Promoting the Sustainability of Development Institutions: A Framework for Strategy

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Summary. — This article presents a generic framework for understanding institutional sustainability in development. Its lessons draw from the agriculture and health sectors. The framework treats institutions as: (a) systems that function in relationship to their environments; (b) organized and managed entities whose organizational structures and procedures must match the tasks, products, people, resources, and contexts they deal with; and (c) settings intimately concerned with the exchange of resources where economic and political relationships intertwine to create varying patterns of power and incentive. Application of the analytic framework has shown that institutional sustainability depends upon maintaining: responsive output flows (high quality and valued goods and services); cost-effective goods and services delivery mechanisms (organization and management); and resource flows (recurrent costs, capital investments, human resources).

1. INTRODUCTION

Whether development assistance “works” has been bitterly debated ever since international, government-to-government transfers of capital and expertise first began on a large scale, more than 40 years ago. Criticism of foreign aid, whether from the left (Lappé, Schurman and Danaher, 1987) or the right (Eberstadt, 1988), shows no sign of abating. At the heart of this controversy is “sustainability.” Why do development efforts so often seem to dissipate? Why are the effects so ephemeral? According to an official task force on aid efficacy (Cassen et al., 1986, p. 307): “A subject requiring much more attention is the life of projects beyond the time of the donors’ involvement. . . . Perhaps one question above all deserves asking more often about most aid: will this help in the long-run to increase the recipients’ self-reliance?”

The enormity of the sustainability problem is suggested by two recent studies. One, done by the World Bank, evaluated some 550 projects. Nearly half had sustainability difficulties; 15% were rated unlikely to be sustained, 9% marginally sustainable, and 24% uncertain. Only 52% appeared to have successfully achieved sustainabil-ity (World Bank, 1990, p. 32). The United States Agency for International Development (USAID) conducted a separate study of this issue (Kean et al., 1988). It used a different methodology, so the results cannot be compared precisely to the World Bank’s examination. But the conclusions were even more damning. Two hundred and twelve project evaluations were reviewed. Twenty-six percent of the projects earned strongly negative ratings, 56% got marginal marks, and a mere 11% of the projects were

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considered to have strong prospects for being sustained after the termination of US assistance. Many factors — ecological, technological, macroeconomic, and so forth — can make a development project or program obsolete. Institutional factors almost always play a role, however. In the words of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) (1989, p. 107), "sustained and self-reliant development depends on the strength and quality of a country's institutions." This is because socioeconomic progress requires people to coordinate their behavior, which in turn requires institutions that bring people together in ways that effectively facilitate concerted action.

Public works, such as the construction and maintenance of sanitation or irrigation facilities, obviously entail social coordination. So do many "private" decisions that affect development. It is up to individuals to choose to, for example, practice family planning or adopt modern agricultural techniques. But whether they make these choices and can carry out their decisions depends, partly, on the presence of institutional mechanisms to provide the necessary technical advice and physical inputs. Without effective institutions, people cannot easily maintain forward momentum to correct the social and economic deficiencies they face.

The importance of institutions in sustainable development has led donor agencies to make institutional sustainability itself a consideration in the projects they design. Donors at first focused on the capacity of country institutions to carry out particular government undertakings supported by external resources. Institutions were strengthened for the life of the project investment, with little or no attention to what they would be capable of in the long haul (Honadle and VanSant, 1985). This narrow concern with project institutions has been supplemented more recently by interest in nurturing other institutions that contribute to long-term development. It is no surprise that another World Bank review of its projects (Paul, 1990) found a strong, positive association between the strengthening of indigenous organizations, on the one hand, and the continuation of benefits beyond the project period, on the other.

Although the two phenomena are related, sustainable development and sustainable institutions need to be kept analytically distinct. The former entails choices of strategies, policies, tactics, and actions that will reliably produce long-term, self-renewing development (see Tisdell, 1988). An important aspect of all these choices relates to institutions; that is, which institutions at which levels can best fulfill the functions required for sustainable development? The latter deals with the issue of how, given the identification of appropriate institutions for achieving development goals, to make those institutions effective and sustainable. Many of the Third World's most sustainable institutions — for instance, the military or police — have little to do with long-term, self-renewing development. More critically, from the development practitioner's perspective, certain institutions in poor countries with professed development objectives endure while producing negligible, or negative, impacts on socioeconomic betterment. The examples of budget-draining parastals and production-distorting commodity marketing boards readily come to mind (see Nellis, 1986).

The shortage of sustainable, development-oriented institutions in the Third World remains a serious problem. The reasons for this shortage, and ways to alleviate it, are poorly understood. The US Agency for International Development (USAID) recently sponsored research to help fill this gap in knowledge (Brinkerhoff and Goldsmith, 1990). Agriculture was the focus. The conceptual framework that emerged, however, was consciously intended to be applicable to all institutions, development or otherwise, across sectors. No effort was made to catalogue particular types of organizations, or organizational functions, that need to be sustained to gain the more fundamental objective of sustainable development. Rather, the idea behind the framework was to analyze the generic conditions for sustaining institutions in general. This had the side benefit, however, of illuminating why some undesirable (from a development perspective) institutional arrangements prove so difficult to dismantle.

This article describes the analytical framework for institutional sustainability. It shows how the framework pertains to agriculture and rural development, the sector for which it was initially developed, and also to the health sector. Finally, it suggests lessons for increasing the stamina of development institutions in all sectors.

Sustainability is a central theme in agriculture (Douglass, 1983) and in health (Buzzard, 1987), but we choose to focus on these two sectors primarily because they are very different. To take just one of many distinctions, barriers to entry in agriculture tend to be lower than for health, given that health providers require specialized training. The fact that agriculture and health are dissimilar enables us to show the utility of the conceptual framework. Since the framework can account for how institutions sustain
themselves in these two sectors, a plausible case can be made that its precepts apply to other sectors, too.

2. SOME MATTERS OF DEFINITION

Institution is a subtle concept, and therefore subject to confusion. According to Huntington (1968, p. 12), it refers to stable, valued, recurring patterns of behavior. Institutions thus include rules or procedures that shape how people act, and roles or organizations that have attained special status or legitimacy. An example of a rule-oriented institution is a system of land tenure, whereas a role-oriented institution could be the legal authority established to adjudicate disputes arising out of that land tenure system. Both rules and roles can be institutionalized, the former as codes of law or custom, the latter as specific organizations. In either case, the pattern of behavior must be deeply rooted and highly esteemed by a large constituency to qualify as an institution.

The distinction between nonorganizational and organizational institutions is more than an academic one. Development assistance is sometimes aimed at altering a society's fundamental rules, for instance by promoting land tenure reform as a first step to raising the income, and thus potentially the well-being, of the rural poor. When development practitioners seek to build better institutions, however, the role-oriented, organizational definition is usually what they have in mind (e.g., Israel, 1987, p. 11). This article follows these conventions and restricts itself to institutions in the organizational sense, that is, to ministries, local government bodies, rural clinics, agricultural universities, and the like.

The development community's focus on role-oriented, organized activities unfortunately introduces another point of confusion, since institutions in this sense can be used loosely to refer to any formal or semiformal collective entity. Yet not all organizations are institutions, any more than all institutions are organizations. As Uphoff (1986, p. 9) points out, the distinguishing characteristic is a complex of norms and behaviors that persist over time by serving collectively valued purposes. Many Third World organizations fail this test. To call them institutions is often to speak hopefully about what they might become, and not realistically about what they are.

What are sustainable institutions? In a strict sense the term is redundant since institutions are, by definition, sustained ways that people interact. But in development circles the conventional meaning of this expression refers to consciously designed organizations that do one or more of the following: (a) they survive over time as identifiable units, (b) they recover some or even all their costs, and (c) they supply a continuing stream of benefits (Honadle and VanSant, 1985).

None of these three criteria taken alone is a satisfactory way of defining institutional sustainability. Organizational longevity by itself is a dubious measure, focusing on form not content. Just because an organization persists does not necessarily mean it produces anything of use or value. Cost recovery is also a questionable standard, since developing countries are home to many organizations that provide essential services, but whose clients are so poorly endowed that they cannot sustain themselves without indefinite subvention from their own central government or, more likely, from overseas sources. Benefit flows can be similarly ambiguous. If the institution fails to serve its official "target group," which often happens, can it be considered to have met the standard of sustainability? Many would answer no.

The following definition of institutional sustainability skirts some of these difficulties, while remaining simple and widely applicable: It is the ability of an organization to produce outputs of sufficient value so that it acquires enough inputs to continue production at a steady or growing rate. In other words, a sustainable institution is one that has earned the adherence of a sufficient body of people so that it gets the continuing encouragement and support it needs to handle, at a minimum, a stable volume of transactions.

The definition underlines the dynamic character of institutional sustainability. It is not an end-state but an ongoing input–output process. No value judgment is implied. The meaning of institutional sustainability, as expressed here, is analytic, not normative. It is intended to capture why institutions sometimes persist and sometimes perish, not to ascertain whether they ought to do either. From both a normative and technical point of view, keeping up some institutions may actually be undesirable for sustainable development, depending on what they do, and who benefits. This is often the case with many would-be development organizations, for instance marketing boards that were set up ostensibly to promote certain crops, but have taken on the latent function of capturing farmers' income for the benefit of certain elites. Development would be better served were such bodies less deeply rooted.
3. A FRAMEWORK FOR INTERPRETING SUSTAINABILITY

The USAID-sponsored study mentioned above (Brinkerhoff and Goldsmith, 1990) put together a set of theoretical propositions on institutional sustainability to serve as a guide for analysis. The resulting framework is helpful in that it focuses on the overarching similarities of sustainability dynamics across all sorts of institutions. This focus avoids the tendency of sectoral specialists to concentrate upon what is unique or idiosyncratic about a particular sector, such as agriculture or health. While it is obviously true that the differences among sectoral activities are important, taking those differences as a starting point for logical examination prevents developing a knowledge base that is useful beyond a single situation.

Two hypotheses undergird the conceptual framework. First is the assumption that the survival of an organization over the long-run is affected by its internal capabilities and its external environment. It is important, therefore, to look both inward and outward to understand institutional sustainability. Second is the postulate that, to remain viable in a changing world, an organization must develop and stick to a strategy or game plan with a strong fit among its own internal strengths and weaknesses and the external threats and opportunities. If there is a mismatch, institutional decline or demise is likely.

(a) Looking inward

The principal internal variables are an institution’s production and decision-making processes (technology) and its distribution of jobs among people (structure). Complexity is the key issue here. Generally speaking, complexity is inversely related to sustainability. All other things being equal, organizations that use intricate technologies or have elaborate structures are apt to be difficult to sustain. This fact is currently leading to reforms in the US private sector, where "matrix" planning systems and conglomerate administrative units have often proven too unwieldy to maintain and are giving way to leaner, more focused corporations (Peters and Waterman, 1982). Development institutions, for instance, some ambitious integrated rural development projects, can be similarly overburdened by their rules and procedures (see Brinkerhoff, 1988; Cohen, 1987). International agencies are now trying to scale back their schemes for the countryside to make them less management intensive.

Technology affects complexity because of the demands it puts on the staff and clients of the institution. Three characteristics stand out:

(i) How frequently is the technology employed, and is its application variable or standardized? The answer affects the organization’s staff and its “learning curve.” Primary health care (PHC) projects frequently aim to standardize health technologies so that paraprofessionals can effectively provide services. Much the same is true of the knowledge provided to village-level workers under the training and visit (T&V) system of agricultural extension. T&V’s basic idea has been to limit internal complexity. Field workers are given narrow and specific responsibilities, targeted on agricultural production and purposefully excluding other functions such as credit and marketing. Opportunities exist for similarly streamlining other outreach services, including health in particular (Heaver, 1984).

(ii) Are there economies of scale in the use of the technology? If so, the organization will have to be large, with attendant challenges of motivating and supervising the workforce. Siting of services, whether hospitals, regional clinics, experiment stations, or farm service centers, involves economies of scale issues.

(iii) Does the technology give rise to so-called principal-agent problems, where the interests of its suppliers and users diverge? Again, this makes the supervisory problem greater for management. These problems can appear in PHC where medical doctors (agents) provide services as part of a national PHC program (principal); PHC targets prevention, but doctors’ orientations are more toward curative services. For instance, Chabot and Bremmers (1988) cite this factor as one difficulty with a PHC project in Mali. Analogous problems sometimes occur in agricultural research, where professional biases and bureaucratic incentives encourage scientists (agents) to perfect technology that small farmers (principals) are unable or unwilling to adopt.

The structural dimension of internal complexity is important because of its effect on incentives, on the flow of information, and on the transaction costs of running the organization. Specific structural issues include:

— the extent to which decisions are based on authority as opposed to exchange relationships;
to be understood clearly. They can be seen as having both indirect and direct characteristics. The indirect ones fall into three main subcategories: stability (or the rate of external change), flexibility (or the degree of openness to change), and the extent of environmental artificiality (in the economic sense of not reflecting market prices or in the political sense of lacking widespread legitimacy). Throughout most of Africa, Asia, and Latin America, these indirect or background variables rarely add up to a favorable milieu for social and economic organizations. Although every developing country is unique, they usually make their institutions cope with rapid, unpredictable change, but do not allow them much freedom to experiment or regroup (Kiggundu, 1989). These conditions threaten institutional sustainability.

There are also three direct influences from the environment: How much demand exists for the institution’s goods and services? Are those goods and services private or public? What economic characteristics mark the institution’s stakeholders (those groups or individuals with an interest or

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<thead>
<tr>
<th>Factors contributing to low internal complexity</th>
<th>Factors contributing to high internal complexity</th>
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<tbody>
<tr>
<td>Technology</td>
<td></td>
</tr>
<tr>
<td>Output is a private good</td>
<td>Output is a public good</td>
</tr>
<tr>
<td>Low or no variability in translating capacity into performance</td>
<td>High variability in translating capacity into performance</td>
</tr>
<tr>
<td>Regular frequency</td>
<td>Irregular or unique frequency</td>
</tr>
<tr>
<td>Principal-agent incentives reconcilable</td>
<td>Conflicting principal-agent issues</td>
</tr>
<tr>
<td>Requires few units to produce</td>
<td>Requires many units to produce</td>
</tr>
<tr>
<td>Tasks are simple, separable into independent subtasks</td>
<td>Tasks are complex and require coordination and integration</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
</tr>
<tr>
<td>Formal</td>
<td>Informal</td>
</tr>
<tr>
<td>Hierarchical</td>
<td>Nonhierarchical</td>
</tr>
<tr>
<td>Centralized</td>
<td>Decentralized</td>
</tr>
<tr>
<td>Relatively few units</td>
<td>Relatively more units</td>
</tr>
<tr>
<td>Units perform similar tasks</td>
<td>Units perform different tasks</td>
</tr>
<tr>
<td>Units operate relatively independently</td>
<td>Units are interdependent</td>
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"stake" in what the institution does)? Each of these parameters can have an immediate impact. They are even more variable than the background factors, but lean similarly toward creating a hostile climate for prolonged activity. For many development organizations in the Third World, demand is limited, the goods provided are largely public, and beneficiary stakeholders are resource poor. A high rate of organizational decay is unsurprising in such a climate.

Of these direct environmental factors, demand for goods and services is probably the most critical. A “market” must exist for the institution’s outputs for it to continue operating. Demand is determined by personal judgments of utility. As Porter (1985, p. 3) puts it in reference to firms seeking a sustainable competitive advantage over their rivals, “value is what buyers are willing to pay.” Something similar is true of development organizations. In the health field, for example, ordinary people overwhelmingly prefer curative to preventive medicine (Stinson, 1987). This preference is not cost-effective and is a source of irritation to health planners. Yet, demand is usually lacking for the “better” service.

The level of demand is partly affected by whether the institution produces goods that are primarily private or public. Private goods are items that can be used exclusively on an individual basis. Public goods are ones that can be jointly consumed and that become available to other people once they are provided to one person. Health care has many attributes of a public good (Griffin, 1989). So does agricultural technology (Ruttan, 1980). The special properties of public goods are attracting new attention in development management (Nicholson and Connerley, 1989), for institutions that mainly supply such items can have difficulties generating support. This lack of support is due to the individual behavioral incentives that result, which tend to encourage “free riding” or shirking.

This problem sometimes affects the sustainability of community health systems, to take one illustration. Where the perceived benefit to one person is small compared to the cost he or she must bear, which may be true, for example, in endeavors to improve village sanitation, the temptation is strong to refrain from participating, and to let other members carry the burden. If enough people feel this way, of course, the health system risks collapse.4 There are many similar examples from the agricultural sector. An integrated rural development project in Jamaica, for example, tried to protect soil from erosion (primarily a public good) by paying hillside farmers to build terraces and ditches (primarily a private good). The farmers perceived little individual benefit from soil conservation itself, especially in relation to maintenance costs, and after project subsidies were removed they allowed the earthworks to fall into disrepair (Blustain, 1985).

Demand is also affected by the third direct environmental variable—the institution’s stakeholders. The most obvious stakeholders are the immediate providers and users of institutional goods and services. In the case of PHC, the former group includes health care professionals (who may be more or less committed to PHC principles), and the latter the rural poor, especially women and children. Since a stakeholder is anyone who can affect an institution or be affected by it, there also may be more distant groups or persons of importance. This is true of some charitable nongovernment organizations (NGOs), for instance. Many of these groups may lack any day-to-day contact with a locally based development institution. Yet they can be a key source of support.

For sustainability to occur, a critical mass of stakeholders must exist. There has to be a body of people who hold the institution’s product in sufficiently high regard that they are willing to continue to exchange other resources for that product. The poorer, less empowered, or more factionalized these stakeholders, the greater the challenge to the institution to carry forward its current level of activity. Table 2 recapitulates the relationship among these environmental factors and sustainability.

Elites are especially important stakeholders. Their support (or lack of it) can be critical. Take the case of integrated rural development. Successful pilot projects, such as at Etawah in India or Comilla in former East Pakistan (Bangladesh), had patrons in key government positions (Blair, 1981, pp. 47-50). Second-generation projects often lack the same staying power due, at least partly, to the absence of equivalent backing from elites. Elite stakeholders also offer an explanation for why some institutions prevail though they contribute little or nothing to development, properly understood. Parastatal corporations in Africa are a good example. Most are inefficient organizations in conventional terms—the ratio of tangible outputs to inputs is low (Nellis, 1986). They are frequently the target of reforms. Yet, parastatals have proven remarkably resistant to change. This is because, rhetoric aside, so many elite stakeholders in the government really prefer not to dilute their control of key sectors such as agriculture. The status quo serves their political interests well, even if the economic cost is heavy (Bates, 1981).
Table 2. Factors contributing to environmental hostility

<table>
<thead>
<tr>
<th>Factors contributing to low hostility in the environment</th>
<th>Factors contributing to high hostility in the environment</th>
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<tbody>
<tr>
<td><strong>Direct influences</strong></td>
<td></td>
</tr>
<tr>
<td>Level of demand for system outputs</td>
<td>High level of extant demand; demand creation unnecessary</td>
</tr>
<tr>
<td>Nature of system outputs</td>
<td>Outputs are private in nature, easily translated into value or inputs</td>
</tr>
<tr>
<td>Characteristics of stakeholders</td>
<td>Members of lower socioeconomic strata, unorganized, low demand-making ability; conflicting interests</td>
</tr>
<tr>
<td><strong>Indirect influences</strong></td>
<td></td>
</tr>
<tr>
<td>Stability</td>
<td>Environment is stable along economic, political, and sociocultural dimensions</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Economic, political, and sociocultural features of the environment permit and/or support system change</td>
</tr>
<tr>
<td>Artificiality</td>
<td>Environment displays low levels of distortion along economic, political, and sociocultural dimensions</td>
</tr>
</tbody>
</table>

(c) **Institutional strategy**

Producing a good fit between an organization’s internal capacity and its external situation is the task of strategic management. Although it emerged first in the private, profit-making sector of the industrialized countries (e.g., Ansoff, 1976), strategic management is now gaining attention in the public and nonprofit sectors in the developing world (e.g., Paul, 1982; Korten, 1984, 1987; White, 1987; Brinkerhoff, 1991). As defined by Chandler (1962, p. 13), strategy is the determination of basic, long-term goals for the organization, and the adoption of courses of action and the allocation of resources to achieve those goals. Management guides this process. To maintain themselves in the face of change, organized groups are more successful when they set attainable and consistent goals, specify how they will run themselves, and agree on steps to be taken to reach desired positions. Crucial elements are scanning the environment and taking stock of the organization’s inventory of special skills and other resources. Sustainable institutions are ones whose strategies enable them to make the best of their capabilities and to capitalize on their surroundings. Unsustainable institutions lack such strategies. There is a mismatch between the organization and its environment.

There is no such thing as an “optimum” strategy that fit all situations equally well. Managerial game plans to seek sustainability have to be organization specific. The most effective strategy for an organization depends on the particular factors that confront it. What works in one setting may not work in another. Bossert’s comparative study (1990) of health project sustainability in Central America and Africa, for example, illustrates this point. To rephrase the issue using the terminology introduced earlier, different combinations of internal complexity and external hostility call upon institutions to find different ways to obtain inputs and generate outputs.

Strategies differ in two important ways. First is the stance toward action versus learning. Institutions may emphasize either end of this con-
Their strategies may stress efficiency, or how to put together known resources with little waste, or they may stress innovation and the discovery of novel combinations of old and new resources that will change the institution's capacity for action. The second feature that distinguishes strategies is whether the focus of attention is principally internal or external. An internal orientation tends to take the environment for granted. Control and maintenance command the institution's foremost attention. By contrast an external orientation favors engagement with the environment, watching it and trying to influence it. Neither end of these continua is fundamentally superior. Which aspect of strategy any particular institution ought to accentuate depends on the complexity of two internal contingent elements (technology and structure), and on the hostility of the external environment. Furthermore, the right fit changes over time, as the institution faces new internal and external challenges.

In some circumstances, little learning is needed. Tasks are routine and well defined, for example, in a program to immunize children. Repetition and specialization can encourage proficiency in delivering immunization services. Skills of this sort are important because institutions become vulnerable when they fail to produce goods or services economically. The downside, as Drucker (1985) points out, can be too much emphasis on “doing things right,” and not enough on “doing the right things.” This may not be a problem (and can often be an advantage) when the outside environment is benign. The major risk is of ignoring external changes that might threaten the institution with obsolescence.

In most cases, therefore, developmentally oriented institutions probably cannot sustain themselves through less reflective strategies. To emphasize learning is more often suitable in Third World settings due to two overriding characteristics of institutions in developing countries. First, internal resources are scarce. This puts a premium on finding “lean and mean” structures and processes, to keep operations in line with changing resource endowments. Second, external conditions are turbulent. This may require various kinds of preemptive responses by institutions, if they are to remain going concerns. Unfortunately, the central tendency of organizations in Africa, Asia, and Latin America is to downplay learning (Kiggundu, 1989). It is easy to fall back on familiar routines during periods of crisis, and to forego experimentation with fresh approaches. Organizations under stress, for example, US companies in “smokestack” industries or public schools in inner cities, often do the same thing (Cameron, 1983). Such a stance is more likely to hasten the organization’s decline than sustain its turnaround. (On the other hand, it must be remembered that learning is not an end in itself. It uses up time and administrative energy. To the extent that learning is not immediately productive, it may even detract from an institution’s ability to sustain itself.)

The private sector has long understood that learning is essential to stay in business. To prevail, business firms must “keep close to the customer” to keep abreast of changes in the market. The same is true of organizations in the public and not-for-profit sectors. They also need to know what their clients value, and how to provide those goods or services efficiently. Environmental monitoring and internal self-correction are thus often a sine qua non of institutional sustainability. It is important to note that, although the outside threats and opportunities are largely given, and strongly influence whether an institution can thrive over the long run, sustainability is not rigidly predetermined by these external factors. Development organizations usually have some leeway to modify their surroundings, to anticipate shifts in demand for their products or services, and to promote themselves in various ways. Many agricultural universities in developing countries, for example, have faltered due to a failure to be “proactive” — that is to head off unwanted external changes or turn them to the institution’s own favor — and to develop external constituencies (Hansen, 1990). An illustration from the health field is the so-called social marketing of health measures; that is, attempts to convince people to use oral rehydration salts, practice family planning, etc. (Smith, n.d.). Here the effort is to reach out to the clientele and change their behavior so they will give more backing to the institution.

The acquisition of knowledge favors a participatory management style. Rather than pushing standard operating procedures from the top downward, institutions need to draw forth new ideas from the institution’s own lower echelon personnel and clientele. It is by now a truism in development that managers tend to hold too many preconceived ideas, and to learn too little from would-be beneficiaries. Studies consistently find advantages in having people participate in planning, in taking implementation one step at a time, and in tapping the energy and knowledge of local organizations (Finsterbusch and Van Wicklin, 1987; Conyers and Kaul, 1990). Community involvement is particularly important in the implementation of PHC efforts (WHO, 1983; 1988b). When the clientele sees an institution as alien or imposed from the outside, it is unlikely.
to contribute its resources to making the institution last.

4. IMPLICATIONS FOR DEVELOPMENT INSTITUTIONS

The case studies pulled together by Brinkerhoff and Goldsmith (1990) pointed to several tentative conclusions about specific options to promote the sustainability of agricultural and other types of institutions. They are discussed in this section. The underlying assumption is that there is more than one effective strategy for development institutions; the right one for any particular situation depends on the task, the environment, and the stage of the organization’s life cycle. If this assumption is correct, some disputes within the health field may be based on misunderstanding.6

(a) Getting stakeholder participation

Efforts to upgrade or reform agricultural institutions usually work from the top downward (Goldsmith, 1990). Decision makers must perceive a performance gap, and be willing to commit resources to close it. For such changes to be sustained in the rural sector there also must be support pushing from the bottom upward (Esman and Uphoff, 1984). Of the agriculturally oriented institutions studied, the most sustainable had considerable involvement of staff, beneficiaries and other stakeholders. As power was shared with them they took ownership of new initiatives and helped design them to make them relevant to their needs. This effort led to improved, prolonged performance. Participation does matter for sustainability of institutions in agriculture, even though no single best way exists of structuring it.

Health institutions appear to work in parallel fashion. Since they are apt to depend even more on major modifications in the individual behavior of their clientele, getting bottom-up input is at least as important as it is in agriculture. Indeed, most definitions of PHC include local community participation in health care activities (see Rivkin et al., 1988). Yet the same fact also may make participation more difficult to obtain. Certainly, lack of community involvement in developing country health programs is a significant constraint on sustainability.

One problem noted in the agricultural sector was the prevalence of passive stakeholders, particularly at the lower ranks. There was reluctance on their part to complain about low quality outputs — that is, to exercise what Hirschman (1970) refers to as the “voice” option to deal with inadequate or declining institutional services. Yet few chose the opposite “exit” option, either. Part of the explanation may be institutional monopoly. In the absence of competition, farmers, students, and other beneficiaries may have little choice but to continue using the institution in question. Another part of the explanation could be what Michels (1915) labels “the iron law of oligarchy.” Select groups tend to dominate institutions by controlling their agenda, quelling opposition with the veiled threat of repercussions, and promoting “false consciousness” among the rank and file (Bachrach and Baratz, 1970).

Whatever the reason for passive stakeholders, such a phenomenon is likely to cause even worse problems in the health sector compared to agriculture. To follow the logic of Hirschman’s argument, the beneficiaries of health institutions usually have the power to choose “exit.” For potential clients of rural clinics, they can seek alternative services from traditional healers or, if the area is not too isolated, from hospitals in urban centers. This may be one factor behind the seeming paradox of underutilized primary care facilities, which troubles planners in many developing countries (World Bank, 1987). The elite domination argument also may hold true, particularly in the countryside where privileged groups often take over health institutions and skew both the kind of services offered — curative rather than preventive — and the distribution of benefits.

The exit option available to users of health services makes it all the more imperative for health providers to create mechanisms that promote feedback on performance. For example, Kenyatta Hospital in Nairobi, with USAID assistance, transferred management control of the hospital to an external board of directors, prepared a long-term services development plan, and conducted special surveys for marketing and cost recovery. The notion of demand creation is new for many developing country health practitioners, who often sit in their clinics and passively wait for people to come to them.

(b) Success sells

Performance is important for sustainability. Good performance can be the main “sales pitch” for gaining support and marketing the output of institution-building efforts. Failure to fulfill a function can have exactly the opposite effect, especially if expectations are high among stake-
holders. It may permanently destroy effective demand. Organizations dedicated to the development of agricultural technology, such as the Caribbean Agricultural Research and Development Institute or the Hassan II Institute of Agriculture and Veterinary Medicine in Morocco, have often used their track records to build support locally, and perhaps more importantly, also to generate continuing support from the international community. This latter source of resources frequently is the margin of excellence, and thus is critical for sustainability of first-rate institutions.

A similar dynamic applies to the health sector in some countries. Many health professionals advocate taking on limited, high-priority goals first, partly in the interest of having a widespread effect quickly, which can then be used as a lever to raise more resources to sustain additional activities (see Walsh, 1988). This is one facet of the argument over the relative merits of so-called selective PHC versus comprehensive PHC (e.g., Rivkin and Walt, 1986; Warren, 1988). While proponents of selective care want to get maximum immediate impact as proof of efficacy, spokespersons for the comprehensive approach object that such a course of action is not sustainable, because it steers attention away from the long-term task of institution building. If success builds support, as it often does in agricultural activities, it probably would be equally important for health programs to have demonstrable achievements to increase their credibility and generate ongoing support (Taylor and Jolly, 1988).

Health institutions probably ought to take on additional interventions incrementally, as they gain experience and confidence by solving the "easy" problems first. A health project in Mali, for example, sought to develop a decentralized PHC system, starting in two of the most logistically difficult sites in the country (Brinkerhoff, 1980). By tackling the hardest problem first, the project was never really able to demonstrate success, which contributed to its lack of sustainability.

Another important avenue for health professionals to examine, to build on the lesson that success sells, involves looking at mixes of public and private sector service delivery. The private sector has the advantage of a direct link between success and ongoing support through fees-for-service and sales. Some donors have promoted experimentation in privatization of drug supply. For example, USAID has supported efforts in 12 countries to help local private drug firms to produce and market oral rehydration salts, thereby reducing public subsidies and increasing the chances of sustained availability of this medication to local populations.

(c) Complexity is sometimes unavoidable

The arguments in favor of starting with doable tasks do not mean that elaborate technology and structures can be avoided. Agricultural institutions often have to be complex. This characteristic is inherent to their mission, if it includes running management-intensive farming systems research and development programs. The production of outputs requires interdisciplinary and interorganizational teamwork, field visits, and the fine-tuning of service production in light of numerous contextual factors (Anderson, 1985). Only limited possibilities exist for simplifying these activities. Even so, many technologically oriented agricultural institutions in the Third World seem relatively sustainable. These bodies are often dependent upon distant stakeholders in the international community. Should donor support end, national governments probably cannot or will not support them at similar levels.7

An analogous situation would appear prevalent in the health sector. Even more than agricultural development, physical and mental well-being is a holistic process, and health care that addresses the whole is complex. This fact seems to dictate integration of a wide spectrum of activities, or what is often termed a horizontal as opposed to a vertical approach to health promotion (Bossert, 1984). Further, expanding PHC coverage beyond a small, pilot area leads to significant increases in complexity, as Pyle's (1982) study of scaling up health and nutrition programs in India shows.

Complex activities are frequently difficult to sustain without special resources. Although PHC uses explicitly simple health care techniques suitable for provision by paraprofessionals with limited training, it has high recurrent costs in both labor and administration (see Vaughan and Smith, 1986). These delivery systems cannot be sustained when technical cooperation ceases (Prince, 1988). Thus, sustainability of health institutions is often linked to a continuing ability both to mobilize support from the international development community and to compete for national resources.

Resource mobilization for PHC may depend most upon donor agencies willing to underwrite the costs, since national resources are usually allocated according to the interests of powerful stakeholders, both within the national health system and the economic elite. Such requirements can sorely test the entrepreneurial skills
of health and medical officials. The WHO-supported district health initiative in Ghana, for example, depends upon a stakeholder “demand-creation” strategy for expanding PHC to other regions of the country (Cassels and Janovsky, 1989). Another alternative, and one that appears to have been successfully used in a USAID-funded project in Lesotho, is to plan from the beginning for phased-in host government contributions (Lieberson, Miller and Keller, 1987). The only remaining option may be to lower the organization’s sights and retrench, seeking sustainability at a reduced level of activity.

(d) The law of deterioration

The preceding finding implies the existence of something similar to the second law of thermodynamics: institutions tend to become less sustainable over time. This was true of the agricultural institutions studied in the USAID-sponsored review. Normally staff become more competent simply as they gain experience, but in technology-based organizations, such as universities and experiment stations, staff must continuously expend effort just to keep up with their fields. This professional development requires resources. Another pattern of deterioration is evidenced in turnover, by which more highly trained personnel leave for better opportunities or retirement, and are replaced by those with less training or experience. Health technologies require the same kind of staff development and upgrading. Thomason and Newbrander (1990), for example, discuss the challenges of maintaining a program of PHC staff renewal in Papua New Guinea with limited resources once WHO funding ceases.

Also contributing to deterioration is what might be called organizational ossification, that is, neglect of plant and equipment, retention of practices and procedures that have outlived their usefulness, and growing insulation from the environment. Just as in ministries of agriculture or research institutes, the absence of operating budgets in many developing country public health systems guarantees this kind of institutional decline. A cycle is often seen of renewal, backsliding, and further renewal — the latter stage usually associated with a fresh injection of outside resources. Again, there is a correspondent tendency in the health sector, particularly in PHC where the high recurrent costs, ongoing training needs, and the difficulties in mobilizing political support require constant effort and attention to maintain effective service delivery (Bossert and Parker, 1982).

To note that things deteriorate over time may seem banal, but it bears repeating for two reasons. First, because institutional sustainability is a process not an end-state, maintaining it requires ongoing allocation and expenditure of resources. Much of the earlier work on institution-building contained an implicit assumption that effective institutional performance was a target that, once reached, became an integral, irreversible part of the institution. Second, because institutional capacity can be lost as well as gained, attention to deterioration guards against mistaking simple longevity for sustainability.

5. CONCLUSIONS

The case studies of agricultural institutions pointed toward several specific strategic options that seem to promote the sustainability of institutions in general.

Secure internal commitment. International donors often decide a priori what their client countries need. Aid recipients are often willing to take funds even for projects and programs that are low on their list of priorities. This is understandable, but it is also costly for sustainability. Lip service and paper support are not sufficient national-level inputs to maintain most systems. Donors interested in a long-term return on their institution-building activities may need to pay more initial attention to the degree of elite and beneficiary interest in the recipient country.

Pick feasible objectives. Among institutions there is a tendency toward “imperialism,” that is, toward expansion and aggrandizement. While this satisfies the needs of internal constituencies for prestige and authority, it can jeopardize the system’s long-term survival by spreading its resources too thinly. Strategic planning to select an attainable organizational mission, and allocate scarce resources to achieving that end, can help reduce this problem.

Choose the right moment for strategy formulation. Institutions are “path dependent.” They are strongly influenced by precedent, and existing patterns of behavior tend to get locked in place. This means the most promising time to establish a strategy for sustainability is often early in the institution’s history, before bad habits have to be unlearned. Fortunately, institutions seem to pass through cycles, so more than one opportunity exists to set strategy. Crises often provide a suitable occasion to rethink an institution’s mission.
Building alliances. Part of the strategic planning process ought to be to create support networks among stakeholders. For even with endorsement from the top for reform, institutions often tend to be conservative and afraid of change. Advocates of the status quo find many ways to block or slow down strategies they find threatening. This is why it is important to gain the support of those who affect, or are affected by, an institution's outputs.

Differentiate perceived versus actual payoffs. Strategic plans must take account of the “true” value of the goods or services the institution offers. This will entail careful listening to all important stakeholders. Sustainability may hinge on this issue.

Offer long-term overseas training. For technical institutions the formation of a critical mass of trained personnel can promote institutional sustainability. A major reason is the development of high-performance organizational cultures, besides the introduction of new skills. As a precaution against employee turnover, more than enough staff members to meet minimal organization requirements need to be trained.

Set extended planning horizons. Although strategy formulation is an ongoing process subject to revision, it ought to look forward beyond the short term. The normal project cycle often creates tension with this need to plan for long-term objectives. Prolonged collaboration, based principally on the international exchange of scholars, allows the differing points of view to be accommodated, and is one reason these institution-building projects have generally done so well in sustaining themselves.

Not all these observations pertain to every development institution. Strategies for sustainability always have unique and nonduplicable features. Still, strategy making is a transferable skill. For developing country and donor agencies to increase the probability of sustaining agricultural, health, or other institutions they need to rethink their approach to management training and to project design, to put greater emphasis on managerial choice, on developing strategies at the organizational level, on evaluating environmental conditions realistically, on anticipating change, and on not overreaching institutional limits. This approach would not guarantee institutional or development sustainability, but might improve the chances that any given organization would continue to provide benefits following the phase-out of external assistance.

NOTES

1. Of 34 projects that were considered unlikely to be sustained, all but one had negligible achievement of their institutional development objectives. Fifty-four projects were judged likely to be sustained; only 13 of this group had negligible institutional development (Paul, 1990, p. 27).

2. There are, of course, also many parallels between the two sectors. These are most evident when efforts to promote agriculture are linked to broader rural or community development goals. The resulting programs look much like attempts to promote primary health care (PHC), as Foster (1982) points out.

3. The framework draws upon systems concepts, organizational contingency theory (Hage and Finsterbusch, 1987) and the so-called new political economy (Grindle, 1989) to describe how Third World organizations obtain inputs and convert them into outputs. For a fuller exposition, see Brinkerhoff et al. (1990).

4. This, incidentally, is one reason that isolated health committees are generally less advisable for health programs than is working through existing community organizations (e.g., WHO, 1988a). The latter potentially provide more incentives for individual participation.

5. These distinctions have some similarities to the “blueprint” versus “learning process” approaches to project management described by Korten (1980). There is no necessarily negative connotation to either of the orientations discussed here, however. See also Brinkerhoff (1991), and Brinkerhoff and Ingle (1989) on the need for influencing the environment, learning, and flexibility in development management.

6. Many of these points were first suggested by Finsterbusch (1990). The applications to the health sector must be regarded as speculative in the absence of detailed research on health institutions specifically.

7. Ironically, donors tend inadvertently to compound the complexity of their projects. Close supervision and auditing, while needed to satisfy watchdog agencies' concern that taxpayers' money be used wisely, can make it difficult to build a streamlined and responsive management system (Rondinelli, 1987).

8. Wilson and Morren (1990) provide an interesting example of a consciously designed educational approach to transferring skills in systems thinking and strategic management for the agriculture and natural resources sectors.
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