

Community Participation in Social Funds in Malawi and Zambia*

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1. INTRODUCTION

Over the last decade the World Bank has adopted social capital, making it its own through active promotion and a sizeable research output. These World Bank studies are mostly celebratory, finding a strong positive link between the presence of social capital and poverty reduction (e.g. Narayan and Pritchett, 1999). But critics (e.g. Fine 1999 and 2001, Harriss 2002, and Mosse 2003 and 2005) argue that the Bank's use of social capital de-contextualizes and de-politicizes social relations, ignoring the underlying power structure. However, as Bebbington et al. (2004) point out, critics have focused more on the research output of the Bank than on how the interest in social capital has manifested itself at the operational level. For example, Harriss (2002) de-constructs the Bank's social capital website and critically discusses a number of studies, but has no direct engagement with World Bank-funded projects. This paper critically examines the nature of community participation in two such projects, social funds in Malawi and Zambia.¹

The interest in social capital has powered the rise of Community Driven Development (CDD), a World Bank-invented term for projects with a substantial participatory component.² The 'how-to' guide to CDD (Narayan, 1995) is authored by one of the pioneers of social capital analysis by the Bank's research department. Social funds began in the late eighties and have evolved toward a community-based model, in which communities formulate and submit proposals,³ and hence make up an important part of the CDD portfolio. Part 2 of this paper reviews the development of social funds in general, and those in Malawi and Zambia in particular. Promoters of CDD argue that such interventions 'build social capital', thus providing a basis for sustained community-based development initiatives beyond the intervention supported by the social fund.

However, as pointed out by the Bank's critics, collective action does not occur in a social vacuum. Part 3 of this paper explores the community-level processes surrounding the identification and implementation of social fund-supported activities in Malawi and Zambia. Embedding itself in traditional organizations, this process departs from the 'ideal type' of community participation presented by CDD's promoters, but not in a way which represents elite capture. The argument that such interventions build social capital is examined in Part 4; social funds are shown to be users rather than producers of such capital. Part 5 concludes.

2. SOCIAL FUNDS: HISTORY, THEORY AND DESIGN

(a) The rise of social funds

Social Funds were originally created as a response to criticisms of the adverse consequences of adjustment policies for the poor (notably Cornia et al., 1987), intended to be semi-autonomous bodies operating independently of normal government channels to provide rapid relief to adversely affected segments of the population. Sub-projects were identified in a variety of ways, but typically by-passed central government by working directly with local municipalities, NGOs or communities themselves.⁴

Early social funds, such as Bolivia's Emergency Social Fund (ESF) and Ghana's Program of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD), reflected both the intended link with adjustment policies and the supposed short-term nature of their operations. However, it rapidly became clear that social funds generally reached a fairly broad population rather than one specifically identified as having been adversely affected by adjustment, and that most funds were having their lives extended beyond the initial plan of five years or so. Since that time social funds have expanded in coverage (as of 2004 the World Bank had supported social funds in 57 countries) and evolved considerably.

Over the last fifteen years, four phases of social funds can be identified. The first phase was that of assisting adversely affected groups and the second when they were seen as more general poverty reduction mechanisms. By the late 1980s the focus shifted to the claim that social funds provided a more efficient service delivery mechanism than the usual government channels. Finally, in recent years more emphasis has been placed on the capacity building effects of social funds, particularly within local government and communities. The latest stage, which was just beginning at the time of this study, is to make block grants to districts to be administered using social fund-style procedures.

Reflecting these changes, social funds are today defined on the World Bank social funds website as agencies which "directly finance small community managed projects and help to empower the poor and vulnerable" (Social Funds Website, Social Protection Unit, February 2005). Behind this definition lies a theory of how social funds operate. This theory is more fully explored in Carvalho and White (2004); here we are concerned with the model of community participation. The 'ideal type' of community participation envisages that the community, having heard of the social fund, meet together to agree the sub-project for which they wish to obtain support. They

then work together to provide their own community contribution, electing community members form a committee to administer the funds received from the social fund and oversee implementation. This ‘ideal type’ might be labeled the ‘hippy model’ of community participation, as it appears to suggest that all community members enter the decision-making sphere on an equal footing, and can agree a common interest without intra-community conflicts. As we will see, in practice, how participation plays out in practice in fact depends on pre-existing social structures.

(b) Origins and funding of MPU/ZAMSIF and MASAF

In Zambia, the Movement for Multi-Party Democracy (MMD) took office in 1991 with a manifesto of economic liberalization. As one of the first democratically elected governments in the growing wave of political reform across the continent, the country received sizeable support from the international donor community. The wish that reform efforts should succeed – including preventing their destabilization through political unrest (as had happened with two earlier attempts at adjustment) – meant that a social fund operation was a priority for donors. The project, named the Social Recovery Project (SRP), was identified in October 1990, and approved by the Board of the World Bank in June of the following year.

Rapid project preparation was assisted by the presence of the EU-funded project that provided a pre-existing institutional structure for SRP funds. The EU-funded Micro Projects Program (MPP), begun in 1985, is a demand-driven fund with a predominately rural focus supported by the EU in a number of countries. With the coming of the Social Recovery Project an overall institution, the Micro Projects Unit (MPU), was formed under the Ministry of Finance and Economic Development through which both SRP and MPP were to disburse funds. The original intention was that the common structure would suffice for both organizations. This principle remains intact with different posts being funded by the EU and World Bank respectively, but for most of the

sub-project cycle – and certainly at the sub-project level – there being no discernible difference between EU and World Bank funded activities. To date, MPU/ZAMSIF has been supported by three World Bank credits: Social Recovery Projects I and II (SRP I and II) and the Zambia Social Investment Fund (ZAMSIF).

As in Zambia, World Bank involvement with the social fund in Malawi followed election of a new government. In 1994, the United Democratic Front (UDF) replaced the Malawi Congress Party after thirty years in power. More than in Zambia, these political changes provided the context for the social fund's operations, with UDF strongly identifying itself with the Malawi Social Action Fund's (MASAF) "bottom-up" approach.⁵ Moreover, UDF had fulfilled its election promise of abolishing school fees, creating a large demand for school places. The appraisal report for the first Bank loan to MASAF listed as the first rationale for the project the fact that "the quality of primary education, which was already poor, has declined critically. The gap in the provision of classrooms is so huge that the construction of 2,000 classrooms will meet only a part of the most pressing needs. Further construction of classrooms and teachers' houses, taking people's priorities and participation into account, will be necessary for attaining a reasonable quality standard".⁶ MASAF has benefited from three World Bank credits: MASAF I, II and III.

Between 1992 and 1999 MPU financed 1,329 sub-projects, of which roughly three-quarters were in education. In just four years, MASAF nearly reached a similar number (1,220), also concentrated in education. Aside from the dominance of education there is some difference in the portfolios. MASAF III is adding a savings and credit component, whereas ZAMSIF explicitly decided not to engage in micro-credit.

The nature of the Zambian social fund has evolved over time. It has always operated a community-based model, i.e. sub-projects proposals come directly from communities and are managed by communities. But as the scale of operations has expanded, the social fund has become more decentralized, creating regional offices, but also relying increasingly on local government officials to oversee the sub-project cycle. The main component of MASAF (Community Sub Projects, CSP) was closely modeled on the Zambian approach. Whilst not the main focus of this paper, it is wrong to argue as some critics do, that CDD has provided a rationale for by-passing local government. Rather the social funds in Malawi and Zambia have reinvigorated local government, by giving officials resources and activities to supervise (see van Donge, 2000 for more discussion). The next section describes how the fund is intended to operate at the community level in more detail.

(c) The sub-project cycle

MPU and the CSP component of MASAF have similar sub-project cycles. Both operate on a “pure community model”, in which demand for sub-projects comes from communities. Requests are on a form available from, and submitted to, the local district office (not the social fund office; there are no social fund offices at the district level). To make such a request someone in the community must of course know of the social fund, what they can apply for and what they have to do to apply. So it is important that the social fund undertakes promotion and outreach. This they have both done, though, as we document below, the more recent of the two has been the more successful in this respect.

The community is required to make an up-front community contribution. In Malawi this contribution is only in kind, though in Zambia cash is also required. Molding bricks and bringing building sand to the construction site are the most common activities. This contribution has to be completed for the field appraisal to take place, which is a visit by the regional social fund official,

accompanied by local government officers, prior to formal approval. The local government officers are likely to have already visited the community, perhaps several times, in assisting in preparation of the application and to make sure the community contribution is indeed completed. As part of the field appraisal there is a community meeting which affirms that the chosen sub-project meets with the wishes of the community. A project committee is formed at this stage, if it has not already been so. The committee selects the contractor to carry out the construction,⁷ although the district staff have a right of veto, procures the materials and oversees construction. There is some supervision from the social fund zonal (Malawi) or regional (Zambia) officer, though this role is increasingly assumed by officials from the local administration, such as the District Education Buildings Officer. Construction is carried out to a standard blue print, supplied by the national office, who also maintains a regional costings data base as a means of central control on budgets.

The social fund's involvement ends with the completion of construction. In Zambia, but not in Malawi, the community is required to have maintenance committee. The community is responsible for maintenance but not, in the case of schools and clinics, operational costs (salaries, equipment and materials) which are meant to be financed by the relevant line ministry. Training is provided by the social fund to committee members in project management and practical maintenance (e.g. of water pumps, which are provided with all schools and clinics constructed by the social fund).

3. THE PROCESS OF COMMUNITY PARTICIPATION

(a) The data

The data used in this paper come from two sources: (1) a study of ten communities in each of the two countries, which included a structured household survey, key informant interviews and focus groups; and (2) field visits to another 19 sub-projects in Zambia and 17 in Malawi. For the survey

work five districts were randomly selected in each country. In both countries an urban beneficiary community was randomly selected from one district and rural beneficiary communities were randomly selected in four districts. We call these social fund communities or social fund assisted communities (SFACs). The sub-projects are identified by their districts, which have been assigned fictional names in the interests of confidentiality. For Malawi the five districts are named *Zomha*, *Bowa*, *Sumpa*, *Robha* and *Lilong*, and in Zambia *Mutande*, *Nwamba*, *Secmeme*, *Kambe* and *Lilomba*. For all ten communities a non-social fund community was identified using the comparison group methodology based on input from local researchers, social fund staff members, community leaders, and local government officials. These are the matched communities (MCs), or non-SFACs. The quality of the match was tested and confirmed (difference-in-means) for each of the social fund assisted community using information from the pre-intervention indicators from the household surveys such as household demographic characteristics and pre-intervention social networks (see World Bank, 2002: Annex M for details). Whilst the quality of the match of course matters, much of our analysis of community-level processes draws on data collected only in the SFACs.

Each SFAC was matched with one with a similar facility (e.g. school with a school, see Table 1). In some cases the facilities in the matched community had received recent outside support, which might be thought to contaminate the comparisons. However, the other projects were traditional ‘top-down’ ones, which should not be expected to have either the same community-level processes or claimed social capital effects. The exception is the EU Micro Projects in Malawi which, similar to that in Zambia, is community-driven in identification – but unlike MASAF does not accord a role to the community in implementation. Despite the quality of the match, which would have allowed a comparison with communities with similar facilities, but without a participatory approach to project implementation, it was later discovered that three of the matched

communities in Malawi had had MASAF support for different sub-projects. Hence comparisons for capacity building in Malawi are made with just two of the matched communities.

Table 1 Surveyed sub-projects

District	Rural/urban	Social fund	Matched community
<i>Malawi</i>			
Zomha	Rural	School	School, DANNIDA supported
Lilong	Urban	Borehole	Borehole
Sumpa	Rural	School	School, EU supported
Bowa	Rural	School	
Robha	Rural	School	School, EU, IDA and GABLE support
<i>Zambia</i>			
Mutande	Urban	School	School (Basic), President's Fund and PTA
Nwamba	Rural	School (Basic)	School (Basic), no recent support
Secmeme	Rural	School	School, no recent support, but just over 10 years old
Kambe	Rural	School (Basic)	School
Lilomba	Rural	Health center	Health center

The household survey was administered to approximately 50 randomly chosen households in each community. In each household, the surveyors were instructed to conduct two interviews: the first with the principal respondent—the household head or other knowledgeable household member—and the second with an adult of the opposite sex chosen randomly from all adults in the household in order to analyze gender differences. As a result, in Zambia a total of 490 respondents from 247 randomly selected households were interviewed in the social fund assisted communities; and a total of 487 respondents from 244 randomly selected households were interviewed in the MCs. In Malawi, a total of 499 respondents from 250 randomly selected households were interviewed in the social fund assisted communities; and a total of 493 respondents from 248 randomly selected households were interviewed in the non-SFACs. All the results are reported at the respondent level, unless indicated otherwise.

(b) Prime movers and community leaders: an overview of the sub-project process

The ideal model of community-based social funds is that the community comes together and identifies a problem to be resolved by collective action combined with an appeal for external support. This view of how things should happen being how they actually happen is strongly entrenched in the social funds in the two countries, amongst both the staff of the social fund agency and those directly involved in sub-project management. Questions as to whose idea it was to apply for a particular sub-project almost invariably receive the reply “the community’s”. But this answer assumes that all people are equally aware of the social fund and its purpose, and all are equally equipped to deal with it. Moreover it assumes that the project-based organization will operate independently of existing social structures. We unpack each of these assumptions in turn.

In Zambia knowledge of the social fund is relatively low, being 47 percent in the assisted communities and 30 percent in the non-social fund communities (Figure 1). It is higher in urban areas than rural, and higher amongst men than women. In consequence, people do not know of the social fund menu as was shown in focus group interviews: “we do not know anything about MPU, but we were just told to go and work at the school” [adult female focus group, assisted community in *Nwamba* district], and “we never heard of MPU, we began to work as a self-help project” [adult male focus group, assisted community in *Kambe* district]. Knowledge is much higher in Malawi where there has been an intensive public information campaign: 98 percent of those in the assisted communities and 92 percent in the non-social fund communities had heard of the social fund (Figure 1). When virtually everyone knows of the social fund there is of course little scope for bias in who knows about it.

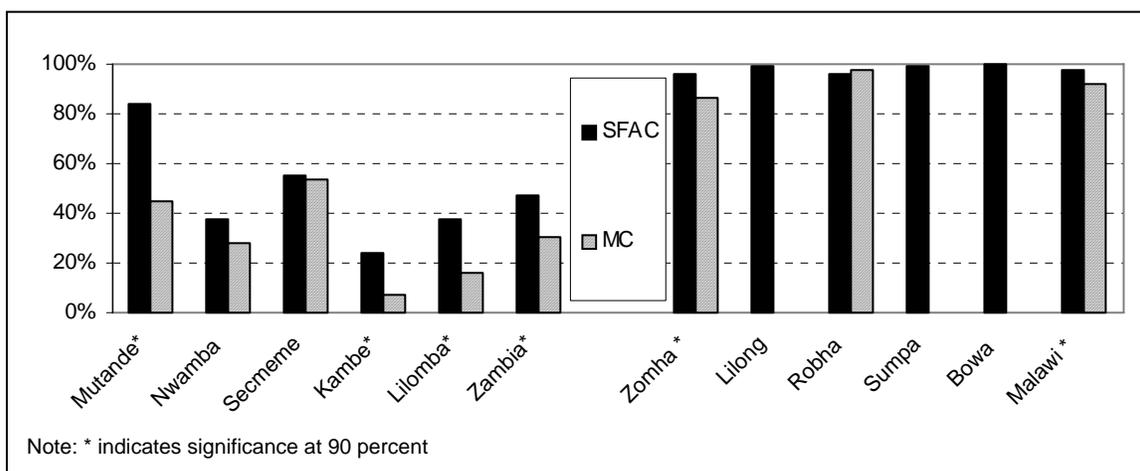


Figure 1 Respondents who had heard of Social Funds

The ‘hippy model’ of community participation does not take into account the importance of an individual or small group in initiating the project and carrying it forward. This must be someone not only with knowledge of the social fund, but the social and other skills (good literacy and numeracy) to carry forward the application – in the words of one headmaster in Zambia “someone who is not afraid to enter offices”. This person is not the average villager, but more likely to be one of the few professionals in the community, such as teachers and health workers. We call such an individual “the prime mover”. The role of this person is to provide the necessary link with the outside world, what Woolcock (1999) has called “linking capital” and identified as important in Bebbington’s (1999) analysis of rural communities in the Andes.

However, as an outsider, these people are not in a position to mobilize the community, and it is here that traditional social structures come in to play. The headmaster may work through the PTA or sometimes directly with the headman. Following a decision by a small group to apply for social fund support for the school the PTA in Zambia will then seek the agreement of the village headmen, whereas in Malawi traditional leaders will mobilize the PTA.

Hence identification of a particular sub-project usually takes place before the community becomes involved. In Zambia the initiative for two of the schools (*Nwamba* and *Secmeme*) came from the headmaster, who then involved the PTA and in turn the village headmen. In the other two schools the PTA were referred to MPU, in one case by the District Education Officer (*Mutande*) and in the other by a political counselor (*Kambe*). For the health center (*Lilomba*) the idea to apply to MPU was proposed by the sister-in-charge. By contrast, in Malawi all five sub-projects were initiated with the active involvement of the headmen, though they also involved the headmaster (*Bowa*) or the PTA (*Zomha*) in some cases.

The survey data confirm the limited role of the meeting in project selection. Of all the respondents interviewed in the five communities in Zambia, only 33 percent knew of the meeting held for the sub-project selection, 23 percent attended and only 14 percent spoke at it (Figure 2). In Malawi far more knew of the meeting and attended it - 79 and 58 percent respectively – but a similar proportion to as in Zambia spoke at it (16 percent, see Figure 4). The qualitative data for Malawi also support the view that community members attended the meeting, where they were informed about the need for bricks and sands, rather than consulted on the choice of sub-project. The focus group interviews in *Bowa* district indicated that the process was not open and the community was not consulted: the female focus group stated that “they (community) started moulding bricks, but they have never sat down and discussed about what type of project to embark on”. The community was told of the sub-project only after it was approved. In *Zomha* district, the male focus group felt that they had not been consulted with regard to the location of the borehole, but were just told to start providing bricks, sand, stones and wood.

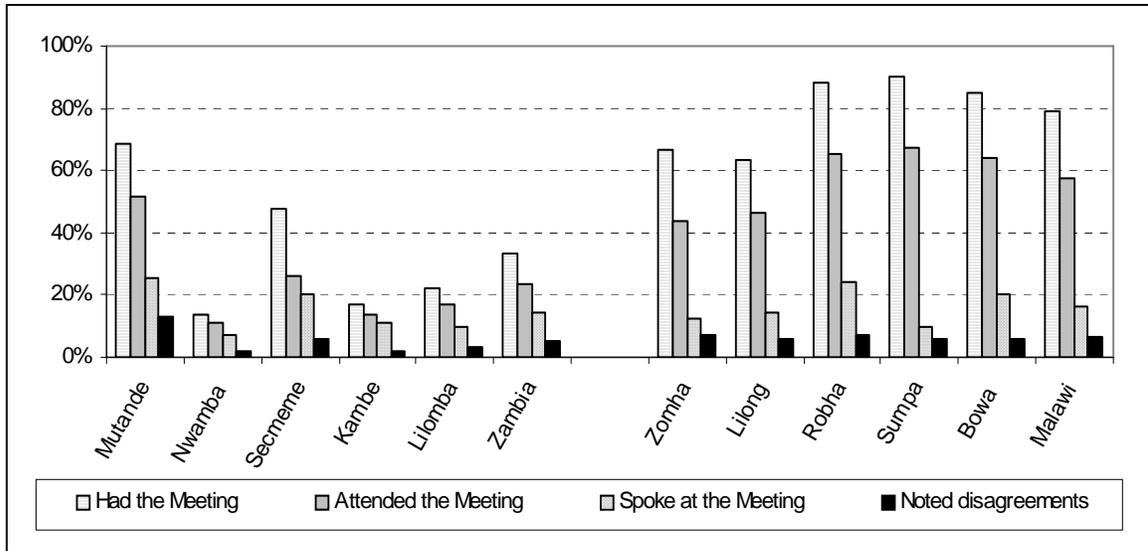


Figure 2 Participation in different stages of sub-project selection

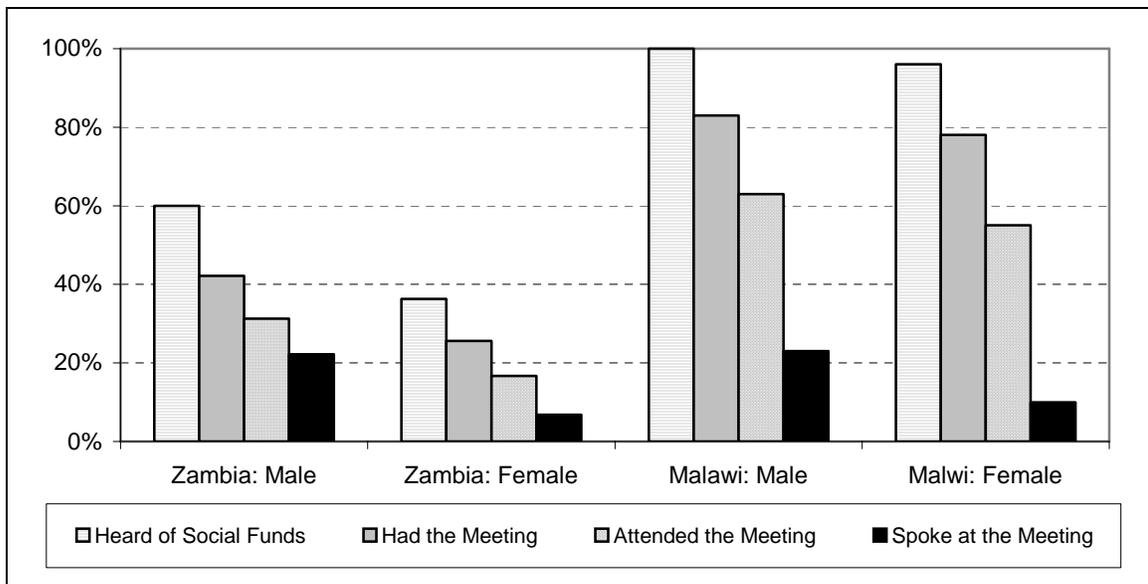


Figure 3 Gender differences in participation (assisted communities only)

The headmen in turn seek the backing of the chief and then call the community together. At this meeting, which may be addressed by the chief, the community is told of the plan to apply for help rehabilitating the school, and that they need to provide labor.⁸ Since the community meeting with social fund staff or local officials takes place once considerable work has already been done there

is little room at that stage for dissension even if the dynamic of a public meeting permits it. All households are expected to contribute and the headmen keep a register. Fines are also imposed on those who do not contribute, such as additional workdays or more arduous labor on the chief's land, though the fine may be money or livestock such as a chicken.

This overview suggests that the process is broadly similar in the two countries. First, only a small group of people is actively involved in the identification and management of the sub-project. This small group are taken to represent the community, as shown by the Zambian regional officer who told us "I have to go, I have a community in my office". This statement illustrates the tendency of supporters of CDD to reify the community, allowing them to make statements such as "the community selects a sub-project." Second, the rest of the community are involved in providing the community contribution, but their role is passive as regard decision-making. Their involvement is based on traditional structures for mobilizing the community, and reliant upon traditional authorities. It is striking that this approach will not be found described in the manuals of the two social funds, but is the way in which communities have adapted the requirements of the funds to their own social realities. Whilst the design of the social funds seems to ignore Wade's (1998) finding that project interventions need to identify an existing social unit as the basis for organizing interventions, in this case the communities adopt such a practice themselves.

The main difference between the two countries is who initiates the process. In Malawi traditional leaders take this role rather than the headmaster or the PTA, and politicians play a part in accessing resources. This difference may be explained in three ways. First, MASAF's information campaign has been so successful that virtually everyone in the country has heard of the social fund. By contrast, knowledge in Zambia is less widespread – in the early years at least it was quite feasible that the headman had not heard of the social fund, or if he had, had no idea how to go about accessing funds. Headmasters typically know of it partly as the Headmasters'

Conference has been one dissemination channel used by the social fund, or they may hear about it from colleagues, or in some cases they come from a school which has already had MPU support. Second, in Malawi the drive for Universal Primary Education was a high-profile policy initiative, which drove a demand for social fund support. Third, Malawi's political history has been one of a top-down authoritarian structure, in which, following the Chiefs Act of 1967, traditional authorities had less power but worked with district commissioners in fulfilling the latter's functions (see Kaunda, 1999). The authoritarian experience makes others, such as teachers, less likely to try and assume a leadership role, and provided a link between traditional authorities and the district administration.

(c) Did sub-projects address the highest priority problems?

We have argued that sub-project selection has not been a unified expression of community will, as suggested by the hippy model, but a process in which prime movers determine project choice. As a result the sub-projects selected did not necessarily meet the highest priority problem of the majority of respondents – though community members were nonetheless satisfied with the outcome.

The questionnaire asked respondents to identify the highest priority for the community at a time prior to the social fund investment and at the time of the interview.⁹ We took both broad and narrow definitions of priorities being met. By the broad definition a person's top priority was met if the sub-project financed was in the same sector as their top priority – meaning that someone could indicate that a secondary school was their top priority and this was met by rehabilitation of the primary school. Under the narrow definition the top priority is seen as being “met” only if the sub-project financed is in the same sub-sector as a person's priority, e.g. wanted improvements to the primary school and that is what they got. For example in *Nwamba* (Malawi) the adult male

focus group said that “We would have preferred to make the school a secondary school”, a view which resonated in all four focus group interviews in the community. In this case needs are being met on the broad definition, though not the narrow one. The results can be presented either for the community as a whole or for each household. The top priority is met for the community as a whole if the sub-project financed is the preference of the majority of respondents in that community.

On the broad definition the top priority was addressed by the sub-project in the assisted communities in two of the five districts (*Mutande* and *Secmeme*) in Zambia and all but one (*Robha*) of the five in Malawi. Alternatively, the sub-project financed addressed the top priority of about one fifth (22 percent) of all respondents in Zambia and one third (34 percent) in Malawi. But there was quite some variation. In Zambia this figure was lowest in the community in *Nwamba* (11 percent), where the focus groups also mentioned a lack of consultation on sub-project selection, and highest in the community in *Mutande* (39 percent), where the focus groups indicated that there had been a vote at a community meeting. In Malawi the figure was lowest in the community in *Zomha* (29 percent) and highest in the community in *Lilong* (47 percent). In *Zomha* a respondent in a focus group reported that “MASAF had helped the community to some extent because we had wanted the school. However, our priority interest was in the construction of a better road and bridges”. He continued, “although the school was built, children are unable to get to it during the rainy season because of bridge problems”. All the other participants in the group agreed with the respondent. On the other hand in *Lilong*, according to the interview of a project committee member, “people were consulted by the District Development Committee of what development they wanted. People chose a borehole. There was no disagreements since water was a problem in this area and thus why people prioritized water decisions”. All focus group interviews in *Nwamba*, *Lilomba* and some in *Secmeme*, *Mutande* and *Kambe* agreed the

most important problem to be poor water supply, both before the sub-project was initiated and also in the year 2000, yet these communities received a school or health sub-project.

On the narrow definition, the top priority was addressed by the sub-project only for one assisted community in each country (*Lilong* in Malawi and *Secmeme* in Zambia). Alternatively, the sub-project financed addressed the top priority of 15 percent of Malawian respondents and 13 percent of those in Zambia, being lowest in *Mutande* in Zambia (1 percent) and in *Robha* and *Sumpa* in Malawi (5 percent). A final way to present these results are to restrict the priorities to those items on the social funds' menu – since people in Zambia may be asking for, say, micro-finance, which MPU does not support. Conducting the analysis in this way shows that the top priority was met for 35 percent and 20 percent of the respondents in Zambia on the broad and narrow definitions respectively. For Malawi these figures are 49 percent and 22 percent respectively.

In summary, several factors influence the demand-driven process, including the role of prime movers, who were critical to the mobilization of support and preparation of a successful sub-project proposal and whose interests are determined by the nature of their position. For example, when the prime mover was a headmaster or health worker, a bias was found toward sub-project investments in schools and health facilities. Typically, social fund staff visited the community once they had been informed of the community's interest in a particular type of sub-project or had received an application. By this time, the prime mover had already mobilized support for particular sub-projects. This is not to say that the community was not happy with the sub-project. Usually it was the majority of respondents replied 'no' when asked if they would have selected something else.¹⁰ But it did not normally match what the majority saw as being their top priority.

4. SUB-PROJECT IMPLEMENTATION AND BUILDING COMMUNITY CAPACITY

(a) Sub-project execution

Application for, and implementation of, a social fund sub-project requires three things: (1) the drive and initiative, usually of an individual or small group, to initiate the process (sub-project selection, mobilizing the community for community acceptance and contribution, and enforcing the contribution) - and to carry it through to sub-project completion; (2) sufficient community support to realize the community contribution; and (3) community capacity to implement the sub-project, which means specific skills of mobilization, literacy, bookkeeping, and the ability to interact with officials.

The first condition is satisfied by the existence of the prime mover, typically someone with a direct interest in seeing the project go ahead. In Zambia, he or she will mobilize the relevant community members (PTA or health committee) before turning to authorities to mobilize the broader community. In Malawi, traditional authorities initiate the project, but draw on the head teacher etc. to bring the application forward.¹¹

As described above, in rural areas existing social structures are used to mobilize community support for the second condition. The level of support mobilized for these projects is very high: 91 per cent of households in Malawi and 83 per cent in Zambia said they had contributed in cash or kind to the sub-project.^{12,13} The focus group interviews support this high level of participation, mostly in the form of raw material -- providing bricks and water. For example, women from *Lilong* district said: "...during MASAF project, the whole community provided sand and stones, and women provide water while men help in making bricks." Some said that they provide food to the workers. There was a discordant note in the youth group in *Robha* district that indicated

participation by the youth even if unwilling: “We are the ones who are forced to carry sand since some parents refuse, some people had to carry bricks on the head and some on their carts”.

Of the respondents who were asked to contribute during construction, 96 percent said they actually did contribute. This view is supported by qualitative data from focus groups, e.g. “Everyone contributed the same amount of materials [youth male group, assisted community in *Lilomba* district].”; “...each household contributed K5000 and 1 packet of cement [men focus group, assisted community in *Mutande* district]”; “Men contributed by providing unskilled labor and by moulding bricks [men focus group, assisted community in *Secmeme* district].” The very high percentages of community members making contributions are a result of the way in which the participatory process is embedded in existing social structures (e.g., with social sanctions imposed by community leaders), and indicate that social funds in these countries crowd-in local resources.

Around 35 percent of the household survey respondents in Zambia confirmed that there was punitive action if households did not make the required contribution. Evidence was also given in the focus groups. For example, “people who refuse to participate are taken to the chief/headman for punishment proceedings” [male youth focus group, assisted community in *Lilomba* district], and “everybody who has a school going child worked otherwise they would not be allowed into school” [female youth focus group, assisted community in *Mutande* district].

The existence of a headmaster, a PTA or other existing organization serves as an initial focal point and which contain the managerial skills to meet the third condition, and are accordingly incorporated into the project committee. In three cases in Zambia – *Nwamba*, *Kambe* and *Mutande* - members of the PTA formed the committee. In *Secmeme* district, the project committee was formed under the supervision of the PTA committee. In *Lilomba* district, for

which the sub-project was a health clinic, the school headmaster and the sister-in-charge of the clinic mobilized and selected the project sub-committee in consultation with members from neighborhood health committee. The active members of the committee are typically those who have been instrumental in initiating the project. Hence the committee is not a freely elected group from all community members, but a largely self-selected group of people with appropriate skills and or contacts.

However, the majority of the respondents from the household survey were satisfied with the information they received on the progress of the construction. In Malawi an equal percentage was satisfied with the committee members, with overall satisfaction level around 87 percent. From the focus groups it was only in *Zomha* district that problems emerged: the men focus group complaint about some problems with the committee members, “The treasurer was replaced because of over use of money, corruption”. The women’s focus group in the same community were more discontent, saying “we have no confidence in committee. We believe they embezzled money since chairperson and the entire committee were related”. During field visits in Malawi one other case (out of the 17 sub-projects visited) was found in which the committee had been replaced.

(b) Do social funds build community capacity?

Social funds use a variety of mechanisms to support capacity building/skills development and social capital: project committee members receive training and gain experience on the job; other community members may learn new skills through participation in various sub-project activities; and the whole community has the experience of working together. According to supporters of social funds, this last element, called building “bonding social capital”, increases community cohesion and thereby the likelihood of future community-based initiatives. Social funds can also build “linking capital,” increasing access to resources. This section examines these linkages.

Although skills development was noted by some respondents in both countries, this was in no case greater than in the matching community. Indeed, in Zambia the increase in managerial skills was significantly less than that in matched communities. The main differences between assisted and matched communities are in *Secmeme* and *Lilomba* in Zambia and *Zomha* in Malawi, where in all case skills development was greater in the matched community (Figure 4). In the case of *Zomha* the matched school received DANNIDA support. In *Secmeme* the matched facility had had no assistance, but that does not mean that there were not other project activities in the community to account for these effects. What we can conclude is that within the communities surveyed the social fund sub-project had not been associated with very marked skills development, and certainly not more than in non-social fund communities.

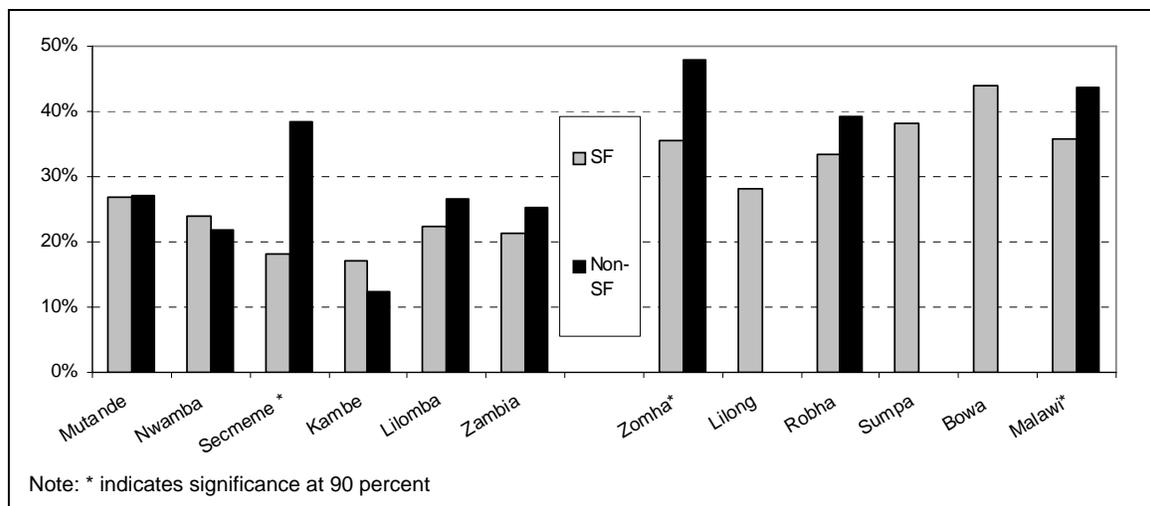


Figure 4 Percentage of respondents who indicated an improvement in their ability to engage in carpentry, masonry, brick making, or other skilled labor

The limited capacity enhancing effect for the assisted communities is due to at least two reasons: (1) community members who already had skills were those who participated, and (2) participation, in particular skills development, was focused on a small number of people, mainly in the project committee members (6-10 people). A community-wide survey will not pick these

up, though qualitative data from focus groups may do so if committee members are included in the group. Other focus groups confirmed the first point; e.g., “only those who had prior knowledge of construction skills helped” [Adult male focus group, assisted community in *Nwamba* district], and only “local bricklayers (who already have the skill) are employed by the project committee”. However, limited evidence of skills development for specific individuals was found: “like myself, I did not know how to mould bricks but as of now, I know how to mould bricks and I can as well build a toilet” [men focus group, *Lilong* district].

We used four measures of bonding social capital of the type used in the World Bank literature supporting social capital: (1) the change in the ease in participation in community activities; (2) the change in the number of times the respondent participated in collective action; (3) the change in the ease in getting the community to agree on a decision; and (4) the change in the level of trust and community cooperation between people of different ethnic groups. Whilst some respondents reported improvements in bonding social capital greater improvement for every indicator was reported for the matched community. Participation in the sub-project process, indicated by attending the meeting, increases the likelihood of a respondent having a positive perception with respect to social capital (Table 2).

Table 2 Differences in perception due to level of participation (percent of those in that category saying there was an improvement)

Malawi	All Respondents			Women Respondents		
	Attended Meeting		t-Stat	Attended meeting		t-Stat
	Yes	No		Yes	No	
<i>Skills development</i>						
Blue collar skills	4	23	5.04 *	35	23	1.99 *
Managerial skills	32	16	4.07 *	32	17	2.55 *
<i>Bonding social capital</i>						
Ease in participation in community activities	67	51	3.61 *	67	55	1.93 *
Times participated in collective action	25	17	2.99 *	31	18	2.94 *
Level of trust and community cooperation	6	8	-3.60 *	6	9	-1.87 *
Ease in agreeing on a decision	67	52	3.03 *	65	49	2.17 *
<i>Bridging social capital</i>						
Government's responsiveness	53	45	1.18	61	45	2.56 *
Local leaders' responsiveness	25	33	1.80 *	34	24	1.63

Zambia	All Respondents			Women Respondents		
	Attended meeting		t-Stat	Attended meeting		t-Stat
	Yes	No		Yes	No	
<i>Skills development</i>						
Blue collar skills	42	30	1.79 *	28	18	1.08
Managerial skills	51	25	4.21 *	38	16	2.37 *
<i>Bonding social capital</i>						
Ease in participation in community activities	61	40	3.11 *	59	43	1.35
Times participated in collective action	20	23	1.18	21	34	0.58
Level of trust and community cooperation	65	34	4.98 *	64	30	3.76 *
Ease in agreeing on a decision	8	8	-2.70 *	3	7	-2.13 *
<i>Bridging social capital</i>						
Government's responsiveness	13	5	2.08 *	5	5	0.17
Local leaders' responsiveness	39	14	4.15 *	33	11	2.79 *

Evidence is mixed regarding respondents' perception on the change in the ease in participation in community activities. In Zambia there was no change for 42 percent of the respondents from the five communities, deterioration for around 15 percent, improvement for 42 percent of the respondents. The percentage of respondents that perceived an improvement in the ease in participation in community activities in the matched communities was slightly lower as compared to assisted communities. This difference is however only significant in two cases - *Mutande* and

Kambe. There is no significant impact in the other three communities or for all five communities combined. In Malawi the difference between the responses from the respondents on their perception on the change in the ease in participation in community activities from the assisted and matched communities was significant in just one case – *Zomha* – but this showed a negative social fund impact (i.e. the improvement was greater in the matched community).

The level of trust and community cooperation between people of different ethnic groups [since the base year] has either remained same or declined, according to a majority of the respondents in both countries. The percentage of respondents who perceived improvement in trust was just 7 percent in Malawi and 11 percent in Zambia. The percentage of respondents perceiving an improvement in trust in the non-social fund communities was significantly higher as compared to assisted communities. The focus group interviews pointed to the possibility of negatively affecting social capital through social fund activities; e.g. “the method was worse this time because it was slavish” [adult female focus group, assisted community in *Nwamba* district], and “the MPU assistance caused a lot of divisions” [male youth focus group, assisted community in *Secmeme* district]. In Malawi, however, the sources of mistrust did not appear related to the social fund: the major cause of increasing disagreement and mistrust is related to land disputes and increasing pregnancy of young unmarried girls.

The majority of the respondents perceived no change with respect to participation in collective action since the base year; 16 percent in Malawi and 10 percent in Zambia perceived lower participation in social fund communities; and 22 and 18 percent respectively perceived higher participation. However, the focus group interviews were generally positive in their perception of changes in the level of participation, cohesion and future collective action. Since all villages within a community participated, rather than a village or two, the experience of working together in some cases raised expectations for future development activity; e.g. “cohesion between villages

has improved” [adult male focus group, assisted community in *Nwamba* district]; and “[we] learnt to work together and we are determined to do greater projects than we have done” [young men focus group, assisted community in *Mutande* district].

With respect to respondents’ perceptions of the ease of getting the whole community to agree on a decision now (year 2000) compared to the base year, there was an improvement according to 61 percent of respondents in Malawi and 43 percent in Zambia, compared to a perceived deterioration by only 12 and 13 percent respectively. However, whilst there is a significant positive social fund impact in Zambia, there is a negative one in Malawi –the matched communities saw a larger improvement. Some focus group interviews indicated that there were disagreements in the community [adult female focus group assisted communities in *Lilomba* and *Kambe* districts and young male focus group in assisted communities in *Secmeme* and *Mutande* districts] directly concerning the social fund sub-project, for e.g. “money issues caused disputes/disagreements” [adult female focus group, assisted communities in *Kambe* district]. Nevertheless, each of these groups indicated that leadership resolved the disagreements.

The quantitative results for bonding social capital indicate at best mixed results – for Malawi two indicators with no significant difference, and two indicators with negative social fund impact, and a positive impact in only one variable for Zambia. A positive impact of social fund intervention is suggested by the responses to the open-ended questions where about a third of the respondents from assisted communities have indicated that there is more community cooperation and involvement in decision-making, and far more children are going to school since the intervention. In summary, whilst there may be some encouraging stories to tell, the data do not support the view that the social fund sub-projects generally contributed to the building of bonding social capital. Those already more connected were more likely to be involved in the sub-project process, suggesting that social funds use social capital rather than create it.

The picture is also mixed on the impact of social fund on linking capital. Two aspects of bridging social capital were examined: (1) the effectiveness of the government in responding to community needs and (2) the effectiveness of the local leadership in responding to community needs.

In Malawi a relatively high percentage of respondents perceived changes in responsiveness of government (50 percent) and a quite high 30 percent with respect to local leaders. The figures were much lower in Zambia at 7 percent and 23 percent respectively. Furthermore, a similar percentage of the respondents in the matched communities perceived that the government responded more effectively to their needs now as compared to base year, so that in both cases there was no significant impact. The assisted communities, however, had a significant positive difference for the change in the effectiveness of the response of the local leader in Zambia, but negative in Malawi, though this effect disappears in both cases in the multivariate analysis (World Bank, 2002). The respondents of the household survey indicated that local leaders now (i) attend to problems; (ii) call meetings; (iii) mobilize people; and (iv) resolve disagreements more than before.¹⁴

Weak results with respect to linking capital may be explained by two factors. First, as discussed above with respect to skills development, a relatively small number of people are involved in the managerial aspects of the sub-project. As for bonding social capital, social funds may be consumers of linking capital rather than producers – better connected communities are more likely to access social fund resources.

Regarding the second point, the qualitative data provides evidence that communities with high social capital indeed were more successful in procuring funds. In the assisted community in

Lilong district, the project committee members said, “our success in receiving funds was because our MP is very hard working and whenever he addressed us he would mention that there is MASAF which assist communities and whenever we gave him the communities needs he would present them to the MASAF.” In addition the qualitative surveys provide many quotes where the non-social fund communities expressed lack of local leadership and the government as reason for lack of MASAF presence in their community. A District Assembly representative indicated that the reason for project failure for some non-social fund communities was untrustworthy committees: “some 5 or 6 sub-projects failed because the members embezzled funds.”

4. CONCLUSION

Social funds are a part of the Bank’s Community Driven Development approach, which are a manifestation of the organizations proclaimed discovery of the importance of social capital. The Zambia and Malawi social funds have implemented a sizeable number of sub-projects since they became effective. They have spread resources across the whole country using a community-based demand driven model. This paper has presented evidence on the nature of the participatory process at the community level and investigated the claim that such projects build social capital.

The ideal type portrayed by supporters of social funds, labeled here as ‘the hippy model’, is that subproject identification is the outcome of a collective decision making process. In practice, the initiative needs to be taken by someone who is aware of the social fund and feels sufficiently comfortable interacting with government officials to take the application forward. In Zambia this person is most typically the head teacher, though in Malawi local leaders tend to play this role and politicians are active in promoting community access to social fund resources. The prime mover who initiates the process, especially if an outsider such as school teacher, is not in a position to mobilize the community, which is done by the PTA working in conjunction with

village headmen and chiefs, called traditional authorities in Malawi. Members of the PTA often constitute a large part of the project committee which is responsible for overseeing sub-project implementation, including procurement using the resources paid into the project account by the social fund and, in Zambia, the community members.

Critics of the World Bank's use of social capital have argued that it ignores power relations. The way in which social funds operate in these two countries is indeed embedded in existing social and power structures – but in a way which mobilizes the community to harness collective action toward a common good. Hence it would be wrong to characterize the process as one of elite capture of the sort which has often plagued development projects. The vast majority of sub-projects are schools, and most the rest clinics, which benefit the whole community.¹⁵ Tandler and Serrano (1999) found that sub-project identification in Latin America is distorted by outsiders, such as contractors. In the communities studied in Africa, contractors were not major players. Social funds use existing organizations and traditional social structures in a manner very close to Wade's (1988) prognosis of what is necessary for successful community-based initiatives. The new organizations created in the communities are rooted in the existing social organizations whose authority and responsibilities are recognized by community members.

The two social funds have a number of mechanisms in place to avoid elite appropriation of sub-project benefits. First, the sub-project menu is restricted to projects with non-excludable benefits, with schools and then clinics representing the vast majority of funded activities.¹⁶ Second, construction is carried out to standardized designs with the budget checked against a unit cost database by technical staff in the social fund HQ. Third a contractor must be appointed. The appointment is subject to veto from local government officials, and is typically someone who has received training from the social fund and would hope to go on to procure further work on other social fund sub-projects. Finally, there is regular supervision from either social fund staff or local

government buildings officers. Only in Malawi did we come across two cases (out of 22 social fund communities) of claimed misuse of funds, and in these cases committee members had been replaced.

But prime movers do dictate sub-project choice toward their own interests. So the key role of head teachers and PTAs helps explain the preponderance of school investments. Unsurprisingly we find that community members are happy with these activities, though they are frequently not their top priority. The existence of an educated group (teachers or health workers) with an interest in the sub-project help provide the technical skills necessary for project management. These conditions are far less likely to be met for a public good with no obvious champion, such as economic infrastructure investments.

Our arguments suggest that social funds are primarily consumers rather than producers of social capital, although we found some weak evidence to suggest that the project experience enhanced the capacity for collective action. Communities which already have the necessary skills and social cohesion are most likely to apply, as are those which are better connected to the outside world. The challenge for these social funds is thus to spread their benefits to those communities which are less well endowed with a capacity for community-based activities whilst not sacrificing the key feature that makes these social funds work, that is their reliance on existing organizations. We suggest it would be a mistake to directly invest in social capital through the creation of new community groups. Rather the need is to ignite the process which has worked well elsewhere.

NOTES

¹ Whilst there are other studies of social funds (notably Rawlings et al., 2004) these do not focus on community-level processes. The exception is the study of the Jamaican Social Investment Fund (JSIF) by Rao and Ibanez (2003), which uses data collected as part of the same study on which this paper is based.

² CDD is sometimes distinguished from Community Based Development (CBD), as in the former the community identifies the activities to be financed.

³ Earlier social funds accorded an intermediary role to NGOs or local government, which is not the case for community-based social funds. In sixty percent of the social funds supported by the Bank's portfolio NGOs were eligible sub-project sponsors, local government in a similar share of cases, and central government agencies slightly fewer (World Bank, 2002).

⁴ The term "social fund agency" or "social fund" is used to refer to the social fund agency and its activities. "Project" to refer to World Bank's support to the social fund agency and its activities. "Sub-projects" to refer to the specific investments financed by the social fund agency at the local level.

⁵ UDF's manifesto for the 1999 election pictured its logo alongside that of MASAF.

⁶ Staff Appriaisal Report Malawi Social Action Fund Project, Report No. 15345-MAI, April 1996: para. 1.21

⁷ Another consequence of social funds has been the establishment of a number of small-scale contracting firms who derive their business largely from social fund-financed construction.

⁸ In Zambia, where cash is also required for the community contribution, villagers who work in town are called upon.

⁹ These questions were asked prior to any mention of the social fund or the sub-project itself.

¹⁰ This result is not inconsistent with the above analysis of priorities. The questions regarding priorities were asked before any mention was made of the social fund. Unlike the response to these questions, the reply to the question on whether the respondent would have chosen something else is colored by their experience of how the social fund operates.

¹¹ A similar process is described in Makuwira (2004) for a NGO project in Malawi.

¹² These are percentages of those having heard of the social fund, as the questions were not asked to those who had not heard of it. For Malawi this makes no difference to the overall percentage given the high level of knowledge of MASAF. For Zambia it means that 49 per cent of total respondents said they had contributed. But this figure will be a substantial under-estimate since the nature of participation is such that a community member could well contribute without being aware that the facility is supported by the social fund.

¹³ The focus on this paper is on the role of the prime mover and existing social structures in mobilizing the community. But the external agent (the social fund) is also important as it provides the resources which make the sub-project around which to mobilize possible. For a formal statement of the latter mechanism see White (2003).

¹⁴ People in the men focus group in *Lilong* district were not participating because the Village Headman was among the group. He himself and other two participants were the ones who dominated the meeting.

¹⁵ There may be said to be some vested interest since the sub-projects also construct teacher housing. In rural areas such housing is often vital to recruiting and retaining teachers.

¹⁶ A savings and loan scheme has recently been added to the MASAF menu, though ZAMSIF has resisted this.

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