangladesh (van Leeuwen, 1996, 1997; CCDB, 1996c).

8.2.2 Events within CCDB

When CCDB first adopted the PPP process as the defining feature of the PPRDP in 1992 they adapted the original 11 module based planning process to include an additional module that would include monitoring and evaluation (CCDB, 1993b). Also built into the PPP process were three separate roles at the samiti level, those of Convenor, Animator and Recorder, collectively known as the CAR team (CCDB, 1993b). It was expected that this would have enabled samities to do their own documentation of both the planning process and its implementation. Within each of the Project Office there was also a designated staff member, known as a Functional Analyst, who was assigned to monitor and analyse the process taking place in the samities, using the CAR teams' own records as important source of information.

In 1994 the Research team examined the role of the CAR team and found them to be effectively non-existent (CCDB, 1994c). Neither the samities nor Project Office staff had a clear idea of their particular role. Reports that were written tended to be carbon copies of the original module as it was introduced and there were few follow up reports. As mentioned in Chapter Seven, the documentation that was taking place during the annual PPP and budget preparation process later in 1994 was being undertaken largely by field staff, not samiti members. Although the Functional Analysts were supposed to specialist in monitoring developments in the samities, in practice, they were more actively involved in the roles of administrative assistants to the Project

Officers and de facto credit extension staff, helping recover overdue loans. The reasons for the failure of the original monitoring proposals built into the PPP were faulty assumptions about the literacy levels of samiti staff (CCDB, 1994c), and insufficient internal demand for the information that samities could have provided about the implementation of their plans. If there was significant demand their absence and poor quality would have already been self-evident to the Dhaka Office within a short space of time, without the need for a specific study. This demand may have been stronger had the ethos of the RTM required less self-effacement by the donor representatives when voicing their concerns about monitoring and evaluation.

In early 1993 there was no evidence of any system in place whereby CCDB could monitor the effects and longer term impact of the services it was providing to its beneficiaries. CCDB's Information unit had produced one report providing a qualitative description and analysis of the first year of the PPP process (1993b), meeting requirements (b) and (c) of the 1991 RTM (above). However, this report did not address what could be regarded as the most important requirements. These were to develop an evaluation tool to study the PPP process (a), and to identify criteria that the beneficiaries would themselves want to use to evaluate their own work (d). Over the next three years a number of initiatives were undertaken to develop CCDB's capacity in this area, one of which was the PMS. Two of these that were initiated before the beginning of the PMS are described briefly below.

In Chapter Seven it was mentioned that NC, a European medical anthropologist, joined CCDB in early 1993. The purpose of his attachment to CCDB was to assist the development of its research capacity. His first task was to help the then head of the Information unit (EC) to develop a means of "measuring the participation within the PPP exercises" (CCDB, 1994g). Their solution was to identify key aspects of participation, described rather confusingly as "indicators". These were "Physical Characteristics", "Participation (especially within the discussion)", "Samiti practising PPP exercises", "Facilitation" and "Reporting". Each was rated on a five point scale, ranging from 1 meaning "narrow, nothing" to 5 meaning "very wide, excellent". The rating scale was presumably to be used by CCDB staff, when observing samities participating in the annual PPP exercise. Although the rating scale approach was reported by EC and NC in a conference in Manchester later in 1993, and in the 1993 RTM in Dhaka, when I returned in 1994 there was no

evidence of it having been implemented by the PPRDP Project Offices. Some of the difficulties of using it became apparent to the staff of the Research Unit when they tried to apply it during their own research into the PPP process in 1994. They found qualitative comments on each of the 5 aspects of participation was easier and of more value, than giving them numerical values. The design of the rating scale shared the same weakness as the documentation produced by the Information Unit (CCDB, 1993b). This was a continuing preoccupation with participatory process, unlinked to the activities that resulted.

After the creation of separate Research and Information Units in late 1993 NC persuaded the Director that CCDB should become involved in a nation wide nutritional surveillance program, managed by the Helen Keller Foundation, and already involving 11 other NGOs. Two of the Rajshahi Project Offices were involved from 1993 onwards. In MBs view, expressed to me in early 1994, nutrition status could function as a “bottom line impact indicator”.

Unlike the rating scale system CCDB’s involvement in the nutritional status monitoring program did go ahead. A staff member from the Mohanpur and Manda Project Offices was seconded to work with HKI, gathering nutritional status information on a regular basis. Although implemented, the process seems to have had very little effect on CCDB’s policies or practice since then. There has been no reference in the RTMs since then, only a one line reference in the 1994/5 annual report, and no mention in a workshop held in 1996 on CCDB’s planning, monitoring and evaluation systems. More surprisingly, an evaluation carried out in 1996 of “Food security, health and nutrition” in the PPRDP made no mention or use of the nutrition survey data that had been collected (CCDB, 1996e). This is despite the fact that HKI has been capable enough to secure USAID funding for their nutrition surveillance program. When I spoke to the Mohanpur Project Officer in early 1994 he told me that he had no idea why CCDB was involved in the surveillance program. One explanation is that there was minimal sense of ownership of the process by CCDB, or involvement of middle or senior management in its operation.

8.2.3 Initial negotiations about a PMS

In early 1993 I spent the first two months of my field work time with CCDB, in Dhaka, getting to know their staff and developing ideas for how the fieldwork would progress. During this time, in mid February 1993 a CAA representative visited CCDB and spoke to the Director. The CAA representative later recounted to me his views of the quandary the Director was faced with, reporting on the PPRDP. On the one hand there was an inheritance within CCDB of target oriented reporting. Most of the reports from the Project Officers were still in the form of statements about targets and achievements, as were used in the MRDP. On the other hand there were some people, such as TB, a recently ex-senior staff member of CCDB, and CT, the EZE adviser, who were emphasising the process aspects of PPRDP. The extreme of this view was a reported statement by TB (during the meeting) that “We don’t have projects we have a process”. The Director was felt to be in a position of not having a report he could send to donors, and not knowing exactly what to send.

Two weeks prior to this meeting I had discussed some initial ideas with the head of the Information Unit and the Director. One suggestion was to do a participatory evaluation of the Project Officers’ six monthly reports or the PPP CAR data, treating them as similar to the content of the 1992 NGO survey questionnaires, discussed in Chapter Six. The Director’s response was that he felt the Project Offices’ reports would provide very little useful data, they were mainly figures. When talking about the PPP papers he mentioned that he would like to see more descriptive and story based material.

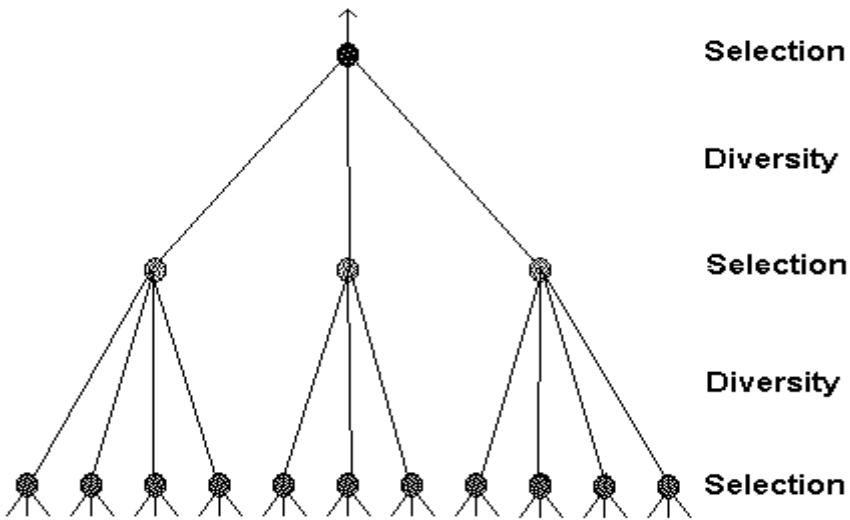
He gave as an example the case of one samiti which had used their new PPRDP fund to hire a local teacher to teach a literacy class for 150 taka per month, using the samities’ new collective fund, versus 300 taka that CCDB had previously paid. They were not using the collective fund to buy things that CCDB in the past would have bought. Instead they were asking those who would benefit from the particular training to buy the associated items themselves. In his view these events were showing that people had the capacity to be better managers of money than CCDB. In another case a samiti was planning to help people obtain water seal latrines. Although they were becoming a status issue amongst people, they were still expensive. The samiti had set up a three

year program, whereby access to the latrines was organised on a queue basis, and payments for part of the production costs were charged, to extend the number of people who could get access. The Director's view was that this approach was a sign of maturity, of people being willing to wait their turn and look after other peoples' interests as well as their own. It was events such as these that were to become the focus of the PMS.

During this period in early 1993 I was also in contact with the staff of Concern Bangladesh in Dhaka. I used that opportunity to pre-test out the possibility of adapting the participatory evaluation process used to summarise some of the results of the 1992 NGO survey, described in Chapter Six. Two modifications were tested successfully. One was to focus in on changes over a much shorter duration of time, the last month rather than the last year. Interviews with Concern field staff in Mymensingh showed there was plenty of news, in the form of information about changes taking place at the field level, that were significant and which could make a difference to how Concern worked. The other was to use the organisation's own structure as the means for summarising information, rather than what was effectively the team based selection process used in the analysis of the 1992 survey results. An organisational hierarchy can provide a means of iterating the same process of choice and explanation; selection and re-creation of diversity. This process is summarised in a simplified form in Figure 8.1 below.

In November 1993 I was able to return briefly to Bangladesh and meet with both Concern and CCDB. Although not under my control, Concern's experimentation with the PMS process had been successful enough to warrant introducing it to the Director of CCDB as a method that could be used to monitor the effects of the PPRDP. I gave him a paper summarising the proposed process, explained the ideas behind it, and referred to the Concern experience to date. Concern wanted to continue it, and to use it in other program areas. His response was surprisingly positive, and plans were made for my return in January 1994 to begin a trial implementation of the PMS.

Figure 8.1 Organisational hierarchy as means of managing diversity



8.3 The Design of the PMS

8.3.1 The design process

The basic design of the PMS was established in a series of meetings in the Dhaka Office of CCDB in February 1994 and in four Project Offices in March 1994. Those in Dhaka included two meetings with the Director, one to initiate the process and another to work through the responses of senior staff, and to plan the next steps of the systems implementation. An introductory meeting was held with senior Dhaka Office staff to explain the concept behind the proposed PMS, to obtain some views on what types of changes should be monitored and to gauge their overall reactions. This was followed up by one to one meetings where their views on the types of changes that should be monitored were discussed in more detail. The meetings in Dhaka were followed by a visit to four Project Offices in the Rajshahi area in western Bangladesh. Meetings were held with the senior staff of each Project Office to explain the concept of the system, mainly by working through a practical example. Two weeks later a workshop was held in the Mohanpur Project Office where the staff of all four Project Offices were brought together to get more practical experience with the method and to identify how they would structure the

PMS within their own offices.

8.3.2 The trial area

The Project Offices selected as the trial locations for the PMS were identified by the Director, on a purposive rather than a random basis. The Director's criteria focused on: (a) good project performance (high credit repayments, good savings levels, high literacy rates), (b) easier implementation of a pilot test of the PMS (cooperative local communities, helpful Project Officers, good project communications with Dhaka), and (c) the prospect of CCDB expanding its activities in that area in the future. These reasons related to CCDB's own needs as an organisation. They contrasted with those of TB, the ex-second in charge whose suggested sample of areas focused on differences between areas based on their natural resources and location, a set of criteria that was both more academic and disinterested, and more focused on the Reference People than CCDB. Other possible reasons for the choice of the Rajshahi area occurred to me later on. Many other major NGOs such as ASA, Grameen Bank, and BRAC were now working in this area. CCDB was under pressure to become more professional in its work.

The Director's plans for the scale of the trial PMS were more ambitious than mine. While I had planned to test the method in one project area only, and then maybe expand later, he immediately suggested a focus on at least two project areas, both in the same area of western Bangladesh. In practice, the trial was expanded to all four Project Offices in the Rajshahi area after my initial contacts with the Project Offices there in March suggested that its introduction would be easier than I expected.

8.3.3 Staffing

By early 1994 there was a separate Information Unit and Research Unit in CCDB. The separation was made because of an inability of the respective heads to work together as one unit, in the previous year. In an attempt to avoid complications caused by this conflict I sought and

found a counterpart in the Training Unit, who was acceptable to the Director. Given the participatory nature of the proposed monitoring system it was in fact appropriate that a Training Unit staff member (KS) was associated with the development of the PMS. A year later when the system was extended to three new Project Offices, KS had both the training skills and technical knowledge of the PMS to ensure that it was successfully introduced.

While both the Research and Information Units were cooperative they were also mindful of their respective interests. When the Director had suggested that staff already working on an existing analysis of information on the PPP could be re-allocated to work on the PMS this was successfully resisted by EC, the head of the Information Unit in charge of that work. On the other hand he made the point that any reports on change kept by samities could be used as raw material for the CCDB annual report, a task he was responsible for. NC, the head of the Research Unit, expressed concern that the approach should not conflict with his Unit's research plans. Later in the same meeting with the Director and other senior staff he supported the choice of the Rajshahi area because of the potential of cross correlating data on impact from different sources.

8.3.4 Key features of the PMS process

The focus of the PMS was on *changes* taking place at the field level, especially in the lives of the beneficiaries of the PPRDP. Table 8.1 below summarises the structure of the PMS in terms of a two dimensional framework. The contents row below refers to what is produced by individuals, but the structure row refers to the organisational structure in which these contents are analysed. Each cell in this table is explained in detail below. The distinctions made at the organisational level parallel those made in Chapter Seven, between past knowledge accumulated in structures, and new knowledge being acquired via some of the major routines within CCDB.

Table 8.1 Key dimensions of the PMS as a designed learning process

	Static differences	Temporal differences
Individual level (PMS contents)	1. Domains of change that are focused on.	2. Time period which contents refer to (Reference period).
Organisation level (PMS structure)	3. How reports of changes are communicated within CCDB.	4. Frequency with which those reports are communicated.

1. *The domains of change.*

One purpose of the planning meeting with senior Dhaka Office staff was to canvass views on what types of change the PMS should focus on. The idea was raised of “domains” of change, such as changes in peoples’ participation, sustainability, etc. The term “domain” was borrowed from Spradley’s (1979) *The Ethnographic Interview*. These domains were not meant to be clearly defined, but just areas of change that were of concern to CCDB. The concept was captured by the mathematicians’ term “fuzzy sets”, though I did not use this term with CCDB. This is a categorisation of entities or events that has no precise boundary, but is defined by use. During the operation of the PMS, in the first instance it would be up to the field level staff to interpret what they felt was a change belonging to any one of these categories. Eight areas were mentioned in the meeting with senior staff : health and nutrition, income, literacy, gender, participation, peoples’ institutions, sustainability and leadership.

After the meeting I met each of the participants, identified their priorities and took these back to the Director for a final selection of three or four, as many as I thought the trial system could cope with. Staff members had specific and differing preferences for the type of changes they thought should be monitored. EC favoured participation, because of its central linkage with the PPP ideology which he was enthusiastic about. NC favoured nutrition because he saw it as a bottom line indicator of wellbeing, and this of evidence of CCDB’s impact (or absence of), and because of his involvement in HKI’s nationwide nutrition surveillance program. HT favoured institution building and sustainability.

The Director's choice was explained largely in terms of the CCDB Commission members' concerns, not the concerns of the senior staff proposing the various domains. Commission members were frequently asking what changes are happening in the lives of the beneficiaries. They were also concerned about sustainability. The interest in participation seemed to arise more from within CCDB, though staff would have been mindful of interest expressed in this area by CCDB's largest donor, EZE. The final decision, made by myself and the Director, was to have four domains of change:

- "Changes in peoples' lives"
- "Changes in peoples' participation"
- "Changes in the sustainability of peoples' institutions and their activities."
- "Any other changes"

The fourth domain was suggested by me as a window through which field staff could nominate important changes that did not fit any of the categories identified by the Dhaka Office. It allowed some bottom-up definition of what was important, at the level of categorisation of events. Although planned as part of the PMS from the beginning, this fourth domain was not built into the reporting process until May 1994 when it was felt that Project Offices could cope with the volume of reporting required.

CCDB staff did not specify whether these changes were to be negative or positive. I did raise the possibility of a domain that focused specifically on negative changes but this possibility was not acted upon. Although I could see a risk of only positive changes being reported I did not intervene, because I wanted to see how CCDB would manage this boundary of what would be acceptable public debate within CCDB.

2. The reference period.

This is the period of time within which changes are expected to have taken place, and which

need to be identified by staff. I proposed from the beginning that the focus should be on changes that had taken place in the last month. This reference period was radically different to that which was implicit in much of the CCDB documentation that did describe changes at the level of beneficiaries. Case studies typically involved a contrast between the period before and after a person joined a CCDB samiti, a period that could cover 2 to 7 years. My proposed change in temporal focus was justified and explained in terms of a newspaper metaphor. Amongst the 16,500 beneficiaries in the Rajshahi area it would be hard to imagine that in the past month there would not be some newsworthy events that had taken place and which could be noticed by someone amongst the 165+ CCDB staff in the Rajshahi area. I also thought a focus on more recent changes would help keep reports which were produced more grounded in real events.

The basis to the monitoring system was a simple question combining a domain of change and a reference period in the following form:

"During the last month, in your opinion, what do you think was the most significant change that took place in the lives of people participating in the PPRDP project?

The respondent in the first instance was the field level worker at the Project Offices (See below). They were asked to give an answer in two parts (written in Bangla). The first part was *descriptive*: what happened, who was involved, where did it happen, when did it happen. The intention was that there should be enough information written down so that an independent person could visit the area, find the people involved and verify that the event took place as described. The second part of the answer was expected to be *explanatory*. The respondent must explain why they thought the change was the most significant out of all the changes that took place in that month. In particular, *what difference did it make already?, or will it make in the future?* The combination of the description and explanation was meant to provide information in the broad form of an if-then statement, which was the equivalent of Bateson's "difference that makes a difference".

Significance was not expected in any absolute sense, but rather in a relative sense, evident when the various changes that were observed to have taken place in the same reference period were

compared to each other. The idea was emphasised that change is endemic in everyday life, not a special class of event. It was not expected that the explanation of significance would be objective. On the contrary, it would be a subjective expression of the respondents' values and concerns. The purpose of the explanation section was to help bring these values into the public realm where they could be examined, compared and selected in an accountable way.

The design of the questions to be answered involved a sampling process that was purposive rather than random. The aim of the PMS was not to report on the average state of the PPRDP, but rather on what was taking place on the edge's of the program's experience, i.e. the most significant events. If the reported change was a negative one, then it would be a type of change the PPRDP would want to move away from, to avoid in the future. If it was a positive one, then it would be a type of change that the PPRDP would want to see become more central to their program, more typical of their activities as a whole, in the future. The implicit but unintended metaphor was of the organisation as an amoeba.

3. The structure of participation in the PMS

There were four main groups of participants in the PMS: (a) the samiti members in the Rajshahi area, as sources of information, (b) the project staff in the Rajshahi area, (c) the senior staff in the head office of Dhaka, and (d) CCDB's donors, particularly those participating in the annual Round Table Meeting (RTM). The structure of their participation determined how the large body of information available about reported changes was managed in a productive manner.

A significant amount of attention was given to the structure of participation in the design of the PMS. Both the Director and EC suggested that Project Office staff should have some say on the choice of which types of change would be monitored. In practice this did not take place, possibly as a result of my own concern to have these identified sooner rather than later so the system could be got up and running. BS raised the question of the samiti members, through their own forums (SRFs), doing their own analysis of change, as well as the CCDB staff. My initial response was that while this was feasible, and could be seen as very desirable, a trial development of the

system should not be too ambitious and that the participation of the samiti members could take place at a later stage when field staff were familiar with the system. The Director expressed concern that there should be more layers of staff involvement at the Project Office level than suggested in my initial outline. In practice both possibilities were left open for the individual Project Officers to decide, when I visited their offices and introduced the new system to them a week later.

In March 1994 a workshop was held with the senior staff of the four Rajshahi Project Offices to plan the implementation of the monitoring system. Each Project Office was told that at the end of each month thereafter they would be expected to report to the Dhaka Office one significant change within each of the four domains of change. Each Project Office was then asked to draw up a plan for how their field staff would, each month, identify a range of potentially important changes and how these would then be analysed in order to identify the most important. This change would then be sent by that Project Office to the Dhaka Office.

For research reasons no requirements or constraints were imposed on who could or could not be involved in the identification of significant changes within each of the Project Offices. There was no requirement that the same approach be used in each project area. They were also told they were free to copy from each others plans if they wished. After drawing up their own plans these were displayed in a plenary, and then each group was allowed the chance to question, and comment, and then make further changes to their plans. There was no requirement that the plan individual Project Offices made would have to be rigidly adhered to thereafter. However, it was insisted that if the plan was changed then the new plan should be made clear to the head office. The central requirement was that however the changes were identified and then selected to be sent to Dhaka, the process should be clearly visible to those reading the selected accounts. The selection process would be contextualised and accountable.

Although the intention of the experiment was to help improve the way in which CCDB learned from the beneficiaries no specific instructions were made concerning their participation. Project Offices were not told that they had to include beneficiaries, or that they could not include beneficiaries in this process. The diagrams that were produced by each group reflected

approaches that ranged from some beneficiary participation to none at all. The Chapai and Tanore proposals made no mention of beneficiaries, samities or SRFs. The Mohanpur proposal referred to samities, but as the source of news only. Only the Manda proposal described a role for the beneficiaries in the collection and analysis of news stories (in SRF meetings).

Some options concerning methods of selecting from an array of significant changes were outlined, specifically the possibility of using hierarchy (choice made by immediate bosses) or teams (choice made by agreement of peers) to make the selection of the most significant change out of all those identified and documented. The use of branching structure was already present as a model in that I had explained how Project Office selections would be managed by the Dhaka Office. What developed in practice at both the Project Office and Dhaka Office level was a hybrid system, a hierarchy of teams made up of locally senior staff. While field staff identified changes these changes were reviewed and selected by a small group of 4-5 senior staff in at the Project Office level. Then all these changes were sent by the Project Offices to Dhaka, where they were reviewed by a team of senior staff. In Dhaka the choice of these participants had been left to the Director, in the same way it had been left to the Project Officers at their level.

The review at the Dhaka Office involved a re-iteration of the same selection process as in the Project Offices. Four sets of four changes (one from each Project Office) were brought to the head office each month. The task of the head office staff was to select the 4 changes from the 16 which they thought were the most significant of all. In other words, the single most significant change in peoples' lives, in peoples, participation, in sustainability, and change of any other type. The process whereby the choice was made by the Dhaka participants was left up to that group, though I participated in their first meeting. In practice they decided that each participant would rate each story out of 10, and the ratings would then be aggregated to produce the group response. The rating process was preceded by an active group discussion of each account of change. The single requirement was that they must document and explain their choice, including who was involved in that process. In practice, the Dhaka Office selection process took about 3 hours of staff time per month.

It was expected that after each month's changes were evaluated and the choices documented that

brief report summarising these results would be fed back to the Project Offices concerned. In practice feedback from the Dhaka Office to the Project Offices took the form of minutes of the Dhaka Office meetings, which include tables showing the ratings on each news story by each participant, a summary column, and a list of reasons why the highest rating story was seen as most significant. The detailing of the ratings given by individual staff members was not something I had suggested or required.

The purpose of regular feedback was so that those identifying the changes in the first instance can take into account the views of CCDB senior staff when in the process of evaluating changes. They could either passively adapt their search for significant change according to the perceived concerns of the head office, or more actively seek better examples and provide better explanations for the significance of the types of changes that *they* think are most significant. It was intended that if feedback was provided as planned the monitoring system should take the form of a slow but extensive dialogue up and down the CCDB hierarchy each month. In more evolutionary terms it can be seen as a process of co-evolution of interpretative frameworks within the ecology of one organisation.

The third level in the process of analysis involved the donors who attended the 1994 Round Table Meeting (RTM) in Dhaka in November 1994. By the end of September the CCDB head office had selected 24 accounts of significant changes (4 domains x 6 months). Those changes were collated in the form of four chapters in a report. The introduction outlined the methodology behind their collection (as herein), and each chapter thereafter focused on one domain of change, with accounts of the most significant change ordered chronologically within that chapter (April to September selections). The appendices detailed an analysis of samiti and staff participation in the monitoring system. It was proposed that donors should read each chapter and select the one change in each chapter which they think was the most significant according to their own values and concerns. As with other participants, they should document the reasons for their choices. The intention was to develop a higher level of aggregation of information about the four most significant changes, in the lives of 16,500 people associated with CCDB, over a six month period.

4. Frequency of reporting

My initial plans had assumed there was fairly frequent contact between CCDB field staff and the Reference People, and therefore that weekly reporting of changes by field level staff would have been possible. However, at the planning meeting with senior staff BS, the Coordinator Programs, pointed out that “staff these days have less direct involvement with samities”, and that they meet only once a month. At the beginning of the systems operation in April 1994 an experiment was made with fortnightly reporting, on the grounds that since the monthly meetings of samities were staggered throughout the month and each Project Office had up to 100 samities to gather news from there should be news of changes available even on a fortnightly basis. Although field staff said they found it difficult to produce reports on a fortnightly basis, they did manage to produce reports. The main constraint was the inability of the Dhaka Office senior staff to meet quickly enough to review the changes that were sent to them, and get feedback to the Project Offices, before they next round of reports was due. The system of fortnightly reporting was changed in May 1994 to a monthly basis.

8.3.5 Additional elements of the PMS

Verification

The changes that were identified by the PMS as the most significant of all were precisely those events where the most effort needed to be invested in verifying the factual details of the event. Verification visits to the sites of the described events could perform a policing function, ensuring that field staff are kept honest in their report writing. They could also provide an opportunity to gather more detailed information about the event which was seen as specially significant, and if some time after the event, a chance to see what has happened since the event was first documented (another aspect of impact). Initially follow up visits were made by myself, with KS from the Training Unit. Later on, in my absence other CCDB staff were sent to Rajshahi to do follow up work (CCDB, 1996g).

Quantification

Although the PMS appeared to be very much based on qualitative information, there was no reason why any account of a significant change could not include quantitative information as well as qualitative information. Furthermore, once a particular change was identified as the most significant in a particular period of time by the Dhaka Office there was also the possibility that Dhaka Office staff could seek information from all 10 PPRDP Offices on the incidence of that particular changes within a defined period of time, on a one off basis. However, there would be no need for this information to be sought every month thereafter, as in traditional monitoring systems.

Monitoring the PMS

This potential component of the PMS was not explained in detail to CCDB staff, but it was mentioned to them briefly as a possibility. Using records generated by the process outlined above it would be possible to monitor changes over time in the proportion of samities and households that are referred to in reports of significant changes. Similarly it is possible to monitor the degree to which different types of staff (gender, age, position, education) were actively involved in the process of monitoring change, and of those actively involved, with what degree of success. Success in this case being defined as having an account of change being selected as most significant at the Project Office and Dhaka level. An analysis of the functioning of the PMS using this data could have enabled a second order learning process. Changes might have been made to the PMS structure, or how individuals participated in it, and these in turn effecting the information that was being processed by the PMS.

In February I had planned to run in parallel to the PMS the equivalent of a control group, whose performance could be compared against that of the PMS. The existing system of meetings, as well as the narrative and quantitative reporting by CCDB staff, had the potential to provide CCDB staff in Dhaka with a continuing flow of information about the situation of CCDB's beneficiaries. My intention was to ask senior staff in Dhaka responsible for field programs, a similar question to that asked of field staff: Based on the existing sources, what was the most

significant change that had taken place in each of the Project Offices in the preceding month?. The contents of the responses could then be compared to those provided by the PMS. The results would be analysed to see the extent that reports focused on beneficiaries at all, and where they did, how that focus differed, if at all, from the results generated by the PMS.

An informal pre-test for this method was carried out in February 1994 with three senior staff members without difficulty. However an attempt to repeat the exercise with BS, the Coordinator Programs responsible for the PPRDP, was not successful. BS expressed reservations about his ability to come with news at all citing the limited quality of the reports he received and the limited time he had even to read reports. Because of his defensiveness I did not think it would be productive to push this plan any further. I was left with a less precisely delineated “control”, that being all the information I could find about the normal processes by which information was processed up the hierarchy in CCDB. A selection of these have been described in Chapter Seven.

8.3.6 Expectations by CCDB staff

In one of the initial planning meetings in February 1994 the Director indicated he was keen to see the system up and running and producing results as soon as possible, and asked me how soon I thought we could see a trend in what was happening in these areas. By a trend he meant a discernable impact of the PPP process. His plan was that this sort of information should be available before the Round Table meeting with CCDB’s donors in October 1994. Although I had suggested the idea of including the RTM participants in the PMS process this was after he had indicated he wanted some results to present at that meeting.

In a meeting a few days later two other staff members explained to me their view of the potential value of the PMS. The Program Coordinator said that the idea of monitoring change in the PPRDP project was “relevant to the matter of the organisations survival”. When I asked about what he meant, he mentioned that information about impact was important, because it was what donors would be interested in, and wanted to know about. HT pointed out that CCDB was coming up to the end of the current 3 year funding period, where another 3 years funding would have to be approved. The Indicative Program Plan for 1995-8 was to be presented at the 1994

RTM.

8.3.7 Implementation

The implementation process went through four stages, defined after the event. The first was from February to April 1994. During this period the parameters of the PMS were defined, a trial run was organised in the Rajshahi area in March and then the system was left to operate independently of my presence while I was away in Australia in April. The second phase was from May to July 1994. During this time I made some changes to the design, monitored the system as it continued on, and did some facilitation at the Dhaka level. The third phase was from August 1994 to November 1994. During this period I did not exercise any control over the PMS at the Project Office or Dhaka level. My role was limited to preparing a report on the results for the RTM in November, organising a presentation and exercise at the RTM using the PMS results. The fourth stage was a follow-up evaluation of the PMS, through staff interviews in February 1995. A fifth period effectively continued from March 1995 onwards when I ceased to have any involvement in the PMS, but during which time I have been intermittently kept informed of its development.

8.4 Analysis of the Results of the PMS

Learning has been defined as a process of selective retention of information. In the CCDB PMS there were four points at which information about the lives of beneficiaries faced a selection process. News (information about change) had to be noted by field staff, and seen as sufficiently valuable to be recorded and then submitted to the senior staff of their Project Office, on the PMS report form. In the face of competition from other reports from other local staff that news then needed to be selected as one of only four items of information that would be sent to the Dhaka Office. There it would face competition from four other items of news in the same domain, from the other Project Offices. If selected there as the most significant reported change it then (in 1994) had to face further selection by four different sub-groups at the annual RTM.

With the successful passage through each stage of selection a progressively limited number of

items of news were reaching a increasingly wider audience who, by their act of selection, were showing which news had significance and thus had a higher likelihood of being remembered and having some effect in the longer term. Each successive level of participants also had a wider span of authority, and thus the potential to promote and use that news on a wider scale than those below.

The following sections will examine: (a) the contents of the information selected at the RTM and Dhaka Office level, and (b) the factors affecting the selection process at the Dhaka Office and Project Office level.

8.4.1 Reports selected at the Round Table Meeting

Table 8.2 below summarises very briefly the subjects of the reports of significant change documented in a report to the donors attending the 1994 RTM, as well as the other significant changes subsequently selected by the Dhaka Office in the October 1994 to January 1995 period. The 37 items were selected from a total of 541 items reported by field staff during this ten month period. They reflect CCDB's selective perception of events in the lives of 16,500 beneficiaries and their families, the members of all the samities assisted by the four CCDB Project Offices in the Rajshahi District.

During the one hour RTM session devoted to the PMS there was only time for the analysis of changes in one of the four domains, that of changes in quality of life. Four sub-groups meet in separate rooms for about 30 minutes to make their selection of the most significant change out of the six different changes that had been selected by the Dhaka staff in the April to September period. There were two donor sub-groups, one for Dhaka Office senior staff, one for senior Project Office staff, and one for the "sample" of samiti members attending the meeting. When each sub-group had completed its task all four then reported back their conclusions to the plenary.

Three of the four sub-groups selected one change, that reported by Manda in June, and the fourth sub-group selected another change reported by Manda in May. The original text of these two

reports, as written by the field staff, is given in Tables 8.3 & 8.5 below. Following each account are the reasons given for the selection of this account by participants at each level in the selection process (Tables 8.4 & 8.6). The reasons already given by the three levels of CCDB staff were included in the text of the report on the PMS (mentioned above) which was made available to participants at the RTM.

Table 8.2: Reports of significant change selected by the Dhaka Office

Reference Period	Quality of Life	Participation	Sustainability	Other changes
April	Women buys cultivatable land in her own name, with money from prior investments assisted by CCDB loans and training (<i>Chapai</i>)	44 male samiti members invest Taka 60,000 in a 5 year lease of a fish pond, using savings from CCDB aided investments (<i>Manda</i>)	SRF members erected a bamboo fence on a plot they used for meetings, to give privacy from passers by. (<i>Chapai</i>)	No reports required this month
May	Widow buys land for homestead, which will enable her to leave her father's house (<i>Manda</i>)	5 women make a successful first sale of fish from leased pond, their first joint venture (<i>Manda</i>)	Women members trained in livestock care form their own samiti to ensure vaccine supply (<i>Mohanpur</i>)	Women members pressure hospital staff and raise money for treatment of members' sons injured by train (<i>Chapai</i>)
June	Women helps husband in establishment of bottling business, now employing 3 samiti members, and expanding (<i>Manda</i>)	Women agrees for her daughter to be married without receiving dowry (<i>Chapai</i>)	SRF assists one member samiti to get one member to repay loan, by seizing their property until repayment is agreed to (<i>Manda</i>)	Unmarried disabled women member gets employment with another local NGO (<i>Tanore</i>)
July	Women sets up grocery shop, with accumulated profits and support of husband (<i>Chapai</i>)	Two samities agree to establish a local secondary school, and have identified a location and teachers (<i>Tanore</i>)	Women samiti members made profit from sale of fish in jointly leased pond, and re-invested some in new fingerlings (<i>Manda</i>)	A day labourer became a tea shop owner and leader of samiti (<i>Tanore</i>)
August	Women's successful poultry business enables purchase of goats, and plans for cows in future (<i>Mohanpur</i>)	Women samiti members jointly agree to lend money to family of absent member not able to access samiti funds (<i>Tanore</i>)	Women samiti members take joint action against loan default, seize property in lieu, involve local leaders and negotiate a	Widowed livestock cadre manages to secure vaccine supply from Govt. Offices and get their respect (<i>Mohanpur</i>)

			settlement (<i>Manda</i>)	
September	Women makes first income from newly established tree nursery (<i>Chapai</i>)	Tribal women's samiti members help a member regain lost land, through court action (<i>Tanore</i>)	SRF members negotiate with Grameen Bank about some samiti members joining GB and neglecting to repay CCDB loans (<i>Manda</i>)	Disabled husband of member is helped to set up roadside stall, and attracts custom with music (<i>Tanore</i>)

All the reports above were presented at the 1994 RTM

October	Widowed member buys 500 bricks for a new house and secures her daughters marriage (<i>Chapai</i>)	Landless labourer successfully accumulates land and develops fish pond as result of samiti membership (<i>Manda</i>)	Women's samiti have established 3 rules to encourage own participation in literacy class funded with CCDB grant (<i>Tanore</i>)	Women samiti member refuses to re-marry exploitative ex-husband, with support of other samiti members (<i>Manda</i>)
November	Women begins construction of 3 room house, using assets accumulated via CCDB loans/training (<i>Mohanpur</i>)	Women's samiti get support of village leaders to force 6 loan defaulters to repay loans (<i>Manda</i>)	Six samities of one SRF jointly contribute funds to buy land for a SRF centre and fishpond (<i>Manda</i>)	Because of illness women stops taking contraception and successfully pressures husband to do so instead, with support of samiti members (<i>Mohanpur</i>)
December	Women is able to afford to buy a C.I. sheet roof for her house, without credit (<i>Tanore</i>)	Women's samiti members resolve loan default by one member, by themselves by combining pressure, penalty payments and short term loan access (<i>Manda</i>)	One SRF uses CCDB grant and samiti funds to sink tubewells for 6 groups of members, with some cost recovery to replenish funds (<i>Mohanpur</i>)	No ratings given (but changes reported)
January	Women invest accumulated profits into a paddy threshing machine,	Members of a male samiti pool funds to buy small motor vehicle, which is	Members of one SRF start to build a house to meet in, on land donated by one	No ratings given (but changes reported)

	which should generate more income (Manda)	hired out to generate income (Manda)	member (Manda)	
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Table 8.3: The most significant change, as selected by majority of sub-groups at the RTM

Headline: *Ayjan Begum and her husband's factory*

Who: *Most. Ayjan Begum*

Where: *Modhumita Mohila Samiti, Banishor*

When: *June 15, 1994*

"Most. Ayjan Begum is a member of Modhumita Mohila Samiti. Her family consists of her husband and a daughter. Her daughter is in a primary school. Financial condition of Most. Ayjan was very bad before her joining the samiti. Even she had no dwelling house of her own. She had to reside in the house of other person and her husband also had no work. Having remained unemployed for a long time her husband went to Dhaka and started to work in a bottle factory. On the other side his wife Ayjan was passing her days in the house in great difficulty. Having realised her condition and having seen the development of other female members of the samiti she became a member of the samiti. After a few months she took some loan from the samiti and started rearing cocks and ducks and also started a rice paddy business and thus somehow became able to manage their daily food. She also started making savings from the sale proceeds of eggs. After two years her husband returned home with a bottle manufacturing [bottling?] machine and begun to manufacture bottles from the money taken by his wife from the samiti. Thus rapid profit was yielding by them from the bottle manufacturing business and purchased 5 number of bottle manufacturing machines from the profits of one machine. Due to expansion of work area, they gave training to other female members of the samiti as a handicraftsman. Thus three members of the samiti are working in this bottle manufacturing at a monthly wage of Tk. 1500/- each. By dint of proper use of his wife's small rice business, they have been able to construct a small factory. They can now earn a profit of Tk. 4-5000/- per month after giving wages to their factory workers. At this moment they have no want in their family. After financial stability they have sent their daughter to school. They have again purchased another machine on June 15, 1994 from the profit of their business. Present intention is to purchase a separate plot of land and construct a house of their own along with a factory and thereby arrange employment of the unemployed people of the village. He now says without hesitation that their present development has a direct backing of the loan of his wife from CCDB."

Table 8.4: Reasons given for the selection of *Ayjan Begum and Her Husband's Factory*

By the field staff member who reported the change	<i>"An empty handed family has gradually become a owner of a factory due to their sincere efforts. Where they had to work in the house of others now they have created opportunity of employment of others by virtue of the organisational assistance of CCDB. Thus in one side a major change has taken place in their personal life and a new venue for employment has opened to the members of the samiti on the other side. It is indirectly a great achievement of the samiti."</i>
By the senior Project Office staff who selected this change	<i>"Soundness of Ayjan's family has come with the help and assistance of the samiti; This has not only brought soundness to Ayjan but this has also taken the unemployed youth to the path of soundness and hence the event has become quite testy (sic) to us."</i>
By the Dhaka Office staff selecting the change in June	<i>"Real cooperation exists between husband and wife relation between men and women is improving; Job opportunity is being created of the husband who was jobless; Initiative in undertaking non-conventional trade; Has created job opportunity for other members of the samiti; Commitment exists; Proper use of loan; Future dreams; Well planned efforts exist; Need based efforts; Mutual respect between husband and wife exists; Sending daughters to school"</i>
By the RTM sub-groups selecting the change in November	<p>(Donor sub-group) <i>"Economic benefit extended to others in the community; self-confidence was instilled; Ayjan Begum recognised her potential as a women; Value of education was recognised; Cooperation between husband and wife"</i></p> <p>(Dhaka Office staff) <i>"A creative approach to the pursuit of alternative trade in the rural economy; Family harmony and mutual respect between husband and wife; Well planned and optimal use of credit for long term benefit; Developed consciousness about family size and education; Demonstration effect; Leadership capacity developed not only in family but in the samiti; (Added later) It created employment opportunities"</i></p> <p>(Project Office staff) <i>"Job opportunity is being created for her husband and other society members; Real cooperation exists between husband and wife; He (?) is utilising local resources properly; He (?) loves society; Sending daughter to school; He transferred technology at grassroots level"</i></p> <p>(Samiti members) <i>"They have got a source of income; Unemployment was ended in the samiti; The women in the samiti became self-dependent"</i></p>

Table 8.5: The most significant change, as selected by a minority sub-group at the RTM

<p>Headline: <i>The name of model member is Hoshneara</i> Who: <i>Most. Hoshneara Begum</i> Where: <i>Kaligram Bahumukhi Mohila Samiti</i> When: <i>1994 May 22</i></p> <p><i>"Most. Hoshneara Begum is a widow member of the Kaligram Bahumukhi Mohila Samiti. After death of her husband she took shelter at her father's house along with her two sons and one daughter before joining the samiti. How long she will stay under the shelter of her poor father? Finding women's income progress she expressed her mentality to become a member of the samiti in order to get some hope of peace of her disappointed life. Though at first the samiti members showed unwillingness to take her in the samiti but later they accepted her as a member, seeing her strong interest and enthusiasm. Afterwards, the samiti members selected her as a health related cadre for her self quality [merit]. After having training from CCDB she gave health related advice to the members and neighbourhoods. In return, sometimes she would get some remuneration. Besides this, she took some training in this current month on bees cultivation and begun to cultivate bees. In fact CCDB'S loan returned her solvency. At present her youngest son helping in her business and he left his study and used van rickshaw for maintaining his family. Youngest daughter is in class 8. Once upon a time she was neglected to the society but at present women come to her for advice - due to her change. A few days ago she bought 5 katha of homestead land from the profit money she earned from her business. She is thinking to give up her father's house as soon as possible, and make a house on her purchased land where she will live with her children. While asking the question about the change of her personal life, she told that in past I was very disappointed. The solvency and peace came in my family through samiti. Now I am quite happy than many other employees. More over, the employees also borrow money from me."</i></p>

Table 8.6: Reason given for the selection of *The Name of Model Member is Hoshneara*

By the field staff member who reported the change in May	<i>"1. Last of all she made a success only depending upon the samiti and struggling with the life. 2. The ideal of her life is a model for other members. Hence I think this change is important. Seeing her success other members are trying to be struggling like her and accept challenge of their life."</i>
By the senior Project Office staff who selected this change.	<i>"The change of a disappointed and struggling women is not only a model for the samiti members rather [also] a model to the disappointed employees and educated persons."</i>
By the Dhaka Office staff selecting the change in May	<i>"1. It is a constructive step towards self-reliance, it will help her overall situation, her movement to self-reliance in the future. 2. This type of change is always important because of its demonstration effect on other women. 3. There is economic improvement. This is a tangible benefit. People need to see this first. 4. There is education for the children 5. There is now self-confidence. She sees herself as better than job-holders. 6. She is getting recognition and honour, other people are coming to her for advice."</i>
By the donor sub-group selecting the change in November	<i>"The widow is a marginalised person in society. Due to her own persistence and membership in the samiti she was able to become re-integrated into the mainstream of the community. It is important for self-respect and dignity, as well as self-reliance."</i>

The June change described in Table 8.3 was selected by the samiti members, senior Project Office staff, senior Dhaka Office staff and one donor sub-group. The donor sub-group included representatives from EZE (Germany), HEKS (Switzerland), Dutch Church Aid, Norwegian Church Aid and the World Council of Churches. The senior CCDB staff sub-group included ten senior staff, all except one whom had participated in the Dhaka Office selection meetings during the year. The senior Project Office group included 11 members from different projects, four of which had participated in the selection process at the Project Office level.

The May change described in Table 8.5 was selected by the second donor sub-group only. This group included representatives of the World Council of Churches, Christian Aid (UK), EZE (Germany), the National Council of Churches in Australia, and ICCO (Netherlands).

Both the May and June reports which were selected share some common features. Both refer to a time period that covers not just the month prior to the report, but the whole period prior to and since their membership of the CCDB samiti. An important moment in both accounts was when the women concerned joined a CCDB samiti. Events that took place in the last month are in fact the culmination of a long chain of events dating from the period before they joined their samiti. They are not centre stage. A similar style of reporting was also found in the other eight changes in quality of life, selected as most significant by CCDB Dhaka Office. This focus on change over a large unit of time took place despite my attempt to build a bias into the PMS towards recent events (by using a one month reference period).

Given the context described in Chapter Seven the most plausible explanation for this focus on long periods of change is that it is CCDB's response to what it feels it is accountable for, to the CCDB Commission, to the NGOAB and to its donors. It is also what CCDB's donors feel they are also accountable for. There was no effective external demand for information about shorter term changes taking place during beneficiaries contact with CCDB. There situation is in dramatic contrast with the view of businesses described by Steve Jobs at the beginning of this chapter. There the focus is on the most recent of changes, because organisational survival is at stake. Other firms might be quicker at developing services which are more appropriate to the moment. Returning to CCDB the question can then be asked, which type of temporal focus is most in the interest of poor people receiving a service from an organisation? It could be argued that CCDB's current (1994) focus is likely to be least beneficial because: (a) it takes CCDB's attention away from current needs and services, and instead only provides: (b) very aggregated feedback about their relevance, (c) after a long duration of time.

A second common feature of both reports is the normative and moral character of the stories that are told. There is a strong sense of morality pervading the accounts. Judgements are clearly made about the worth of the key character and others they interact with. There are also some activities (promoted by CCDB) which are correctly recognised by the women concerned as being worthwhile, and they correctly recognise their diligent adoption will lead to success. The availability of public models of good behaviour is seen as an important part of this process of improvement. These reports, like many others not selected, have an epic structure, albeit on a

modest scale. People start out from humble beginnings, face great difficulties and obstacles, but by perseverance and correct behaviour, they overcome these and then find themselves rewarded, at peace, and with good prospects ahead of them.

To my surprise none of the donors at the RTM made any conspicuous comments about the lack of realism in the style of the reports they read. It may be that such a criticism would be more fundamental and threatening than questions about the accuracy of specific facts. A genre such as the epic is in effect a large scale categorisation of the nature of experience. In literature these have been categorised as epic, tragedy, lyric, comedy and satire (Cuddon, 1991). Even in animal societies there seems to be the ability categorise contexts in basic terms such as play versus serious (Bateson, 1979). Such broad categorisations involve important assumptions about what should happen in that context. In the CCDB accounts it is that moral behaviour, and persistence and effort in the face of hardship, will bring its own reward. Criticism of such an assumption might have been particularly difficult given that CCDB's donors were expected to share the same Christian outlook on the world.

A third common feature of the two selected accounts of change was that within the adopted genre there was nevertheless a substantial diversity of interpretations. A striking feature of these two reports, and many other changes that came up through the PMS, was the ability of the accounts to embody multiple items of information (differences that have or will make a difference). This multiplicity was not simply a result of the requirement of having multiple observers agree on a choice. Reports by individual field staff often cited more than one reason, and the observation of the RTM sub-groups also showed individuals arguing for multiple reasons for selection of particular news items. For example, one senior Dhaka Office staff member argued about the importance of family harmony present in Ayjan Begum's story, as well as the fact that the bottle factory was a creative response to the problem of livelihood. This multiplicity of interpretations reinforces the relevance of seeing selection processes in terms of heterarchies of competing and co-existing criteria rather than simple hierarchies. The heterarchy model can be applied both to the structure of individual actors' preferences and also to how they were resolved when those actors' views encountered each other in the RTM meeting process. A schematic view of the relationship of both is given in Figure 8.2 below.

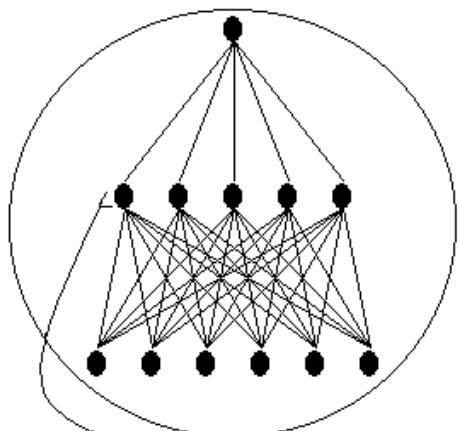
In the RTM session on the PMS the highest possible level of processing of information about changes in peoples' lives would have been in the plenary session, in which all the sub-groups reported their conclusions. A discussion of the reports in the plenary would have enabled everyone to assign their own weighting to the results produced by their sub-groups, in addition to the knowledge that three sub-groups had favoured one change and another had favoured another.

In practice the analysis of the PMS results was rigorously confined to its one hour slot within the program of events. Everyone in the plenary heard the feedback provided by each sub-group but no discussion was allowed.

Despite the commonalities discussed above, the second donor groups' choice of the May news story reflected the existence of significant differences at this level of aggregation. When the behaviour of each of the five sub-groups was examined in detail, looking at all their rankings of all the stories, not just the choice of the most significant change, the same split between sub-groups was still evident. The lowest correlation between the ratings produced by all the different sub-groups was between the second donor sub-group and all the others (a mean correlation of -0.12), particularly the samiti members sub-group (-0.33).

Associated with the second donor sub-groups' preference for a different news story were differences in the criteria being used. In the explanations for their choices the focus was much more on the social rather than economic aspects of change. While socially oriented criteria were used by other sub-groups this sub-group specially emphasised gender oriented social criteria. In their documented criticisms of the bottle factory story they noted "It was unclear to what extent the women's initiative had been taken over by her husband. It was not clear to what extent she had control over the family expenses. It was not clear to what extent the women's credit had been a significant factor in the financing of the factory". Arguing for their own choice they gave prime importance to the fact that Hoshneara was a widowed women, "marginalised in society" The two highest ratings of this reported change were those given by two women donor representatives (Christian Aid and ICCO).

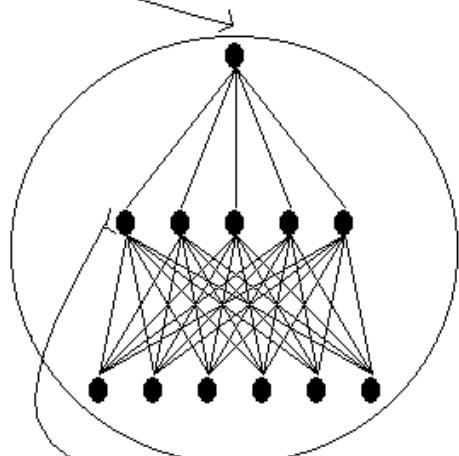
Figure 8.2 Heterarchies as a model of the selection process in the RTM



Plenary session: Participants receive and weigh up the feedback they receive from sub-groups

Individual sub-group meetings

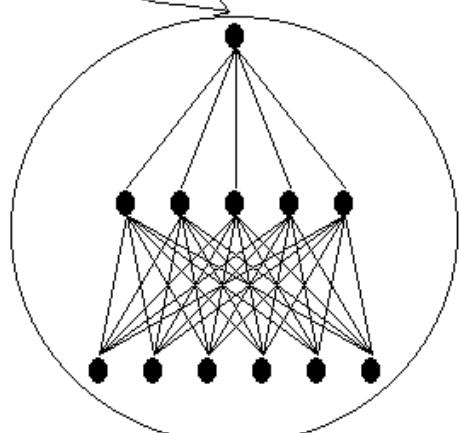
Six reported changes in "quality of life"



Tabulation and averaging of ratings within a **sub-group**

Individuals within a sub-group

Six reported changes in "quality of life"



Judgement by an **individual**

Criteria for assessing changes

Six reported changes in "quality of life"

Amongst the three sub-groups selecting the bottle factory report the level of agreement over choices was greatest amongst the Dhaka and Project Office staff (0.75 correlation in ratings of the changes), and then amongst the Project Office staff and the samiti members (0.45 correlation). The high correlation between the Dhaka and Project Office staff of CCDB should be expected given they belong to the same organisation, with one group having authority over the other. Within the three sub-groups' choices of changes there were differences in the emphasis placed on social versus material changes. At one extreme, in the donor sub-group selecting the bottle factory report, four of the five reported selection criteria focused on the social consequences (self-confidence, women's potential being realised, girl's education being attended to and cooperation between husband and wife). Within the donor sub-group there were some members who wanted even greater emphasis on social criteria. Compared to all the others in the sub-group, one World Council of Churches representative gave a radically lower rating to the bottle factor report, on the grounds that economic and material gains were not what was most important when assessing the changes. At the other extreme, the members of the samiti sub-groups emphasised more economic changes: two of the three criteria used were much more concrete (the family has a source of income, and unemployment was ended in the samiti). The CCDB staff were mid-way between the samiti members and donors in their emphasis. Although the differences in criteria used by the two CCDB staff sub-groups were not dramatic, the Project Office staff sub-group did have greater focus on the economic dimensions of the change.

What was in dispute here were meta-criteria, significant differences between criteria of selection. Other types of meta-criteria were evident in the documented explanations for the sub-groups rankings, given above. Some changes were selected because they embodied evidence of the importance of various attitudes and behaviours as *requirements* for success in life. These included those of hard work, mutual support, planning, the proper use of loans, cooperation between husband and wife, limiting family size, as well as creativity and initiative. Other explanations for choices seem to be based on the *consequences* that had arisen from what had been done in the past. These included self-confidence, daughters being educated, employment being generated for others as well, and a model being made visible for others to imitate. Both of these were past oriented. Much less common were stories which focused on events of

consequence in the near future and which might require a response by CCDB.

A focus on criteria as objects of selection is characteristic of what Bateson (1979) has called second order learning. Within the sub-groups the arguments over the importance of social versus economic criteria suggest that this process of learning was taking place within the RTM. However the extent of this process was limited. While there was explicit argument over the importance of social versus economic criteria in the RTM there was no explicit evidence of this sort of learning taking place as those accounts worked their way up the CCDB hierarchy. None of the explanations documented questioned, directly commented on, or affirmed the explanations given by those at the level below. They were more in the nature of second guesses, independent judgements of reported changes made without giving much attention to the arguments made earlier. It is likely that discussions did take place in the CCDB selection meetings earlier in 1994, but that they were not documented and thus publicly retained. In the absence of that documentation what remains unclear is how many levels of abstraction might have developed during CCDB's ongoing analysis of significant changes.

8.4.2 Follow-up after the RTM

After the RTM the Director wrote (on my suggestion) to each of the donors who had participated in the RTM, requesting their selections of the most significant change in each of the other three domains not analysed in the RTM (participation, sustainability and other changes). Donors had already been given a report describing all the changes in the four domains for the six month period prior to the RTM. Two responses were received, from the two women who had represented ICCO and Christian Aid, mentioned above. No responses were received from the five other donors represented. Nor were there any requests from any of the donors represented for any reports on the results of the session. Unlike the situation within CCDB, there seemed to be little external demand for the information being generated by the PMS. The minutes of the 1994 RTM, which were produced some months later, may have reflected that nature the demand that was felt to exist. The minutes described the process in some detail, but summarised the results of the process in one sentence, simply naming the two reports of change selected as most

significant.

The two sets of responses subsequently received from the CA and ICCO representatives are summarised in Table 8.7-10 below. Both of the changes in participation which were selected as most significant emphasise collective organisation and activity (against dowry and against land expropriation). While these values are present in CCDB staffs' explanations for these and other changes they come across more persistently in the donors' explanations. In addition, in the donors' explanations given below, the emphasis on collective action also includes appreciation of opposition and resistance. Both donors' choices focused on the more socio-political dimensions of change. Amongst the other eight significant changes in participation selected by the Dhaka Office up to January 1995 seven had a more economic focus. Three concerned joint economic initiatives requiring some collective effort and four focused on management of differences between members over access to loan and grant resources. The bias away from economic benefits seen in the selection of quality of life changes during the RTM session seems to have been repeated by the CA and ICCO representatives when they focused on the domain of participation, albeit with a different type of emphasis within the social dimension.

This difference between NGOs and beneficiaries in their relative emphasis on the importance of economic versus social changes in peoples' lives has been noted in other experimental work on participatory monitoring carried out by ActionAid and its local partner NGO in India and Bangladesh (Davies, 1997a). It is a difference with consequences on more than a local level. The pre-occupation by some researchers and development organisations with the social dimensions of poverty has complicated the development of a politically useful consensus around more materialistic methods of defining poverty reduction targets, and assessing their achievement (Cox and Maxwell, 1997).

The explanation given by ICCO for the choice of the dowry story exemplifies a tendency that was also found in the explanations given by the Dhaka Office staff for their own selections (e.g.. that of the bottle factory). Not only was there a surprising readiness to take the accounts at face value, but also a tendency to read into them features that were not explicitly present. The accounts almost seem to have become co-opted as vehicles for values which the donor

representatives wanted to see accepted and enacted. The justification given for ICCO's choice of a story about refusal of dowry payment (in Table 8.7 below) is one appreciating resistance to a dominating culture. The actual text (Table 8.8 below) suggests a more prosaic response by the parties concerned, of realism in the face of restricted opportunities, not a determined effort to expand the opportunities available.

In the sustainability domain differences between the two donor representatives and CCDB in terms of the selection criteria were less pronounced. Both emphasised collective activity, and there was less emphasis by CCDB on income generating activities (see Table 8.7 below). One noticeable difference was the emphasis by ICCO on samiti members doing things differently from the normal CCDB model for peoples' organisations. Diversity (variation from the norm) was seen as evidence of agency, and valued. As with the choice of the dowry, the interpretation of the events described seems to attribute more agency to the samiti members in their relationship with CCDB or the local government, than the text justifies (see below). While there are initial elements of opposition the account moves onto to the samiti members being given instructions on what they are to do and not to do.

There are other aspects of the reported changes which the two donors' selections have not focused on. Six of the 20 changes (participation and sustainability) involve micro-politics, conflicts within the samities themselves that is not always black and white in terms of the rights and wrongs involved. These typically involved problems of loan repayments by fellow samiti members. More than one of the reports selected by the Dhaka Office detailed how samiti members seized the property of those in default, holding in ransom. In some of these reports the role of local powers was cited not as oppressors but as potential mediators of disputes and sources of protection. Delay, patience and compromise were characteristics of the stories, as well as some agency. These news stories were evidently not in demand by donors, though judging by their number recognised as important by CCDB.

Table 8.7 Donors choices of the most significant changes (and associated criteria)

In participation.

ICCO	CA
<p>(1st - June) The fact that women took common action against dowry is an important example that by cooperation (in their samiti) women were able to stand up against a social system and ideology, which by dowry, devalues women and turns them more and more into commodities (in a time of increasing conservatism)</p> <p>(2nd -September) Tribal people are the most deprived group in Bangladesh. It must take great courage to stand up against others (outsiders/dominant community). They were very persistent over a long period of time, had a sense of self-respect as a community and demanded their legal rights through the judicial system which is not in favour of the tribals and the poor</p>	<p>(1st - September) Excellent example of collective action in relation to fighting injustice and demanding rights; Particularly important in case of tribal people; Persistence despite initial setback.</p> <p>(2nd - June) Increased awareness leading to united action in relation to an important social issue. The fact that their samiti felt able to take such “unusual” action indicates its strengths and cohesiveness.</p> <p>(Equal 2nd - July) Samiti taking collective responsibility in identifying and tackling a particular need.</p> <p>(Equal 2nd - August) Indicative of the cohesiveness and solidarity of the group; joint decision making.</p> <p>(2nd - April) Working collectively; making use of local government services</p>

In sustainability

<p>(1st - May) Livestock cadres took a new initiative cutting across the laid-out lines for organising (samities-SRF-PRF). It shows creativity and recognition of common goals and the need for professionalism for the sake of their communities.</p> <p>(2nd - April) Well planned, dedication, voluntary efforts, tangible sign of sustainability.</p> <p>(No further information provided)</p>	<p>(1st-May) Setting up a peoples' group arising from a felt need / problem. Collective efforts. Planning for future functioning / sustainability of the samiti.</p> <p>(Equal 1st - June) Setting up of a Forum management committee sign of good planning towards sustainability. Collective decision making and action in the face of a problem threatening the stability of the samiti.</p> <p>(Equal 1st-August) Problem solving in a collective way trying different methods with varying degrees of success. At the end, the samiti felt confident enough on their own strength and unity to pardon the errant members.</p> <p>(Equal 2nd - April) Long term vision and planning for the samiti; Collective action and labour towards this goal.</p> <p>(Equal 2nd - July) Collective action towards self-reliance of the samiti. Joint use of profit.</p>
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The demand for certain types of information produced by monitoring systems is one way in which a donor can influence an NGO. Particular demands can influence what was attended to

and not attended to, and thus what information was selected, retained, and possibly reacted to. The few examples of donor responses to information generated by the PMS suggest that the impact of donors' information demands is not likely to be straightforward. On the one hand donors might seek evidence of increased agency, a worthwhile development. On the other hand, it may be sought it may be in forms that neither the NGO or the samiti members themselves prioritise, or which fits in well with what is locally possible. Neglect of other forms of news which do not fit a particular model of the world, such as how samiti members manage loan defaults, may be just as detrimental as inappropriate demands, for example, leading to a excessively optimistic view of the benefits of micro-credit.

The alternative is for donors not to seek information about specific outcomes in beneficiaries lives, but information on when, where and how an NGO is learning from its beneficiaries. This can be done using the attributes of learning behaviour developed earlier in this thesis. Later in this chapter CCDB's own learning behaviour, as evident via the PMS, will be examined in these terms.

Table 8.8 Change in participation selected as the most significant by ICCO

Marriage in the same samiti without dowry: Most. Mafija Begum, Chairperson of Champa Mohila Samiti earned a lot of awareness due to her long 8 years involvement and training in the said samiti. She is running her family well from a business by taking loan through the samiti. She has three children. Eldest daughter is 19 years old. At one stage of marriage conversation her marriage talks were finalised with one Md. Rohimuddin of nearby village. Bridegroom party claimed Tk 7000 as dowry. Most Mofeya Begum at last agreed to give the above dowry. She requested for three months time for Tk. 3000/- from the Bridegroom party but the bridegroom party left the house but not agreeing to the above request. All the members of the samiti heard this news and they gathered in the house of Mofeya. Most. Shefali Begum, a member of the same samiti proposed to give marriage her son with the daughter of Most Mofeya Begum without any dowry. Both parties agreed to the proposal in front of all members and on the following day. i.e. 30th June 1994 the marriage was held in a simple ceremony without any dowry. Now they are passing a happy and peaceful life.

(See next page for Table 8.9 & 8.10)

Table 8.9 Change in participation selected as most significant by Christian Aid

Primitives are no longer lagging behind in gaining their rights; Chanduria Adibashi village is surrounded by forest and jungle. Malek, Moriom and Sarullah of Hemrom's family have been living in the village for a long time. Saotal tribes are living in a scattered way over the whole village. They feel proud to give their acquaintance as primitive family. In such a way Chanduria Adisbashi Mohila Samiti has been formed with 26 members of 26 families. They are the companion of well and woe. It is an event of October 1990 Maleka Hemrom and Sarullah Hemrom consisting of three families were living together on a plot of land measuring 78 decimals. Suddenly a culprit named Kader Khan appeared with a forged document and threatened their eviction from the land claiming the ownership of the land. The matter was raised in their samiti meeting and took unanimous decision that they will put up the case in the local union parishad and file a case accordingly. But as ill luck would have it the verdict gone against them. They again decided to file a case in the court and in case of necessity they will collect subscription from amongst them to run the case. As they have thought they have acted accordingly and collected subscription from the primitives for maintaining their existence and all of them subscribed as per requirement. The court gave verdict on September 3, 1994 after running the case for a period of 4 years. Hemrom got back the land. They are now more conscious and established in the society.

Table 8.10 Change in sustainability seen as most significant by Christian Aid and ICCO

On August 30, 1994 working area and cadre card were distributed in uninstitutional [unconventional?] way among the regular cadre of CCDB, Mohanpur working area. Dissatisfaction created among the cadres of CCDB Mohanpur working area due to shortage of vaccine and irregularity of distribution and noncooperation and misbehaviour of the staff of the livestock office. As a result it created a movement against livestock staff. The cadres formed a convenor committee and created a fund unitedly. They were demanding to get vaccine from the livestock hospital through this committee. Regarding this, the cadres of CCDB met the Thana Livestock officer and discussed the issue. TLO and DLO advised the cadre to distribute the area and cadre card among themselves. Organisation will give the cards which will be attested by DLO to the cadres. DLO also gave some condition to the cadres to distribute the cards which are as follows: - One cadre should work in a definite area. - He/she has to send report regarding the progress to the DLO - Cadres have to bear the responsibility for success and failure. - Cadres have to assist for extension of the work - Cadres should distribute vaccine in the area regularly. Considering all the conditions mentioned above the concerned authority distributed cadre cards to 250 cadres among the 77 villages primarily. In that card distribution ceremony TLO was the president. He informed that vaccine will be distributed to the cadres on 2, 11, and 25th day of the month successively. To implement this method it is found that a large number of cadres received vaccine with cards on 2nd and 11th Sept. It seems that there is a close relation formed between the cadres and livestock staffs and it was proved that cadres are the assets of the Livestock Dept.

8.4.3 Factors affecting the selection process at the Dhaka Office level

Identifying the influence of individuals on decision making processes involving multiple actors interacting with each other over a period of months is not likely to be easy. In the case of the PMS my analysis was focused on the effects of different staff members' participation in the selection meetings, on the types of changes selected by the meeting. The only difference attended to in the type of changes selected was the Project Office where the reported change came from,

one that could be categorised unambiguously. It was possible that some CCDB staff were selecting reports not on the basis of the contents of reports (the descriptions of events outside CCDB) but simply the source of that information within CCDB, regardless of content.

An analysis was made of the participation of the seven highest ranking staff, who also happened to have the highest levels of participation in the Dhaka Office selection meetings. The results showed no significant correlation between the presence or absence of any of the senior staff, and the rankings given to all the changes coming from particular Project Offices. At the most, there were two staff who did consistently favour changes in one domain coming from a particular Project Office.

A wider examination was made of the relationship between average grade status of meeting participants and the average ranks given to changes reported by each Project Office. Lower ranking staff might be more adventurous, or more cautious, in their judgements of significant changes. Over the 10 months to January 1995 (last data available in March 1995) there was no significant correlation between grade status and ranks given to reports from different Project Offices. In fact, analysis of the ratings given during meetings (from which ranks were calculated) showed a progress narrowing of the range of ratings given over the months, despite a substantial turnover of participants.

This limited analysis suggests that at the level of selection criteria which had an impact on overall rankings, knowledge within CCDB was widely distributed rather than specialised. This is consistent with the discourse found in CCDB publications, which stresses the need for all CCDB staff to internalise the values of PPP (CCDB 1990a, 1991c, 1993b). In early training reports the adoption of PPP by CCDB was reported to "...demand a transformation in outlook, analysis and perspective...The process is expected to lead to a new and alternative understanding of development..." (1990a) Such widely shared values can be seen as a less visible and intermediate level of structure that exists between the intra-CCDB differences, embodied in its formal organisational structure, and the differences which can be seen between CCDB and other NGOs. They are in competition with those concerned with status and rank differences described in Chapter Seven.

8.4.4 Factors affecting the selection process at the Project Office level

In the design of the PMS it was assumed that Project Offices would view selection of their reports by the Dhaka Office as an achievement, a form of success. The initial workshop with Project Office staff in March, and later contacts with them supported this view. As Table 8.11 below shows, the changes selected each month by the Dhaka Office as the most significant were not drawn uniformly from all four Project Offices. The table shows one Project Office (Manda) performing especially well when compared to the other three. One limitation of this performance measure is that it can be biased by the effect of conspicuously good variations from normally poor performance, and neglect of consistent second best performance. Table 8.12 shows the average ranking achieved for all changes sent to Dhaka by each Project Office, for each domain. Manda Project Office was still the most successful in having its reported changes selected as most significant, but Chapai was less successful overall.

Table 8.11 Relative performance of the four Project Offices - 1st measure					
(Numbers of changes selected by the Dhaka Office as the most significant out of all those presented in any one month)					
Project Office	Quality of life	Participation	Sustainability	Other changes	All changes
Manda	3	6	6	1	16
Tanore	1	3	1	3	8
Mohanpur	2.5	0	2	2	6.5
Chapai	3.5	1	1	1	6.5
One change was selected each month, for each domain, over 6 months, except "other changes" which were selected over 5 months. "Quality of life" was the phrase that was used by Dhaka Office staff to refer to the domain of "changes in the lives of samiti members" In one case the changes reported by two Project Offices were seen as equal in importance, hence the 0.5 value.					

Table 8.12 Relative performance of the four Project Offices - 2nd measure

(Average ranking for changes submitted: 1 = most, 4 = least significant)

Project Office	Quality of life	Participation	Sustainability	Other changes	All changes
Manda	2.15	1.75	1.65	2.86	2.10
Tanore	2.55	2.35	2.45	1.93	2.32
Mohanpur	2.45	2.90	2.30	2.36	2.50
Chapai	2.65	3.00	3.40	2.86	2.98

N = 37 for each cell on the far right N = 10 for all other cells, except “Other Changes” column where N = 7 for each cell.

There are various differences between the Project Offices which do not account for these differences in success. The least and most successful Project Offices (Manda and Chapai) had Project Officers who were both Christian, while those in Tanore and Mohanpur were Muslim. The newest appointees, and the only female Project Officer in the area, were all middle ranking , and not conspicuously successful or unsuccessful. Both the Manda and Chapai Project Officers had worked with CCDB for more than 10 years.

There was some evidence of an inverse relationship between performance within the PMS and the variations in the credit repayment rates achieved by the different Project Offices At the beginning of 1994 the Chapai Project Office had been identified as the most successful of all 10 Project Offices by the Director, especially for its achievement of 100% credit repayments. That achievement had been sustained throughout the April 1994 to January 1995 period analysed below. In contrast, the Manda Project Office had the worst repayment record during this period (an average of 9.47% of loans overdue). Mohanpur and Tanore were second and third worst respectively average (6.62% and 4.27%) overdue.

It was possible that the PMS was selecting a different kind of information associated with a different kind of achievement, to that involved with savings and credit operations. However, this view was not supported when the contents of the selected reports were examined. Almost one

third of the Manda reports selected by the Dhaka Office were in fact to do with problems of credit repayment, and how they were resolved (in all cases successfully). These were reported as significant changes relating to sustainability and peoples' participation, two domains of change where Manda was conspicuously successful. Chapai was more successful with stories of change in peoples' quality of life, all of which may have been helped by the proper functioning of CCDB's savings and credit scheme.

One other possible interpretation was that it was the Project Officers' personalities that mattered. The Chapai Project Officer was noticeably sycophantic in his relationships with the Director and other senior staff in Dhaka. This was not at all the case with the Manda Project Officer. Between both of them, in terms of success, was the new female Project Officer in Tanore, promoted from within CCDB, and the Mohanpur Project Officer, newly recruited from another NGO. A further contrast was that the Chapai Project Officer was a recent convert to Christianity, whereas the Manda Project Officer was part of a well established and well known Christian family in the Rajshahi area. A greater sense of security and independence of mind may have been a significant advantage in producing a continuing stream of changes which could be seen as significant by the Dhaka Office. Some risk taking would have been required. For example, when the Manda Project Officer took what might have otherwise been seen as failures (relating to credit) and repackaged them as achievements.

8.4.5 Strategies used by Project Officers

Each of the four Project Officers had two types of resources available which they could use to identify news that was of value for the Dhaka Office: their staff and their beneficiaries. While beneficiaries were the original source of news the Project Office staff were also essential resources, needed to identify and report any news that was of potential value. Table 8.13 summarises the resources available to each of the four Project Officers.

Table 8.13: Resources available to the four Project Offices.

		Chapai	Manda	Mohanpur	Tanore
Staff		33	43	35	29
	% female	12%	9%	20%	24%
Beneficiaries					
PRFs		6	8	7	5
SRFs		18	30	21	16
Samities		98	192	122	101
	% female	98%	78%	76%	74%
Beneficiaries		3140	6074	4018	3225
	% female	98%	75%	70%	66%

There was a correlation between the scale of resources available to a Project Office, defined in terms of beneficiary and samiti numbers, and the number of that Project Offices' reported changes selected at the Dhaka Office level. However, it can be argued that even in the case of the Chapai Project Office there should not have been a shortage of potential news amongst the 98 samities and 3,140 beneficiaries. When added together their lives are the equivalent of 262 person years of experience which are available to the Chapai field staff, each month (3,140 people/12 months = 262 person-years).

In addition, the case of Tanore suggests that resources alone were not the key factor. Although Tanore only had marginally more beneficiaries (and actually had fewer staff) than Chapai the number of samities reported on and the number of reports submitted in total were the lowest of all Project Offices, yet they performed better than both Chapai and Mohanpur.

An alternate explanation for variations in performance was the different ways in which the Project Offices accessed the potential news that was available. As with NGOs analysed at the

sectoral level in Chapter Six, the Project Offices had a choice as to whether they would focus their attention and resources in specific areas, or use more generalist strategies. Organisation theorists who have been influenced by evolutionary theory such as Cyert and March (1963) have referred to these as “search strategies”. Project Offices could specialise by a focus on particular types of beneficiaries, and/or in the way that they used their staff.

Beneficiary focus

One specialisation strategy would be for field staff to focus on certain samities that were known to be doing well, in development terms, and thus most likely to be sources of valued news. While these responses may be internally adaptive within CCDB there are two reasons for believing a generalist strategy would be more in the interests of beneficiaries. Firstly, it would enable a greater diversity of voices to be heard by CCDB, and potentially more sensitivity to that diversity. This would especially be the case if the Dhaka Office was favouring bad news as well as good news. On the other hand, if the Dhaka Office favoured the reporting of good news then the survival of a generalist strategy would suggest that the benefits of CCDB’s services were not restricted to a small sub-group within the beneficiary population. The scale of whatever that benefit would be evident in the contents of the reports.

When the behaviour of the four Project Offices was examined there was no evidence of Manda or Tanore using specialisation as a means of achieving success. There was no conspicuous specialisation of reporting on particular samities, or on samities with a particular gender. This is a positive finding, given the interpretation above.

In all four Project Offices there were other structures, in addition to the samities, which were potential sources of news about change. The SRFs and PRFs made up between 20% to 24% of all the structures that beneficiaries belonged to. However, across all four Project Offices these were the source of only 8.5% of all the reports. Given that much of the annual planning took place with the SRFs as CCDB’s main partners, and that during this period CCDB saw the development of the SRFs as a key part of its development strategy (CCDB, 1994d), the paucity of

reports concerning SRFs across all four project areas suggests that whatever had been achieved in that area to date was not seen as very newsworthy.

Another potential specialisation strategy was to focus on old and well established samities, or very new samities. If the impact of development aid inputs from CCDB was slowly cumulative in its impact, key events such as buying land, might not be visible in younger samities. On the other hand, the most dramatic impacts might take place soon after a family joins a samiti. When ActionAid examined in its Bhola Island savings and credit program in the early 1990's the evidence available from the SAMASARI monitoring system indicated that the most noticeable changes in nutritional status amongst children of members took place shortly after parents joined the samities (Salway et. al, 1994). In practice, an examination of Project Office records showed there was little opportunity for such specialisation in the Rajshahi area, because most samities had been formed within a narrow band of time, between 1989 and 1990.

A more basic response than that of choosing whether to specialise or diversify, is simply the amount of effort that Project Office staff decide to put into searching for news relating to beneficiaries. In practice, the overall amount of effort put into reporting significant changes was not related to performance at the Dhaka level. The field staff at Chapai and Mohanpur Project Offices both identified more changes than those at Manda.

Use of Project Office staff

Another potential strategy for Project Offices was to specialise in their use of Project Office staff to identify and report significant changes. Specialisation by staff in tasks such as reporting for the PMS may not be automatically contrary to the interests of the beneficiaries. Tradeoffs may be involved. On the one hand using a small number of staff will mean there will be fewer channels through which the views of beneficiaries, and views of their views, can reach the CCDB senior staff. On the other hand there may be some people who are, or who become, skilled in the form of observation skills required by the PMS, and making particular use of such people would make sense.

Chapai was conspicuously different from the other three Project Offices in that it used relatively few staff to identify and produce reports of changes. Although many reports were produced for selection at the Project Office level, a higher proportion of these were produced by a few staff members who focused on the task. Unlike the other Project Offices where senior staff were involved in identification of changes as well as field staff, in Chapai only the field staff were involved. Although Chapai had the highest percentage of female beneficiaries and samities, very few women staff provided reports. Overall, of the four Project Offices, the level of specialisation by staff in the tasks involved in the PMS was the greatest in Chapai.

In Manda there was no apparent specialisation in the use of staff. Furthermore, there was a statistically significant *inverse* correlation between numbers of reports submitted by individual staff members and the proportion of those selected by the senior Project Office staff (0.39, significant at <0.05 level). This negative correlation could indicate that learning, in the sense of routinisation through repeated experience, was actually counter-productive in the context of what is required by the PMS.

This is understandable when it is recognised that the type of learning that was required by the PMS involved a significant jump in understanding, from being able to identify specific pre-identified events, to be able to identify new *differences* between events. Bateson (1979) has described this second order form of learning as it took place with a captured dolphin, being taught (by reward with fish) to display “new behaviour”.

“...each of the first fourteen sessions was characterised by many futile repetitions of whatever behaviour had been reinforced in the immediately proceeding session. Seemingly only by accident did the animal provide a piece of different behaviour. In the time out between the fourteenth and fifteenth session the dolphin appeared to be much excited, and when she came onstage for the fifteenth session, she put on an elaborate performance that included eight conspicuous pieces of behaviour of which four were new and never before observed in this species of animal. From the animal’s point of view, there is a jump, a discontinuity , between logical types.” (Bateson, 1979:123)

As Bateson would have been the first to point out, the learning process involved trainer *and* trained, and if there is not sufficient appropriate reinforcement from the trainer than this jump will not take place. One interpretation of the staff performance described above is that while senior staff (specially in Manda, which was the most successful in Dhaka terms), understood what was in demand, that understanding was not communicated sufficiently well to the field level staff. In these circumstances repeated production of reports by any individual ran the risk of routinising at the wrong level, standard accounts which were thought to be in demand, but not actually containing any *news*. If however news focused reports were not highly rated by Dhaka then routinised identification of desired accounts should have been easy, and success would have been positively associated with volumes of reports generated by individuals and their Project Offices.

Manda's generalist strategy prevented these limitations from becoming a source of disadvantage. Chapai's specialist strategy encouraged routinisation, in a way that was evidently not productive.

8.5 Evaluating the PMS

In Chapter Four it was argued that the definition of what is “successful” learning is dependent on location, on whose interests the observer identifies with and prioritises. In this final section the PMS will be reviewed first of all from within my own evolutionary perspective, developed in Chapters Three and Four. In the process attention will be given to how the PMS has met the various interests of CCDB staff. The implications for the interests of their beneficiaries will then be identified in the context of a more detailed analysis of the systems use, in terms of the five attributes of learning behaviour.

8.5.1 The survival of the PMS

In Chapter Three it was pointed that in evolutionary theory success is measured in minimalist

terms by survival, and proliferation. In the words of Belew, writing about Artificial Life studies, "The dumbest smart thing you can do is stay alive". (Belew, 1991). Proliferation is of value simply because it suggests fitness within a wider range of conditions, and thus better prospects for survival in the future. Applied within the context of CCDB, long term survival of the PMS would be indicative that it was providing at least a minimum level of value, even if it did not make a noticeable impact on CCDB's behaviour towards its beneficiaries. Extension or replication of the system would suggest a degree of wider value.

Although I withdrew from active involvement in the PMS at the end of the RTM in 1994 it has survived since then, more than four years after it was established. In January 1995 the PMS was adopted by three more PPRDP Project Offices in the Pabna area. By late 1995 it had been extended to cover the remaining three PPRDP Project Offices. In 1996 the system was taken up by the six Special Programs, all the other non-PPRDP programs. The system has survived and has proliferated within CCDB (CCDB, 1996g; 1997).

In the process of doing so changes have taken place in the PMS, it has been informed by experiences of its use within CCDB. The system has learned from experience. Two key changes were made but these did not contradict the underlying design principles. They do suggest some of the competing demands that such systems may have to manage as they are expanded in scale. When the PMS was extended to three additional Project Offices in early 1995 it increased the volume of changes that had to be analysed at the Dhaka Office level each reporting period, from 16 to 28 (4 domains x 4 Project Offices versus 4 domains x 7 Project Offices). CCDB adapted to this expansion by using two groups of staff at the Dhaka level to analyse the changes instead of one, one for each of the two zones. By the end of 1996 it was reported that three groups of Dhaka Office staff were being used, because by then the system had been extended to cover all the PPRDP Project Office (all three zones).

Associated with these changes was a change in the reference period and reporting frequency from monthly to three monthly. This would have enabled CCDB to aggregate information at a larger geographic scale than before, without a substantial increase in costs (in staff time). This choice suggests that temporal and geographical resolution were in competition with each other, and

geographical resolution was seen as the more important. This is consistent with the longer term temporal focus on beneficiaries lives, evident in the Annual Reflection (in Chapter Seven).

Although there are now three groups analysing changes at the Dhaka level CCDB has not added a further layer in the hierarchical selection process enabling comparison between the three zones and the aggregation of information about all PPRDP and other CCDB programs. Again, this would have involved extra cost. Two factors may have been influential. Firstly, while there were individual staff (Project Officers) who were responsible for performance at the Project Office level, no one was accountable for performance at the zonal level. Secondly, CCDB may have felt, with some justification based on RTM experience, that there was not enough external demand for information about the whole PPRDP (in this form).

The PMS has not only survived and proliferated, but steps have also been taken to institutionalise its maintenance. Following the end of my contact with CCDB in early 1995, KS was transferred from the Training Unit to the Research Unit in order to take on full time responsibility for the management and extension of the PMS. He has remained in that position since then. The initiative to institutionalise the role responsible for the PMS came from within CCDB, not myself, though my last week at CCDB I was actively lobbied by a number of senior staff to propose such a development.

Having been incorporated by the Research Unit in early 1995 the PMS, under KS's management, has managed to maintain support within that Unit in the face of other internal priorities (see below). In late 1996 the head of the Research Unit and KS published a report which argued for a strengthening of the PMS. In a report to the 1996 RTM (CCDB, 1996g) it was suggested that: (a) In each three-monthly Project Officer's Coordination meeting in Dhaka the most significant stories of that period should be discussed, (b) samiti members should be more involved in the process, both in the identification of significant changes, evaluating specific changes and during attempts to follow up previous reported changes, (c) The most significant changes of samiti members should be published in Roddur, a newspaper CCDB produces for the newly literate, (d) The senior staff of the Dhaka Office should be involved in field visits to follow up previously reported significant changes, (e) The reporters of the most significant changes should get

recognition from CCDB Dhaka Office, (f) More orientation sessions should be given to staff on how to collect accurate and unbiased information. The fate of these suggestions is unknown, but they suggest some continuing confidence in the value of the PMS, and its potential for further development.

The extension of the PMS took place in the face of other systems being maintained as well as proposal for their development. Their development showed evidence of the impact of the PMS, as well as evidence of absence of impact. In 1996 it was proposed by the Research Unit that the system by which Project Offices wrote monthly reports to the Coordinator Programs in Dhaka should be revised, to incorporate a much more systematic process of data collection about developments at the SRF and samiti level. The new design showed some influence by the PMS. Instead of reporting on all samities and SRFs each month, a large and daunting task, the system focused on one SRF per month, including its six constituent samities. This selective sampling would enable the Project Offices reports to go into much more detail about those samities. It was expected that on this basis complete coverage of all samities would be achieved once every 2 years at the most. In the PMS a selective sampling approach had lead to between 40% and 76% of the samities in the four Project Offices being represented within ten months.

The revised monthly reporting system also incorporated what was remembered about an earlier approach to monitoring, dating from 1991. This was a list of indicators based on a poster called *How To Live Well*. The poster contains a list of injunctions about what to do “to increase income”, “to be free from disease”, “to build a future” and “to be socially responsible”. While they are very similar, in their moral tenor, to the contents of the PMS reports there is a notable difference. All of the changes in quality of life identified as most significant by the Dhaka Office in 1994 involved the acquisition of physical assets. These included goats, extra land for farming, a tree nursery, land to build a house on, bricks, CI sheets, the building of rooms, establishment of a grocery shop, bottling machinery and a threshing machine. Some of these assets were traditionally valued, such as land, and others such as the bottling machine and machine thresher, reflected newer developments in the rural economy. With the exception of goats, none of these larger scale material changes were anticipated as indicators by the *How To Live Well* poster, or any of CCDB’s earlier monitoring systems. In choosing to use the *How To Live Well* list CCDB

seemed to be reverting to a more conservative view of change, one that was both less ambitious in outcome and more explicitly prescriptive.

There were also signs that the PMS has been influenced by inherited practices within the Research Unit. In late 1997 I was informed that changes had been made to the domains of change being monitored. Although participation and changes in peoples' lives were retained as domains, sustainability was not. Three new domains of "Peoples' economic changes", Gender issue" and "Health, Nutrition and Food" were added. These new domains were the same as the names of three streams of research initiated by NC, the head of the Research Unit in 1994. As before, Project Offices were responsible for reporting three significant changes each reporting period. However, they now had a choice as to which domains those changes will represent. This innovation seems constructive, a choice of domain enables the Project Offices to be more locally responsive to new developments than was previously possible.

The meanings of the PMS

The PMS has survived, and evolved over time in terms of its objective features, such as its scale of operation, how frequently reports are made and analysed, and who was involved. Associated with these objective features are the subjective interpretations of various actors about the purpose and value of the PMS, which affect their willingness to participate in and promote the PMS. These exemplify the distinction made earlier in Chapter Three, about genotypal and phenotypal forms of information. Interpretations are the differences that can be made by differences in structure. Conversely, differences in interpretations can also inform differences in structure.

As with the news stories of significant change, the different interpretations of the purpose of a PMS do not have to be entirely consistent for the system to survive. In fact a diversity of meanings may help a particular practice survive within an organisation. In the report on the PMS produced for the 1996 RTM four different goals were listed for the PMS.

1. To improve CCDB's understanding of developments that are taking place in reference

peoples' lives

2. To improve the assistance that CCDB is providing to the reference people
3. To improve the understanding of CCDB's donors about how CCDB is working
4. To develop the analytic skills of CCDB staff

According to brief evaluation of the PMS in February 1995 the staff at the Project Office level saw the first goal as the most important. The second goal was less frequently mentioned as a positive feature of the PMS, but was a strong underlying concern of my own. The third goal was seen as important by both Dhaka Office and senior Project Office staff. The later also saw the PMS as a not so covert means of improving appreciation within CCDB about the work of their own Project Office. While field and Dhaka Office staff recognised the importance of skill development, the Director saw this as especially important, judging from his comments to myself, and CCDB staff, in meetings in 1994/5. Within this limited diversity there was clearly potential for conflict, especially between the goal of improving understanding about the lives of beneficiaries, and improving donors' understanding of CCDB's work.

Along with these goals which have achieved formal status there were many others, that may have survived informally since early 1995. In my 1995 review field staff mentioned many other values of the system, for example:

- "We have come to know about changes in other project areas as well as our own. These we can copy"
- "It will help evaluate staff and work performance...Before staff said they went regularly to the field but I am not so sure, but this process makes me sure"
- "There will be competitive attitude amongst the staff" (within the Project Office).

In Chapter Three it was pointed out that the minimalist nature of the definition of successful learning in terms of survival also made the definition enabling. Other forms of dependent structures could emerge. The diversity of interpretations of the purpose of the PMS, and the range of different needs that they meet, exemplifies the enabling nature of this definition.

8.5.2 Consequences for CCDB's beneficiaries

Within the same evolutionary framework there is a more specific way of evaluating the performance of the PMS. This involves the use of the attributes of learning behaviour identified in Chapters Three and Four. These were direction, frequency, openness, depth, and scale of learning. Two useful questions can be asked. Firstly, to what extent did the PMS enable variations of learning behaviour on each of these dimensions? Was it unduly constraining? This is of relevance to the interests of beneficiaries, in that it potentially effects the NGOs capacity to know their views and needs. Secondly, to what extent does the actual practice of learning, as evident when described in these five terms, signal to the CEO and to donors how CCDB's work to date may have effected the lives of beneficiaries? This capacity is also relevant to beneficiaries interests.

Direction of learning

The PMS used fuzzy categories to define where Project Office staff should look. This was supplemented by a completely open-ended domain, of any other changes. That facility was used by most Project Offices and in most months. In addition all the domains were open to redefinition at the Dhaka level, something which did happen after 1994. There were no structural features of the PMS that constrained where CCDB staff could learn.

While there was a wide range of events covered in the PMS reports areas of concentration and neglect can be identified. In 1995 KS pointed out to me (perhaps with some exaggeration) that “95% of the stories are credit related”. His explanation was that “Credit is the only program running effectively, all the others going on not so actively”. Some field staff made the same point, and explained “If no credit, there will be no stories, they will walk away to BRAC.” In contrast, the absence of any significant changes focused on the vocational and awareness training programs suggests very limited or non-existent achievements in those areas. The under-reporting of events at the SRF and PRF level, noted earlier, suggests limited achievements at that level. As suggested above, in the outline of the design of the PMS, it would be quite feasible for senior

staff to analyse the proportions of different types of significant changes and relate these to where staff time and project funds are distributed. Donors could also do the same, at a relatively macro-level, without requiring substantial additional information.

Frequency

The system was originally designed with the intention that frequency of learning could be tuned. In the actual implementation an attempt was made to set the frequency, firstly to fortnightly and later to monthly changes. This was only partially successful in practice. While in almost all cases there were events reported that happened in the last month, they were in many cases described as the culmination of a series of events, deemed important as a whole, that had started long before. Perceived demand for certain types of reports over-rode the intended settings. At the most, the requirement of a monthly reporting may have given more recent events a better chance of selection than if they had to compete with other events over a much longer period of time (e.g.. a year).

Despite this possibility, the behaviour of field staff was quite surprising. While there were sufficient reports produced by the Project Offices, for the monthly Dhaka meetings the field staff repeatedly complained to KS and myself that “We have not found any change” (CCDB, 1996g) Despite training and supervision by myself and KS in 1994, and by KS since then, staff had persisted in believing that stories of big changes in peoples’ lives, not small incremental changes, were what was in demand within CCDB. These were by definition more difficult to find than smaller changes. That learned behaviour was in effect limiting CCDB’s capacity to see and remember more immediate events right in front of it. The incapacity to learn from short term changes may have been reinforced by CCDB’s move in 1995 to a three month reporting period. As has been argued earlier in this chapter, the focus on long term events, is not in the interests of beneficiaries. It is a very slow way of enabling an organisation to respond to changes and differences in beneficiaries’ needs.

Scale

In Chapters Tree and Four it was explained that scale of learning can be increased by introducing different layers of learning. The hierarchical structure of CCDB provided a ready made series of layers within which complex qualitative information from the field could be processed and selectively retained. By late 1994 the PMS was covering the lives of 16,500 beneficiaries without apparent difficulty. The extension of the system to the other six PPRDP Project Offices involved a successful scaling up of the existing system. Even when covering all other CCDB project, CCDB still felt it could afford to use team based selection at the Dhaka level.

From the beginning of the PMS the coverage of samities mentioned in reports grew steadily, in all four Project Offices. After six months between 40% and 76% of all samities had been the subject of a report. This trend appeared to be continuing in early 1995. This coverage contrasted with the sample survey based approach to monitoring impact, being used by Proshika during the same period (Davies, 1995). Proshika's impact on more than 660,000 members was investigated through contact with 990 households. This was a sample of 1.5% (Shahabuddin, 1996).

While there were no major problems with scaling up the application of the PMS it should not be assumed there were no costs. More staff time was required at the Dhaka Office than before, with three groups involved in 1997 versus one in 1994. CCDB made strategic choices about how to manage these costs, which themselves signal where its learning priorities lay and which may vary in their effects on beneficiaries. A additional layer of aggregation across all projects was not seen as necessary, for reasons explained above. CCDB was prepared to compromise on the frequency of reporting in the process of achieving learning within large groupings of projects. This could have been avoided by switching, at the Dhaka level, from the use of teams to the use of decisions by individuals in charge of the projects or project groupings. The significance of lower frequency learning has been discussed above.

Openness

The PMS is unusual (if not unique) as a monitoring system, in terms of its openness. It does not require the use of predefined indicators whose meaning must be widely agreed upon, or imposed by authority. A diversity of accounts and interpretations is not problematic, but encouraged and utilised. The focus is very wide, on *change*. The main constraint is that the reporting is about events which have already taken place. Modifiable constraints are imposed on direction and frequency of reporting, mentioned above.

Because of the open nature of the PMS, the way in which it is used by organisations such as CCDB can signal how open they are. There are at least two aspects of openness which can effect the interests of beneficiaries: novelty and negative judgements. The absence of either would suggest a very limited capacity to learn from experience, and a disadvantage to CCDB's beneficiaries.

There was evidence of novelty in the reports produced via the PMS. The bottling factory story, selected at the RTM, was exceptional because it was about employment generation at the samiti level, not just self-employment, which was far more common in the accounts processed by the PMS. The second most important account selected at the same meeting, by a minority, was about a women who was able to buy and register land in her own name. There was no suggestion in pre-PMS CCDB documentation that this sort of event might normally be expected to happen. However, more than one account relating to land purchase was subsequently reported by the PMS.

More unusual and significant events were also reported after the 1994 RTM. One focused on the uncompleted struggle of a women samiti member to get her husband to take responsibility for contraception, and the help she received from other samiti members, in arguing her case with her husband, and in an local shalish (village council) called to resolve this most unusually public dispute. Other more obscure events were reported to, but not selected, at the Dhaka level. One concerned the marriage of two trees, according to Hindu custom. The same two trees had previously been planted some years earlier by CCDB staff and samiti members, to celebrate the

start of the PPP process.

Perhaps the most important form of novelty is that in the form of uncontrolled outcomes. During the selection of the most significant changes in peoples' lives in the 1994 RTM a key area of difference that emerged between participants was over gender. None of the four domains of change focused specifically on gender, nor did any other of CCDB's reporting systems. However the reports that were previously selected by the Dhaka Office staff, and their explanations, carried with them gendered views of the world. An examination of these reports shows CCDB staff placing a value on women behaving patiently, and being cooperative. Family peace and harmony were over-arching concerns. After reading the reports at the RTM, some CCDB donors raised questions in this area, others did not.

In more recent reports on the PMS (CCDB, 1996g, 1997), novelty has been evident but in a minority of cases, between two and three of the nine reported events selected at the Dhaka level. However this is a subjective judgement made by an outsider, who does not feel comfortable with the genre used in most of the reports. Further investigation would need to involve the participants themselves, such as by asking them to identify which reports contained the most novelty, and explain in what they were novel.

One constraint on the extent of novelty in the reports being selected by the Dhaka Office was the level of tolerance within CCDB for the public display of criticism and failure. In February 1995 I interviewed Project Office staff, and Dhaka Office staff about their views of the PMS. One key question was "What sort of stories of change have not been written, and why?" The single most common response by field staff was that negative changes were not being reported. This was consistent with an examination of the reports that were sent to Dhaka, less than 5% could be seen as negative changes. Examples of negative changes that field staff said were not reported included:

- Member took loans and then lost capital, in full or part (5)
- ...and then repays CCDB loan with money borrowed from mahajon (big man) (2)
- Drop outs from groups or samities...Due to (CCDB) resource limits samiti members leave and go to other organisations (2)

- Stories of members divorcing that do not end up in reconciliation (2)
- Stories of marriage where dowry is paid (2)
- Always we try to develop alternate leadership but then he (sic) goes under other leaders, joins a faction (1)
- The impact on our members due to BRAC's activities (1)

The first three changes, if ignored for too long, are potentially life threatening for CCDB as an organisation. As was noted in Chapter Seven, CCDB did find out about these developments from other sources. These included a survey of the savings and credit scheme in 1995, Research Unit studies, and more anecdotal information coming from Project Office staff in Coordination meetings. Sufficient information came in to prompt CCDB to react, but not with any of the speed suggested by Steve Jobs at the beginning of this chapter. CCDB's beneficiaries would have born the cost of this limited responsiveness.

When asked why this type of story was not reported a variety of reasons were given. The most common explanation, mentioned by at least five of the staff I interviewed in 1995, focused on the consequences for CCDB. "What will Dhaka think if we report negative changes after so many years of working with the people...We are a development organisation, but if we say after lots of work with people their condition is going down what will people say? ...We are doing a lot for people but they are not improving, we can't report this...After all we have done so far why we have got negative changes? They will say money is wasted" These comments relate to the problem identified earlier in Chapter Seven. CCDB's 20 year long engagement in some project areas does provoke some awkward questions. The comments above convey a sense of CCDB being trapped by its own history.

Other explanations were more focused on the consequences for individuals: "If people write negative stories, then get criticised for this, they will get dispirited....If negative stories are written our supervisors will be questioned...Negative stories will be to the discredit of the samities and discourage them...Negative stories will hamper the reputation of the Project Office and the Unit office". Underlying many of the staff responses, though not stated during these particular interviews, was a pervasive concern about job security and status, not doing anything

that would jeopardise one's position within CCDB. Negative stories were being filtered out of the intake of the PMS because they were seen as threatening both individual and organisational survival.

Some attempts were made by Project Offices to communicate negative developments via the PMS. Somewhat to my surprise, the Manda Project Office staff informed me in 1995 that their report on the marriage of two trees was sent to Dhaka as a negative change, intended to show the persistence of traditional beliefs, and by implication the difficulties CCDB faced when trying to educate people about opportunities for development. In the content of the report there was relatively little explicit negative judgement in the description of the event. Despite this, the Manda Project Office interpreted the fact that the change was not selected as a significant signal that reports of negative changes would not be valued in Dhaka. The boundaries of CCDB's tolerance had been tested, and identified. Other attempts to send negative reports may have been even more subtle. It is possible that many of the reports apparently dealing with resolved problems, such as those with credit repayments or the impact on CCDB samities of other NGOs, were packaged as resolved in order to obtain more risk-free awareness of this type of problem by the Dhaka Office. As with the identification of novelty, the most appropriate response of outside observers may be to ask participants themselves which of all the selected reports they felt reflected most critically on CCDB. Unless this is done, there is a risk that judgements by outsiders (such as myself) about the lack of critical awareness in such systems may simply reflect cultural ignorance.

Depth

A common feature of a number of theories of organisational learning reviewed in Chapter Four was the idea of levels of learning. Second order learning, about appropriate criteria of selection for appropriate behaviour, was seen as something organisations find difficult. The idea of multiple levels of learning is present in Bateson's hierarchy of recursiveness and Nelson and Winter's hierarchies of routines. Within the PMS it would have been quite possible for senior Project Office staff to select reports by field staff on the basis of the selection criteria those field staff documented in their reports. In turn, it is possible that Dhaka Office staff could have

selected reports from the different Project Offices on the basis of criteria used and documented by senior Project Office staff. CCDB's organisational hierarchy could have been dealing with a hierarchy of logical types of information, and this process would have involved hierarchies of recursiveness (reports upwards, feedback on selection downwards).

In practice this did not happen. Initially this may have been because this possibility was not initially pointed out to senior staff, by myself. However, some innovation in this area would not be impossible. Even the documentation on the PMS produced in 1996 and 1997 still differentiated explanations made for choices by different participants at different selection levels, but there was no attempt to focus analysis and selection processes on those criteria. To do so would have required some decentralisation of authority by senior CCDB staff. This would have been consistent with CCDB's development ideology which focuses on participation, but it would have clashed with the very stratified view of status that CCDB shares with much of Bangladesh society. Decentralisation of criteria setting could have allowed more locally informed interpretations of what were significant changes. This would have been in the interests of CCDB's beneficiaries.

Despite this weakness there was plenty of awareness, outside the reports produced within the PMS, of the limits and weaknesses of the PMS system. Problems with lack of negative reports, and an excessive focus on credit activities, have been mentioned above,. Other problems noted were that "...some crucial information important for understanding the (success) stories has not been reported...some inaccurate information was identified during the follow-up...some stories should have been reported for another domain" (CCDB, 1996g). These problems were identified as a result of verification visits made by CCDB staff in November 1995 to locations of nine most significant changes selected by the Dhaka Office earlier that year (CCDB, 1996g). A subsequent report on the PMS produced for the RTM in 1997 showed that verification visits to the sites of the changes selected as most significant were still being carried out. In addition reported changes were being supported with further details, and the performance of different Project Offices and staff was also being documented, in terms of number and type of changes reported. There was some evidence of institutionalisation of the procedures needed for controlling error, and extracting value.

8.6 Conclusions

The continuation and extension of the PMS since 1995 is evidence of its value to CCDB. The structure of the system is not by design unduly constraining, and thus contrary the interests of CCDB's beneficiaries. The value of its actual use to beneficiaries depends on the user, and responses to that use. These are summarised below, in terms of the attributes of learning used above.

CCDB's learning behavior, as evident through the PMS

1. *Direction of learning:* Given the contents of the PMS CCDB was clearly pre-occupied with credit activities. Given this pre-occupation, actual impact on beneficiaries' lives might be expected to be highest in this area. Neglect was clearly evident in respect to training activities, and to a lesser extent with SRF and PRF based activities. These problems were resolvable. In 1997 CCDB made a number of alterations to the domains of change that had to be reported on.
2. *Frequency of learning:* In terms of the interests of beneficiaries CCDB's behaviour poses serious problems. Despite efforts to skew the reporting of staff towards recent events, staff frequently focused on long term changes. This was probably reinforced when CCDB subsequently reduced the PMS reporting interval to three monthly. The main influence on the frequency of learning seems to be perceived donor demand for information about long term impact. However, beneficiaries are likely to prefer an organisation that is able to quickly identify and respond to their needs.
3. *Scale of learning:* CCDB has not had difficulty in learning, via the PMS, on a progressively larger scale over the last four years. As noted above, this expanded demographic scale has involved some reduction in temporal resolution. But alternatives, such as making less use of teams, were possible.
4. *Openness of learning:* From an outsiders' viewpoint novelty was present in the type of events reported. What appeared more limited, and was noted by CCDB staff themselves, were reports

which reflected negatively on CCDB. As discussed in Chapter Seven, in the case of the credit program, some CCDB beneficiaries have born the cost of CCDB's inability to deal with negative outcomes on a reasonably open level.

5. *Depth of learning*: At the level of documented views, in contrast to meetings, there was a very noticeable absence of second order learning within the operation of the PMS. Although decentralisation of criteria setting about significant change is very consistent with CCDB's development ideology none of CCDB's donors have indicated any interest in any information that would suggest this has happened. In contrast, they have acknowledged and appreciated self-criticism within CCDB.

Implications

A continuing theme through Chapters Seven and Eight has been the influence of external parties, outside CCDB. Some demands for information have had quite powerful effects on CCDB's behaviour, such as how it manages diversity during the annual planning process. Others, such as those that led to the establishment of the PMS, were less direct. In the analysis of the results of the PMS, it is clear that requesting information about specific types of outcomes, such as forms of political action, are risk laden from the point of view of beneficiaries. They may or may not fit their circumstances. On the other hand, using fuzzy categories provided some donors with unexpected bonuses in the form of contextualised information about complex issues, such as gender relations.

If donors want NGOs to be responsive to the needs of beneficiaries they should pay attention not to particular types of events in the lives of beneficiaries, but *how the NGO knows* what is happening. The five attributes of learning behaviour used above are one way of mapping the nature of that capacity, and identifying areas in need of development. These attributes also provide a means of planning the type of information demands that might improve learning. Donors could be asking CCDB for evidence that it is aware of shorter term changes, is able to differentiates beneficiaries' needs in considerable detail, and senior staff are monitoring and evaluating the criteria junior staff are using in their fieldwork. If donors feel the need for direct

field investigations, these should focus on validating CCDB's ability to know, not on trying to develop an objective picture of project impact.

This strategy is consistent with the responses noted in Chapter Two, to the problems of diversity in social science theorising. Marcus and Fischer have pointed out that in the absence of encompassing paradigms "...the most interesting theoretical debates in a number of fields have shifted to the level of method, to problems of epistemology, interpretation, and discursive forms of representation themselves employed by social thinkers. Elevated to a central concern of theoretical reflection, problems of description become problems of representation" (1986:9). Diversity is managed on a large scale by introducing a new level of analysis: differences in modes of representation.

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CHAPTER NINE: CONCLUSIONS: REPRESENTING AND ASSISTING ORGANISATIONAL LEARNING

9.1 The Aim of the Thesis

The aim of this thesis was to develop a theory of organisational learning which is useful as a means of both representing and assisting organisational learning. The focus of the thesis is specifically on NGOs, especially those working in low income countries but with funds from higher income countries. My particular concern is the ways in which NGOs do and do not manage to learn from the rural and urban poor communities they are working with, and how this process can be improved.

The overall argument that I have put forward is that evolutionary theory is of value as a means of meeting this challenge. Firstly, it provides a means of representing organisational learning. It provides a definition of learning that can be operationalised and associated means of differentiating various forms of learning behaviour. This framework can be applied at multiple levels of analysis: individuals, organisations and populations of organisations. Secondly, it can provide means of assisting organisational learning. Participatory methods of analysis arising out of the theory can be used by NGOs, their donors, and outside researchers. On a wider scale, evolutionary theory provides a link between the problems of organisational learning and a general problematic which is relevant to Development Studies, described as the management of diversity.

9.2 The Foundations of the Theory

The view of organisational learning developed in this thesis is based on well established foundations. One is evolutionary theory, as it has developed over the last century. The other is the growing body of literature specifically concerning organisational learning. The latter has been significantly informed by evolutionary theory. This body of theory is increasingly interdisciplinary in its nature, a feature that should be acceptable with a field such as Development

Studies. In addition to enduring and developing as a body of theory, developments in computer technology have enabled the key ideas about the evolutionary process to be embodied, tested and applied to practical tasks. One of these applications (artificial neural networks) has been used in this thesis as a metaphor for describing structural changes during learning. Another (genetic algorithms) has been re-designed as a social process: a participatory monitoring system.

The Definition of Learning

The theory of learning developed in this thesis makes use of *homology*: commonality of function arising from commonality of origin (of individuals, organisations, populations of organisations). Being able to use the same basic concepts at different levels of analysis provides the theory with some economy. Homology is not however identity, and differences in process between levels have been recognised (see below).

Learning has been defined very simply, as the *selective retention of information*. Information in turn has been defined as a “difference that makes a difference” (Bateson, 1979). This definition is not dualistic. It allows us to see evidence of learning in the structures of organisations, as well as within human discourse.

This definition of information is not atomistic. There was no assumption that processes of variation, selection and retention worked on a basic set of entities similar to genes or memes (Dawkins 1976). The units of selection were Bateson’s differences, which are potentially innumerable. The value of this definition is that it allows for a process of knowledge that involves continuing differentiation, as well as aggregation. This is consistent with the multi-level analysis of learning developed in this thesis. Organisations and populations of organisations were growing in size, accumulating knowledge, but sections of organisations and individuals were becoming more specialised in their knowledge.

Learning, in the form of the selective retention of information, takes place through the iteration of variation, selection, and retention of forms. For this explanation to be of value these processes

need to be identifiable in the real world, within human culture and not just the biosphere. In its simplest form they can be seen in the processes of human communication, where speech (writing, or other human action) is subject to interpretation by a listener, before they reply or communicate to others. Depending on context and history, one of a number of possible interpretations is likely to prevail. One example noted was the way individual Project Officers interpreted the budget guidelines sent to them by CCDB's Dhaka Office in 1994.

This process was elaborated by using the distinction between genotype and phenotype forms of information. Apparently objective features of communication (or organisational structure) can be seen as the equivalent of genotypes (which are relatively stable over time). The phenotype is their meaning as experienced by different individual observers, influenced by their own history and context. That experience of meaning (consequences, associations) effects the likelihood of the reproduction of the original genotype. This structure and meaning distinction was built into the two stage analysis (of structure and interpretation) of Bangladeshi NGOs in Chapter Six. It was also built into the description / explanation distinction in the contents required within the PMS in Chapter Eight.

The process of variation, selection and retention involves a minimalist definition of successful learning: survival into the present. In these terms the PMS designed in 1994 has been successful. As well as being simple, this minimalist definition is also enabling. Amongst that which survives variations and embellishments can develop. These in turn can become subject to processes of selection, etc. This definition provides some open endedness to the processes of evolution and learning. This enabling dimension was visible in the multiple formal objectives and informal values that CCDB staff saw in the functioning of the PMS.

9.3 The Structure of Learning

1. The evolutionary algorithm

A basic structural feature of learning is the *evolutionary algorithm*: the iterated process of variation, selection and retention. This process was applied during two stages in the field work. The first was in meeting of a group of NGO in 1992 to collectively analyse which of a number of changes noted in the NGO sector the previous year were the most significant of all. The process of variation-selection-retention was embodied in a social process that reiterated two activities: choice and explanation. Choice reduced variety by selection. Explanation of choices then opened up a new range of variants, in the form of meanings given to that which had been selected. In the 1992 analysis this process could have been taken further, to explore additional layers of meaning associated with the significant changes reported by the participating NGOs.

In CCDB the evolutionary algorithm was the basis of a process used to help CCDB summarise information from the contacts field staff made each month with a large number of beneficiaries. The main achievement here was one of scale, the coverage of the lives of 16,500 people. Variation existed in the form of many possible reported events. Amongst the many reports produced by field staff, senior Project Office staff selected one per domain. When aggregated across projects this re-created diversity. This diversity was in turn subject to selection by senior staff.

Other potential applications of the evolutionary algorithm have been identified. One is the participatory development of past project histories (or future project plans) in the form of evolving branching structures of narrative. Participants would choose which branch-end to add a next step in the story. New branches would emerge where an existing branch was added to by more than one participant. Branches would die out where no new additions were placed there by participants. Such constructions could capture something of the contentious nature of history and the way in which it is social constructed.

2. Frequency

While it was argued that learning and evolution are homologous in process one major difference noted was frequency of iteration. Within a single generation cycle of reproduction there can be an enormous amount of behavioural experimentation. Differences in frequency can also be noted when comparing individual and organisational learning, and learning at the population level. It was suggested in Chapter Six that learning at the population level was significantly slower than that within organisations, and in turn this was slower than learning within individuals. One reason is differences in opportunities for interaction.

Within individual organisations routinised interactions (involving some variation-selection-retention) can take place at different frequencies, allowing different speeds of learning. Within CCDB organisational routines varied in their frequency, from three yearly down to monthly or less. The appropriateness of the frequency of different routines depends on the analysis of the environment and the responses that are needed. CCDB felt that close monitoring of credit repayment was essential to its own survival plans. These were in turn related to its understanding of likely donor responses to CCDB's financial needs. There was no evident need for frequent monitoring of other CCDB activities such as grant use by samities or training activities, despite the fact that this could have been in the interests of beneficiaries. With more frequent information CCDB could adjust its responses in these areas to peoples' needs with less delay. It was noted however that in terms of changes in beneficiaries lives CCDB was under pressure from its Commission, and some donors, to focus on long term changes, taking place over a period of years. This seemed to be contrary to the interests of beneficiaries.

3. Direction

In Chapter Three the process of learning (at species, individual and organisational level) was described as a process of continuing differentiation of knowledge about the world. This process has attributes of direction not because of some vitalistic force, but simply because learning has costs and therefore tends to be selective. Some areas of knowledge are neglected and others are

attended to, especially those with consequences for the person or organisation involved. This directional focus on certain types of atemporal distinctions about the world is in parallel to the selective way in which an organisation focuses in on certain frequencies of events and not others (noted above).

Within CCDB's structures, described in Chapter Six, there was evidence of increasing differentiation at the head office. However, at the field office level, in the PPRDP at least, there was evidence of an opposite process (loss of unit offices, relative neglect of training activities). This direction of learning was against the interests of CCDB's beneficiaries, although it was in CCDB's own interests. An almost complete absence of differentiation between types of people assisted was noted in the analysis of CCDB's Annual Reflection. The area where knowledge of beneficiaries was most detailed was in terms of their credit repayment behaviour, as noted by CCDB's internal monitoring systems. There CCDB differentiated its knowledge down to the level of sub-groups within the samities. In the case of reports processed by the PMS, CCDB was relatively neglectful of events at the SRF and PRF level, and very much so in the area of training. In the population level analysis in Chapter Six the direction of learning by NGOs was not explored specifically, however the qualitative information that was obtained suggested a bias towards the largest NGOs as sources of learning.

As with the use of the evolutionary algorithm, there is potential for further development of methods in this area. In Chapter Six (Table 6.8) a tree diagram was constructed of the various differences noted between NGOs. Some areas of NGO activities were differentiated in great detail, others much less so. This was based on the re-iteration of the same question, starting from a base consisting of many examples of events to be sorted. The question was "What is the most significant difference between all these x's?" (NGOs). This method has since been elaborated and used elsewhere to map the knowledge held about NGOs, by donor NGO staff and the implications for their capacity building interventions (Davies, 1998b).

4. Depth

Gregory Bateson's use of the idea of different logical types of information has influenced almost all theories of organisational learning that involve some conception of different levels of learning. The introduction of different levels of learning enables organisations (and presumably people) to learn on a larger scale. In particular, it allows larger scale aggregation to take place without the need to sacrifice recognition of local detail and variation. In Chapter One a reference was made to the move in the social sciences towards the analysis of modes of representation. This movement up one level (in terms of abstraction) enables a macro-level perspective without requiring the denial of local variations in practices. In the design of artificial neural networks (Chapter Three) the introduction of additional layers increased the ability of those devices to learn to discriminate between complex patterns of raw sensory input.

The idea of levels defined in terms of differences (...differences between differences, etc.) also enabled a relationship based differentiation between people, organisations and populations of organisations. Organisations can be differentiated on the basis in terms of the relationships between people (such as those discussed in Chapter Five). Population of organisations (such as those in Chapter Six) can in turn be differentiated in terms of attributes which describe relationships between organisations (size distributions, mortality rates, etc.).

The differentiation of learning by levels has been evident in some areas but not others. In the analysis of NGOs in Chapter Five mention was made of how some NGOs, finding themselves increasingly in the role of a donor (or mid-donor), are trying to define their particular role in the larger hierarchy of organisations in terms of the unique value they add (e.g. NGO capacity building). In the team-based analysis of significant changes in the Bangladeshi NGO sector (in Chapter Six) the process had the potential to elaborate a number of levels of meaning in the events that were examined. In the analysis of CCDB's existing structures and procedures I did not attend to the differences in logical types of information being dealt with by various staff. This could have been done by examining how people supervised their junior staff, and how those supervised did the same in turn. In the operations of the PMS there was a possibility of senior staff selecting reports on the basis of criteria use by junior staff, rather than second guessing by

superiors. This did not happen. When combined with what was already known about the lack of variation in practice between the various CCDB Project Offices (in Chapter Seven) this suggests that the rhetoric of participation had not yet had much impact on pre-existing views of the world based on hierarchy. The ability to recognise variations in criteria of performance used by junior staff could be a useful signal of more participatory approaches becoming embedded in an organisation like CCDB.

5. Scale

Becoming large in scale is both a measure of success and problem. At the level of organisations, becoming large in size is a form of success in the same sense as survival and proliferation. Larger organisations such as BRAC can absorb shocks in form of loss of funding which would cause the immediate collapse of smaller organisations. They can respond to wider variety of opportunities than smaller organisations because they can afford multiple specialisations. In the analysis of the Bangladeshi NGO sector in Chapter Six the largest NGOs were certainly viewed by other NGOs as the most successful organisations.

The analysis of NGOs in Chapter Five emphasised the more problematic aspects of increased size, both at the organisational level, and in terms of larger structures of organisations. Growth in size of an NGO threatens to exacerbate the already problematic nature of the relationship between purchasers and users of that NGO services. Larger organisations have more diversity to manage. This is not necessarily a problem if the organisations' future is linked to awareness and responsiveness to that diversity, as can be the case in many firms. However, in NGOs the arrival of large donors can magnify existing incentives to look away towards donors rather than to beneficiaries.

From the evidence given in Chapter Six, and available elsewhere, there is no doubt that NGOs in Bangladesh have made significant achievements in terms of increased scale of operations over the last twenty years. CCDB's PPRDP was reaching 45,000 in 1994. Proshika was working with more than 600,000. In the case of CCDB, the growth that has occurred has not been associated

with growth in responsiveness to diversity within these large numbers. Savings facilities offered by CCDB and other NGOs in the early 1990's remained user unfriendly (Rutherford, 1995), so much so that most NGO staff would never think of depositing their own savings in such facilities (CCDB, 1994i). After identifying major problems with its own credit services in 1995 CCDB responded in a way that met its own self-interest, but without giving any more recognition to the difference in borrowing needs by its beneficiaries.

It was noted above that the introduction of multiple levels of learning within structures enables them to reconcile the need for comprehensive knowledge of the whole, while still recognising and responding to local diversity. One possible stimulus to improved learning is a population level consequence of increased scale of NGO operations. In the analysis of CCDB in Chapters Seven and Eight it was noted that CCDB is increasingly feeling the effects of competition from other NGOs working in its own traditional working areas. This increased density of NGOs is enabling some beneficiaries and their families to seek and make use of membership in multiple NGOs. In effect they are becoming the base members of a heterarchy of NGOs. The problems of lack of sensitivity to local differences, associated with increased scale, may be being resolved through this population level effect. In these circumstances, the ability to receive a clear message of need from the field level will be a source of comparative advantage for an NGO. CCDB was clearly still struggling with how to listen effectively in this way. During the evaluation of the PMS, staff commented about the types of message which were not passed up to Dhaka Office. These included some of the problems with members joining other NGOs. Other related problems may have been successfully signalled upwards within CCDB, by being clothed as resolved.

6. Hierarchy, heterarchy and openness

In this thesis the contrast often made between teams and hierarchies has been bridged with the concept of heterarchy. This allows a continuum of structure varying from one extreme to the other in terms of degree of connectedness and stability (hierarchies being more stable and less inter-connected than teams). This continuum corresponded to one of openness to new learning. In human organisations (and artificial neural networks, and in species) the process of learning

specific tasks or resolving particular problems involves a move from a generic (open) to a specific (specialised) form of structure.

Within CCDB there were many and varied organisational routines that allowed for different degrees of openness in different locations. These were reviewed in the second part of Chapter Seven. The PMS described in Chapter Eight provided CCDB with a form of openness to the lives of beneficiaries not previously available on such a scale or degree of formality. In the analysis of events at the population level, there was evidence of the emergence of various forms of heterarchy. These included networks of special interests and the provision of training by one NGO to another. Overall, it was argued that the level of openness seen at the population level was greater than that seen within individual organisations such as CCDB. This is understandable since there is no agreed mechanism of imposing authority over the whole sector, as there is within individual organisation. Relations between organisations can be more fluid. However, the greater degree of openness may also reflect the fact that, as noted above, the speed of learning is slower at this level as well.

In the analysis of NGOs in Chapter Five, their role as a form of service delivery was posed as a hybrid or intermediary form between two idealised extremes of centralised (state) provision and decentralised (market) delivery. In this broad sense, as a whole sector, NGOs' embody a middling degree of openness of structure. The question posed at the end of that chapter was whether the NGO mode had wider relevance, or whether it would reach its limits via growth in scale. The answer to this question may lie in the way NGOs respond to messages from their field staff about beneficiary reactions to their services, when compared to those provided by neighbouring NGOs. As noted above, density effects associated with increased scale of NGO activities may provide an environmental stimulus to more careful learning from the field, and thus help overcome the apparent problems of scale. However, the impact of density effects on NGOs will be mediated by the type of internal monitoring systems used by the NGO, the nature of the information demands by other outside interests (such as donor and government bodies) and these in turn by their theory of the business. The implications for responses in these areas will be returned to below.

In the analysis of organisational learning literature it was argued that the work of Senge and Argyris over-emphasised the need for openness to new learning and neglected the maintenance and use of old knowledge. It should be noted that the PMS worked because the process of iterated variation-selection-retention took place within the framework of an existing specialised organisational structure that geographically differentiated CCDB's work. The domains of change, fuzzy as they were, also embodied specialised past knowledge. The same process of summary-by-selection can also take place within branching category structures developed by individuals such as that created in Chapter Six (Table 6.8). Such branching structures (including organograms) enable the aggregation of experience by a progression of steps, from very locally relevant criteria to increasingly more generic criteria. As noted above, it is the existence of multiple levels within these structures that makes this possible.

9.4 The Context of Learning

The local nature of learning has been emphasised by March, and explained in terms of costs and uncertainty. The local nature of learning was evident in practice when the interpretations of NGO respondents to the 1992 NGO survey were examined. It was also evident in the analysis of CCDB in Chapter Six, especially in events such as the annual budget planning process, and attempts to develop new monitoring systems to meet the needs of the CCDB Commission. In the case of large organisations, recognition of the local nature of learning reinforces the relevance of appropriate stimulation from the wider environment, such as donors, in order to prevent organisational myopia.

The ambivalence of learning, identified by March, also arises from its local nature. Rather than getting bogged down in post-modern awareness of the absence of over-arching values researchers can take a dual perspective. On the one hand one can attempt to develop a systemic view of processes. On the other hand, this process should be examined purposively, with a view of how it effects specific interests, openly identified as being of special concern.

The ecologically situated nature of learning has been emphasised throughout the thesis. The

capacity for learning is dependent, in the first instance, on enough unpredictability in an environment to warrant the costs of learning. In Chapter Six, it was argued that the balance of generalist versus specialist capacities in NGOs was related to the degree of unpredictability in donor-NGO relationships. A relationship was also evident in the use of different types of meetings within CCDB to address different types of problems (varying in their newness and predictability). Mention was also made of the effects of co-evolution in requiring quicker means of adaptation. Competition between NGOs for beneficiaries to belong to their savings and credit programs may be generating such co-evolutionary pressures.

Rather than use the well established idea of learning simply as a cyclic process, taking place in simple feedback loops, the underlying structural metaphor in this thesis has been that of a web or network. Actors are faced with multiple constraints and opportunities in the links they have with all other actors. Bangladeshi NGOs manage relationships with multiple donors, in addition to government authorities and beneficiaries. Within CCDB changes in staffing not only need to have some internal fit, they must also take into account likely external reactions. The PMS may have survived because it was able to meet more than one set of needs. Arising within these webs of connections are more stable and specialised structures, which have had the sustained capacity to reconcile the most important interests, over a period of time.

The ecology of learning includes myself as an observer and others developing theories of organisational learning. Our locations condition the nature of the theories developed, and thus some reflexivity is required. The influence of location on the new-learning focused analyses of Senge and Argyris was noted in Chapter Four. Conversely, March's ambivalence may arise from being out of a market for specific solutions. Marsden and Oakley's continuing lack of resolution may relate to the diversity of NGOs that have taken part of the workshop series that has been the basis for their books. More than others, Huber was able to recognise the limits to the theorising he was a party to, and began to seek a solution by examining the way organisational learning theorists themselves learn. My own learning process has not been mentioned, except briefly in the introduction. A major but recent influence has been the thesis production process itself, which has not allowed anything but a very linear structure to emerge (with no branching footnotes). This has taken place, perhaps appropriately, after extensive experimentation with

methods and ideas over the previous years. A surprising slow process, given that it happened at the individual level. It suggests, along with arguments given above about the speed of organisational and population level learning, that the full understanding of learning within individual organisations may well require more than a year or two's exposure through field work.

9.5 The Management of Diversity

In Chapter Two the management of diversity was introduced as a problematic that was relevant to Development Studies generally, as well as specifically to the study of organisational learning. The phrase contains both descriptive and normative meanings: how diversity is and should be managed? It also contains a coping and enabling dimension. People, and institutions, may cope or fail to cope with diversity. In the process they may enable or constrain diversity generated by other actors.

Darwin's theory of evolution focused on the origins of diversity. His achievement was to explain this diversity in non-teleological terms. He did this by constructing a theory of change, of how organisms adapt over time in response to diversity and change in their environment. This behaviour in turn effects the level of diversity in that environment. The nature of the feedback loops between individual behaviour and collective properties are recognised as very complex, and have been described as emergent (if only for want of better understanding). The open ended and problematic nature of the process parallels that summarised above by the phrase management of diversity.

In Bangladesh, and elsewhere, NGOs must learn to survive in an environment that has its own complexity. Ideally, in the process of doing so they may be able to recognise the different needs of their beneficiaries and thus enable them to survive and prosper. Or they may survive without enabling their beneficiaries in any significant way. The problem with NGOs as an organisational form is the possibility of their needs to survive not being aligned with those of beneficiaries, because a third party (donors) is purchasing their services. The potential solution is to align NGO survival needs with those of their beneficiaries. This can be done by designing appropriate

forms of information demand that could be expressed by donors, and which are in beneficiaries interests.

The risks of expecting specific outcomes in the lives of beneficiaries has been noted in the analysis of the results of the PMS, in Chapter Eight, and earlier. The alternative is for donors to be seeking information about an NGO's capacity to learn from its beneficiaries. This can be done using the five attributes of learning , which have been noted above. NGO adaptations to this measure of performance (e.g. quicker learning from beneficiaries, more differentiation of beneficiaries) should be in beneficiaries interests.

What a donor would be seeking is a different logical type of information than is conventionally sought. Instead of seeking information about what is happening to beneficiaries, a donor would seek information about an NGOs *capacity to know* what is happening. By doing so, donors would be following the same strategy for managing diversity as discussed above. Relationships with a diversity of NGOs would be managed on a large scale by introducing a new level of analysis. The criteria used at that level would allow local variations in the actual responses by individual NGOs (e.g. the specific services provided).

If donors took this step then the representation of the process of organisational learning, developed in this thesis, would become a form of assistance as well. Such a move by donors could compliment the adoption by NGOs of monitoring systems, such as CCDB's PMS, which allows them each to manage a diversity of qualitative information about their own beneficiaries, on a large scale.

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APPENDIX A: NGO INTERVIEW SCHEDULE 1992

NGO INTERVIEW SCHEDULE No:.....Time:.....Date:.....
(to be adapted as needed during each interview)

I. BASIC DATA

- A. NGO name.....
- B. Address (if different from database).
 - 1. Overseas address.....
- C. When was this NGO established in Bangladesh.....
- D. When did it first receive foreign funding.....
- E. Name of CEO.....
 - 1. Years working for this NGO.....
 - 2. Name of previous employer.....
- F. If respondent is another, name.....
 - 1. Years working for this NGO.....
 - 2. Name of previous employer.....
- G. Start of financial year.....
 - 1. 1991 total expenditure.....
 - 2. 1990 expen', if possible.....
 - a. % change on 1990.....
 - 3. % Of 1991 expenditure which is funded by local revenue
 - 4. % of 1991 expenditure which was for cyclone.....
 - 5. Reserves (policy and practice).....
.....
 - 6. Total number of staff employed.....
 - a. Expat.....
 - b. Local.....
 - c. Dhaka based.....
 - d. % change on the previous year.....
 - e. Type of staff experiencing highest turnover and reasons.....
.....

II. NGO RELATIONSHIP WITH DONORS IN 1991

A. Names of each donor in 1991

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....

B. Amount and proportion of funding provided by each

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....

C. Duration of funding provided by each under present agreement

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....

D. Length of time the donor has funded this NGO altogether so far

- 1.....
- 2.....

3.....
4.....
5.....
6.....

E. Which donors do not have representation in Bangladesh

1.....
2.....
3.....
4.....

F. Most significant difference between each of the donors

1.....
2.....
3.....
4.....
5.....
6.....

G. What activities has this NGO wanted to undertake but has been unable to do, either because:

1. The present set of donors have been uninterested or unwilling to fund the activity.....
2. There have been no other donors which could be found to fund the activity concerned.....

H. What activities have been changed or altered as a result of dialogue with donors

.....
.....
If none, is there any evidence that could be used to show absence of donor influence on this NGO ?.....

- I. Which donors have initiated contact with this NGO and asked them to undertake specific activities ?
1. What donors.....
2. What activities.....
3. What outcome.....

J. In what ways has this NGO affected its donor (s) ?

.....

III. NGOs SELECTION OF PROJECTS

- A. Number and names of projects terminated.....
1. (on donor or NGO initiative ?).
a. % of budget that previously represented.....
b. MSD.....
2. If none, how many years since one terminated ?.....
- B. Number and names of new projects funded.....
1. Which are new initiatives.....
a. % of budget that represents.....
b. MSD.....
2. If none, how many years since a new one funded.....
3. Replication of other successful projects.....
a. % of budget that represents.....
b. MSD.....
4. If none, how many years since a new one funded.....
- C. Number and names of old projects continued.....
1. At same level of funding.....
a. % of budget they represent.....

-
 2. At reduced level of funding.....

 a.MSD.....
 b. % of budget they represent.....

 3. With increased level of funding.....

 a.MSD.....
 b. % of budget they represent.....
 MSD: 1. Type of beneficiary.....
 2. Type of intervention.....
 3. Management.....
 D. What was the most significant change in this NGOs whole programme in 1991

 E. What was the biggest mistake that the NGO made in 1991.....

 F. Looking at the set of projects operated over the past five years has the NGO increased or decreased:
 1. The numbers of upazila it is working in.....
 a.Is there complete coverage in the old upazilas.....
 .2. The type of target groups it is addressing.....
 3. The types of interventions it is implementing.....
 G. Looking at the NGO programme,
 1. Are you assisting other NGOs, who are not themselves membership groups of poor people ? :
 (1) By funding (if yes, % of expenditure).....
 (2) By services of some kind (if yes %).....
 2. Of those poor people you are directly assisting is it possible to say what proportion of:
 a. The % of beneficiaries are in a group or association which has a link to the NGO:

IV. NGOs PERCEPTION OF OTHER NGOS

- A. From this list of NGOs could you identify some which you think represent some of the most important differences between NGO in Bangladesh ?
 1. Name of NGO.....

 a. Key difference.....
 b. Others like it.....
 2. Name of NGO.....

 a. Key difference.....
 b. Others like it.....
 3. Name of NGO.....

 a. Key difference.....
 b. Others like it.....
 4. Name of NGO.....

 a. Key difference.....
 b. Others like it.....

(This question was later simplified and adapted to):

What do you think is the most important difference between all the NGOs in Bangladesh?

- B. What do you think is the impact of the very large NGOs on the operations of NGOs in Bangladesh (present list).....

 C. What is the MSD between this and other NGOs ?

D. Which other NGOs do you think are the most similar to your organisation ?
.....

E. Which organisations does this NGO cooperate the most with ?
.....

F. Which associations does this NGO belong to ?

G. Which other NGOs has this NGO learned the most from in the past ?
.....

H. Which NGOs do you think have been the most successful ?
a. Names.....

.....
b.Criteria.....

I. Which other NGOs would be your main competitor:
1. For funds from donors.....

.....
2. In terms of development approach.....

.....
3. For capable staff

J. Do you know of any NGOs that have ceased to exist ?
1. Who and why.....

K.Comparing the whole NGO scene in Bangladesh now to that five years ago, what do you think is the most noticeable change, if any, in:

.....
1. The targets group being addressed.....

.....
2. The interventions being used.....

.....
3. The management practices.....

L. Who do you think has made the most useful criticisms of NGOs in Bangladesh ?

1. Names.....

.....
2. Content.....

M. Some people think that the richer and more powerful must loose something if the poor are to make improvements in their standard of living. Do you think so ?.....

.....

V. RESPONDENTS REACTION TO THE INTERVIEW

A. If I came back at a later date, would it be possible to gather more detailed information on the projects you are operating, both from talking to your staff, and from your project documentation ?
.....

B. If I organised a meeting to feedback some of the results of this survey, which questions would you most like to hear the answers to ?

C. Are there any questions you would have asked, which I did not ask ?

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