The contribution of beneficiary participation to development project effectiveness

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SUMMARY
Criticism of development projects is widespread, and blame for disappointing results is cast in many directions. One line of criticism which has become quite strong in the recent development literature is that development projects are too top-down and need to be more bottom-up (e.g. Maguire, 1981). Projects should involve more participation by beneficiaries. In fact, some would argue that real development, by definition, must involve beneficiaries in their own improvement (e.g. Gran, 1983a,b). Without participation the people may benefit but not develop from a project. Thus participation has intrinsic value.

As the recognition of the value of public, popular, beneficiary, or community participation has increased, so has the range of what is meant by participation. Some authors have expanded the concept to mean empowerment and capacity-building, sometimes including institution-building. In this paper we do not attempt to redefine participation per se, but aim instead to make an inventory of the principal concepts that have evolved in the literature so far, elicit a general model of participatory development projects, deduce the central implicit hypotheses from this literature on the relationship between participation and project effectiveness, and statistically test these hypotheses from the empirical evidence provided by AID’s series of 52 Impact Evaluation Reports. Our major question is how much does beneficiary participation contribute to project effectiveness?

RECENT HISTORY AND LITERATURE ON PARTICIPATION AND DEVELOPMENT

Beneficiary participation has been an issue in development projects from the beginning, but its significance has increased principally since it became part of the official rhetoric. A brief history of US foreign aid legislation reveals the growing importance of participation in AID development projects. Title IX of the Foreign

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Assistance Act of 1966 called upon AID to place emphasis on ‘assuring maximum participation in the task of economic development on the part of the people of the developing countries through the encouragement of democratic private and local governmental initiatives’. The implicit assumption was that the beneficiaries in developing countries, for the most part, were too backward to initiate development themselves, and that local government would be responsible for taking the lead. They feared that ‘while decentralization is generally desirable under Title IX, there is the danger that indiscriminate decentralization may actually harm local government by prematurely overloading it with responsibilities it cannot meet’ (Millikan et al., 1966, p. 9). AID was concerned about strengthening the capacity of local government to contribute to national planning and thus make aid more productive.

The humanistic rationale for participation was made explicit in the creation of the Inter-American Foundation (IAF) in 1969. The highly critical report of the Subcommittee on Inter-American Affairs found that channelling resources through Latin American governments had stiffened resistance to change. The Congressmen most responsible for Title IX, Donald Fraser and Bradford Morse in particular, attempted to ensure IAF adherence to humanistic principles, even if AID would not. The IAF's three basic policies were: (1) to support efforts at self-help, (2) to further wider and more effective participation, and (3) to encourage the growth of democratic institutions (Meehan, 1978). The IAF would operate independently of the official foreign policy machinery, work mainly through private organizations, and respond to funding requests originating from the beneficiaries (in Latin America) themselves. One of the specific types of projects that would be supported were those that contributed to local capacity for problem-solving. Participatory institutions would be favoured. This was a radical departure from AID's modus operandi, but the State Department supported the IAF because they feared that the AID bill might otherwise fail. Thus greater participation became a statutory objective for the IAF independent of its contribution to project success.

From this point forward, the call for increasing beneficiary participation and their problem-solving capacity accelerated. By the mid-1970s it had become the conventional wisdom. A communiqué from the Third World Forum in Karachi (1975) is typical: ‘The real focus should be on the satisfaction of basic human needs and on a meaningful participation of the masses in the shaping of economic and social change; the policies of self-reliance should be encouraged, with the emphasis on a self-confident and creative use of local resources, manpower, technology, and knowledge’ (cited in Cochrane, 1979, p. 3). The New Directions legislation, mandated by Congress in 1973 to direct AID’s efforts at the poor, and the basic human needs doctrine enunciated by World Bank President Robert McNamara to redirect that organization’s priorities, brought participation in development projects to centre-stage in official circles.

Simultaneous with the institutionalization of participation in bilateral and multilateral development agencies’ policies was the evolution and expansion of the literature (mainly American) among academic theorists, grassroots practitioners, and development professionals. Not only was there concern that existing approaches to development were not yielding the desired results, but that the development process itself was contributing to the further underdevelopment of the more marginal sectors of the poor majority.
Gamer (1976) typified the alternative development strategy school when he stated that a healthy (i.e. developed) system is one that emerged from the indigenous people. Development imposed from outside the local setting, no matter how benevolent and well-intentioned, is ultimately counterproductive. It is not effectively integrated into the world of those people it purports to develop. The very process of modernization would undermine existing social structures. Traditional arrangements would be seen as dysfunctional for the task of development, and modernization would come at the price of destroying time-honoured methods of preserving social stability and tranquillity (Reining and Lenkerd, 1980). Anthropologists (Brokenshaw et al. 1980), liberation theologians (Goulet, 1981), and others concerned with the ethics of preserving and utilizing indigenous forms of knowledge and problem-solving have strongly recommended participation as not merely desirable, but essential to preserve their culture and human dignity. Not only should indigenous skills be preserved, but they should be actively used in the development process. In *No Limits to Learning* (Botkin et al., 1979, p. 30), the authors declared that ‘the amount of innovative learning in the world system hinges on the degree of effective participation at international and local levels’. Development began to be defined as the unlocking and enhancing of human potential, rather than the wholesale replacement of existing systems (formerly presumed obsolescent) with foreign models.

The more popular literature, especially that concerned with alternative development strategies, has echoed and reinforced the call for participatory development. Global humanists (Freire, 1973; Illich, 1977) have advocated that participation should be a process of consciousness-raising, and that empowerment and change in the balance of power *vis-à-vis* the system, i.e. capacity-building, is part of the definition of project success. Education for critical consciousness and awareness of the possibilities for change are seen as prerequisites to improving the quality of life.

The proponents of the grassroots citizen movement (Stokes, 1981; Boyte, 1980) and community development (Chekki, 1980) have advocated beneficiary participation because power gravitates to those who solve problems. Thus, if people take a more active role in solving their own problems and meeting their own needs, they will acquire the power that was previously retained by governments by default. They value participation because it redistributes power more democratically. This school equates participation with democratic values, and believes participation will produce many additional positive results.

An important group of grassroots organizers are development practitioners in private voluntary organizations (PVOs). They adhere to a more participatory, people-oriented approach to development for both practical and humanistic reasons (Sommer, 1977). In fact, critics claim PVOs hide behind the image of being more participatory because that image sells well to PVO supporters (Tendler, 1982). Obviously the image of being participatory has positive value in some circles because PVOs now contract for approximately 15 per cent of AID’s development funds.

A growing number of development professionals have advocated greater beneficiary participation in development projects. One school of thought has urged a more humanistic-democratic participative management philosophy as the only practical way to get the beneficiaries committed to the project (Jedlicka,
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1977; Korten and Alfonso, 1981; Bryant and White, 1982) and to build local capacity (Honadle and Hannah, 1982). A new group of development administration experts have advocated participation as essential to the sustainability of projects (Honadle and Klauss, 1979). Under their lead, the discussion of participatory development projects has expanded to become a professionally respectable field within development administration. AID funds, directly and indirectly (e.g. the research programmes on rural development project management at Cornell and Development Alternatives Inc.), have been instrumental in supporting professionalization of this field. In summary, the call for participation has come from a broad spectrum of those concerned with development and for a wide variety of reasons.

THE BENEFITS AND COSTS OF PARTICIPATION

There are many logical arguments for beneficiary participation in development projects. First are the economic justifications. Public participation will mobilize greater resources and accomplish more with the same project budget. It is also economically efficient in that it uses generally under-utilized labour and, to a lesser extent, can build upon indigenous knowledge which also tends to be under-utilized. Thus more services are provided at less cost.

Another benefit of participation is better project design. Participation ensures that felt needs are served. Presumably beneficiaries will shape the project to their specific needs in ways that outside planners cannot. A sense of immediate responsibility and ownership by beneficiaries puts pressure on a project to be truly worthwhile.

Then there are the spinoff arguments. Participation can become a catalyst for mobilizing further local development efforts. There tends to be greater spread effects as villagers communicate with kin and associates in other villages. Another form of spinoff are the benefits from participation itself. It creates local-level awareness, competence, and capacity where it did not exist before.

Participation is not a totally unmixed blessing, however. Using existing patterns of local power and organization can reinforce existing inequities rather than stimulate desired system change (Kolawole, 1982). It favours villages better able to produce plans, local elites, those already better off, and so forth. Sometimes participation faces political opposition in countries where most beneficiaries have not been included in the political system. Such organizing can be seen as threatening to political leaders, or as otherwise upsetting the political balance and generating demands and pressures that governments cannot or do not want to respond to.

The main obstacle to participation, however, is the difficulty of implementing it in practice. It takes additional time and resources to mobilize less developed communities. One has continuously to consult with far more people than if the project were executed without their involvement. Participatory projects can slow down or run out of energy. Fragile projects may become overburdened and collapse due to organizational complexity or the frustration of those involved.

A strong case can be made for providing much-needed assistance as simply and quickly as possible and not jeopardizing projects with the difficulties and
complexities of participation. Delivering aid efficiently is the overriding priority for donor agencies, especially multilateral and bilateral organizations such as the World Bank and AID. Participation is secondary and often not congruent with the political and organizational imperatives of conventionally managed projects.

**THE ANALYTICAL FRAMEWORK**

It must be remembered that this article focuses on the role of beneficiary participation in development projects. Often the literature on participation discusses regular programmes of government agencies or a variety of development efforts such as community development. This article does not address many of the issues in the literature on participation. Nonetheless, our focus on the project level is appropriate because some relatively comparable data exist for projects, and most development assistance is implemented through projects. Therefore a key question for this article is what does a participatory project look like?

Much of the literature on participation in development has been of a general, advocacy nature, and not very empirical. The dearth of reliable data across a broad range of projects has inhibited systematic analysis based on explicit hypotheses and appropriate measures to investigate these hypotheses. Many development analysts are convinced that beneficiary participation will generally enhance project success, for many of the reasons mentioned in the previous section, but they are less certain how to achieve that participation.

Cohen and Uphoff (1977) have advanced the most complete analytical framework to date for examining the role of participation in development projects and programmes. They disaggregate and classify the maze of activities that can be included under the label participation by discussing the what, who, how, when, and where of participation. They see four areas for participation: in (1) decision-making, (2) implementation, (3) benefits, and (4) evaluation. These four areas of participation comprise the 'what' of participation. By the 'who' of participation, they mean the classes of persons involved in project tasks: (1) local residents, (2) local leaders, (3) government personnel, and (4) foreign personnel. Their 'how' refers to the mechanics of participation: (1) where does the initiative come from? (2) what inducements are involved? (3) what is the structure? and (4) what are the channels? Their 'when' and 'where' are contextual factors including many project characteristics and aspects of the task environment that have effects on participation and its likelihood of contributing positively to the project.

We have been guided by the Cohen and Uphoff framework but decided to develop another one more suited to our needs. We use an input–output framework presented in Finsterbusch (1984) to analyse projects and identify the role of participation in them (see Fig. 1). We view development projects as representing a series of tasks in a chronological sequence. Inputs of labour, capital, technology, and other resources are fed into a project. A project team or organization implements the project. Structural, functional, and managerial patterns and processes are included at this stage. The impact of the context of the project—political, social and other micro- and macro-environmental factors—is taken into account. These include markets, government policies, exogenous events, and so forth. The parent organization of the project team, with its administrative and
sponsoring functions, also affects the course of the project. These interactions produce outputs, which are used to increase production which results in secondary impacts of the project.

The main difference between our framework and that of Cohen and Uphoff is that ours has a project perspective and theirs has a participation perspective. While they elaborate the ways and means by which participation can be built into a project, we detail the factors which contribute to project effectiveness and look at the role of beneficiary participation among these factors. In practical terms, our approaches are compatible. Cohen and Uphoff disaggregate participation into four areas: (1) decision-making, (2) implementation, (3) benefits, and (4) evaluation. We identify three project phases which include five types of participation: (1) planning (origin and design), (2) implementation (implementation and redesign), and (3) maintenance. Cohen and Uphoff include maintenance in implementation, and include origin and design in the more inclusive category of decision-making which occurs throughout the course of a project. We also use a fairly
inclusive category, labelled redesign, for beneficiary inputs and feedback into project direction and management. Redesign is a form of decision-making which also occurs throughout the project. Thus we specify three types of participation (origin, design, and redesign) which come under Cohen and Uphoff's decision-making, and two (implementation and maintenance) which come under their implementation. On the other hand, we treat their other two categories very differently. Beneficiary participation in project evaluation is negligible among AID projects, so we omit this task or stage. Participation in benefits is not ignored in our framework, but it is separated from the other types of participation. Participation in benefits is part of our definition of an effective project, the dependent variable in our study. Our focus is on participation as inputs and thus as independent variables.

KEY ISSUES IN ANALYSING BENEFICIARY PARTICIPATION

The major thesis examined in this study is that participation increases project effectiveness. The five stages of participation discussed in the preceding section (origin, design, redesign, implementation, and maintenance) are measured and correlated with a measure of project effectiveness. We also examine a number of other issues related to beneficiary participation. These are incorporated into ten other measures dealing with beneficiary commitment, contribution, organization, knowledge, control, and capacity. Even though these issues are not explicitly participation per se, they derive from the participation literature, especially the alternative development strategy literature reviewed earlier.

Though beneficiaries can participate as individuals, it is frequently argued that the results are greater if their participation is through organizations. Zaman (1984), and Esman and Uphoff (1984), among others, have stressed the importance of organization to effective participation. Organized groups have more influence on government agencies and accomplish more than unorganized groups. This is said to be even more true when the organization is created and managed by the members themselves. Not only do such organizations produce more; they also instill hope. Organization itself has intrinsic psychological value for people who usually feel powerless to change their conditions, but who gain courage and strength through numbers.

There are numerous channels for organizing participation. There may be existing formal organizations such as village councils or marketing co-operatives. Examples of informal associations include kinship groups or community traditions of voluntary self-help. Projects can also create new organizations for specific types of beneficiary participation, e.g. irrigation-user associations. We look for beneficiary organization in a wide variety of forms, but we sum all forms of participation into an overall degree of participation variable for statistical analysis.

We do differentiate, however, between organizations that are engineered by the project team for the purpose of soliciting participation versus those that arise from the initiative of the beneficiaries themselves. This distinction applies to existing and newly created organizations alike. There is a school of thought that maintains that organizations that are by, for, and of the people have a distinct advantage in generating effective and beneficial participation (e.g. Gran, 1983b,
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and Zaman, 1984), so we make this distinction in order to test this hypothesis. Zaman, however, argues that participation has to be mobilized rather than spontaneous when local corporate structures are weak.

Another closely related concern is the degree of democracy and equality within an organization. Distinguishing an authentically participatory organization goes beyond the technicality of whether it was externally generated or indigenous. Far more important is the prevailing spirit and modus operandi of the organization (see Zaman, 1984). Gran's (1983a, pp. 173-5) differentiation between standard and participatory organizations captures this essential difference. In participatory organizations, members, rather than elite leaders, make decisions. They have a personal stake, and are not condemned to passive roles. Leaders and members are more likely to come from the same class. Both are likely to receive training. Leaders emerge rather than are preselected. Larger numbers are mobilized on a more permanent basis. Finally, there is usually some broader vision than just the project immediately at hand.

Maguire's (1981, pp. 20-21) comparison of the HACHO and IDEA self-help efforts in Haiti also captures this difference. He points out how nominally participatory organizations can go astray if they are not perceived as democratic, egalitarian, and truly for the benefit of the poor. Maguire concluded that HACHO suffered because its authority derived from the traditional power structure, it paid its agents enough so that they became perceived as members of the local elite, and its food-for-work programme undermined co-operative development efforts and attitudes. There was a total lack of peasant participation in the identification of needs, activity planning, and project management control.

Even if beneficiaries are organized, do the organizing themselves, and create a democratic organization, it may not be powerful enough to make their participation a significant factor in the outcome of the project. Beneficiary control over the project, the organization, and any other outputs is a separate and vital issue. The issue of manipulation is a subtle and delicate one, but many well-intentioned efforts at participation and organization have failed because these efforts were being misdirected or ignored by those in power. Effective participation is stifled and beneficiary involvement becomes extremely difficult once beneficiaries see that they will have little control over what their efforts yield.

Another reason why participation and/or organization of beneficiaries is important is that it can foster commitment to the project. Even if beneficiaries do not have much control over a project, they should have some desire for and commitment to the project. They should want the road, irrigation, electricity, potable water, education, health service, or agricultural technology. They should at least support the project with their attitudes. In other words, if they had been invited to participate in the origin and design of the project, they would have suggested something similar to the project. Typically AID and the national government assume they are designing projects which people need and desire, but we make this a matter for measurement and analysis. Though this commitment can be an intermediary variable which contributes to participation or organization, we see it also as an independent variable that contributes directly to overall project effectiveness, and treat it accordingly.

Commitment can become tangible in the form of financial contribution. Mickelwait et al. (1979), in their study of small-farmer projects, demonstrated that
financial contributions by farmers were strongly related to project success. We
test this hypothesis on a wider range of projects with a variety of types of
beneficiaries.

One factor which surfaced as a problem area in our earlier study for AID was
the linkage of the project organization with the beneficiaries. Most of the variables
discussed in this study examine this linkage in terms of dimensions of the benefici-
iaries' role in the project. This linkage should also be examined from the other
side in terms of the role of the project organization. We have selected the adequacy
of communication from the project team to the beneficiaries for analysis of its
effects on project effectiveness.

Another consideration is the degree to which indigenous knowledge is used in
a project. If the technology of a project is foreign to the beneficiaries, then
it creates a dependence on outside experts or technicians, thereby inhibiting
participation. Brokenshaw et al. (1980) have argued that peasants are often experts
at tasks in their specific environments and it should not be assumed that they
have nothing to offer. Thus the use of indigenous knowledge helps adapt projects
to local conditions and facilitate a greater role for participation. We formulate
the indigenous knowledge issue in terms of beneficiary dependency: to what
degree are the beneficiaries dependent on outside experts in order to execute a
project?

While we are sanguine about the prospects for effective participation among
the poor, we also see opportunities for it to improve as a project progresses. That
is why we not only ask to what degree is there outside dependency during a
project, but to what degree does that dependency exist after the project has been
completed? An effective project should transfer essential skills to the beneficiaries
themselves where possible, so that they can sustain the project after the implement-
ing team has left or have greater capacity for other development tasks.

Honadle has declared that 'capacity building is the guts of development' (1981,
p. 1), a strategy for sustaining development. Gran (1983a) and Hellingers et al.
(1983) see empowerment and local capacity-building as the main purpose of
development efforts. Whether it is a primary means or an end in itself, we deem
it important enough to include capacity-building as an important variable in
contributing to overall project effectiveness. Though capacity-building is a very
difficult concept to define, we follow the same line we used in the indigenous
knowledge variable: to what degree has beneficiary capacity to meet their needs
been improved as a result of the case study project. This also ultimately entails
enabling beneficiaries to make more effective demands on the system.

From this review of issues and questions we constructed an itemized list of
factors which could be scored for each of the 52 projects for hypothesis testing (see
Table 1). We have worded the questions so that, according to our understanding of
the literature, each of the 15 'participatory' measures should be a positive factor
and hence exhibit significant positive correlations with project effectiveness.

**METHODODOLOGY AND DATA SOURCES**

This article builds on a study begun in 1982 by Finsterbusch (1984) which statisti-
cally analysed a set of project evaluation studies to determine the factors that
Table 1. Participation questionnaire for evaluation code sheet

<table>
<thead>
<tr>
<th>Value score 1–7</th>
<th>Confidence score 1–5</th>
</tr>
</thead>
</table>

1. Beneficiaries' role in the planning phase
   A. degree of participation in original idea
   B. degree of participation in design
   C. beneficiary commitment to project

2. Beneficiaries' role in implementation phase
   A. degree of financial contribution
   B. degree of participation in implementation
   C. degree indigenous knowledge is used vs. dependency on outside experts
   D. degree of organization of beneficiaries
   E. organization is theirs vs. engineered
   F. democracy and equality in organization
   G. extent beneficiaries redesign project

3. Beneficiaries' role in maintenance phase
   A. degree of participation in maintenance
   B. degree indigenous knowledge is used vs. dependency on outside experts (after project is completed)
   C. degree ownership and control of facilities and organizations are local vs. outside

4. Project linkages to beneficiaries
   A. adequacy of communication from project team
   B. degree project increased beneficiary capacity

Note: Each project is scored on a seven-point scale from 1 = exceptionally low to 7 = exceptionally high. The coder's confidence in this judgment is registered in the second score on a five-point scale from 1 = very little confidence and very strong doubts to 5 = great confidence and very little doubt.

contributed to project success. In the original study the development project model described in the preceding section was used to disaggregate input, process, output, impact, and contextual factors. The methodology and data used in determining the relative importance of each factor are the same as those used in this study.

The data for our study come from the series of project impact evaluation reports produced by the Agency for International Development/Bureau for Program and Policy Coordination/Office of Evaluation. This series was instituted in 1979 with the first reports appearing in late 1980. Our study covers those reports published by mid-1984. Each report evaluates a completed AID project, or in a few cases a set of related projects. They are written by teams of three to six evaluators based on a 3- or 4-week field visit combined with interviews, reviews of project documentation, and other sources of information. The reports follow a common format that has gradually expanded from 15 to 30 pages of text but still covers the same points. They are sufficiently standardized to permit cross-project comparisons used in deriving general lessons and conclusions.

Some general parameters of our sample of 52 AID projects are summarized in
Table 2. Some characteristics of the 52 AID projects

<table>
<thead>
<tr>
<th>Variable</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Overall effectiveness</td>
<td>unsuccessful (0–3)</td>
<td>13</td>
<td>25.0</td>
</tr>
<tr>
<td></td>
<td>moderate (4–6)</td>
<td>17</td>
<td>32.7</td>
</tr>
<tr>
<td>(scale of 0–10)</td>
<td>successful (7–10)</td>
<td>22</td>
<td>42.3</td>
</tr>
<tr>
<td>2. Geographic region</td>
<td>Africa</td>
<td>16</td>
<td>30.8</td>
</tr>
<tr>
<td></td>
<td>Asia</td>
<td>20</td>
<td>38.5</td>
</tr>
<tr>
<td></td>
<td>Latin America</td>
<td>16</td>
<td>30.8</td>
</tr>
<tr>
<td>3. Number of affected communities</td>
<td>less than 5</td>
<td>2</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>6–20</td>
<td>3</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>21–100</td>
<td>13</td>
<td>25.0</td>
</tr>
<tr>
<td></td>
<td>over 100</td>
<td>34</td>
<td>65.4</td>
</tr>
<tr>
<td>4. Total project cost (AID and host country)</td>
<td>under $1 million</td>
<td>3</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>$1–10 million</td>
<td>20</td>
<td>38.5</td>
</tr>
<tr>
<td></td>
<td>$11–50 million</td>
<td>22</td>
<td>42.3</td>
</tr>
<tr>
<td></td>
<td>over $50 million</td>
<td>7</td>
<td>13.5</td>
</tr>
<tr>
<td>5. Host country per capita GNP in 1980</td>
<td>$0–499</td>
<td>18</td>
<td>34.6</td>
</tr>
<tr>
<td></td>
<td>$500–999</td>
<td>17</td>
<td>32.7</td>
</tr>
<tr>
<td></td>
<td>$1000–1999</td>
<td>17</td>
<td>32.7</td>
</tr>
<tr>
<td>6. Lead implementing organization</td>
<td>national government agency</td>
<td>3</td>
<td>63.5</td>
</tr>
<tr>
<td></td>
<td>regional or local government agency</td>
<td>9</td>
<td>17.3</td>
</tr>
<tr>
<td></td>
<td>non-government agency</td>
<td>10</td>
<td>19.2</td>
</tr>
<tr>
<td>7. Project type</td>
<td>rural roads</td>
<td>9</td>
<td>17.3</td>
</tr>
<tr>
<td></td>
<td>agricultural research</td>
<td>9</td>
<td>17.3</td>
</tr>
<tr>
<td></td>
<td>general development</td>
<td>7</td>
<td>13.5</td>
</tr>
<tr>
<td></td>
<td>irrigation</td>
<td>7</td>
<td>13.5</td>
</tr>
<tr>
<td></td>
<td>potable water</td>
<td>6</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>education</td>
<td>6</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>rural electrification</td>
<td>4</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td>health</td>
<td>3</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>housing</td>
<td>1</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Table 2. There is a fair variety of projects in terms of successfulness, geographic region, size, host country development level, and project type. However, a majority of the projects emphasized construction of facilities as their primary output and we judge this to be the most important bias in this sample. The findings of this study should hold for construction projects but may not hold for some types of non-construction projects. In particular, findings on participation cannot be applied to community development projects without further testing. In addition, only three projects cost less than 1 million dollars, so they include few small projects. Finally, our sample of projects were not directed at capacity-building, empowerment, or other more ambitious efforts to mobilize the poor and change the power structure. In fact, half of the projects were begun before the Congressional New Directions legislation which specifically directed AID projects to improve beneficiary participation. The fact that the majority of the cases had a national government agency as the lead implementing organization suggests that these cases do not represent the grassroots, participatory approach that alternative
development strategy theorists prefer to talk about, or that private voluntary organizations (PVOs) claim to represent. While keeping in mind the limitations of this data set, it must be remembered that there are few if any other comparable data sets of evaluated projects sponsored by donor organizations.

The method used in this report is the systematic case review method which scores a sample of cases on a standard set of variables and statistically analyses the results. The reports on the 52 projects are treated as informants and a standard information questionnaire or code sheet (Table 1) is scored for each report by each coder. The project reports were reread by both authors with particular emphasis on the 15 variables listed in the participation questionnaire. All variables were scored on a seven-point scale ranging from 1 (low) to 7 (high). Only approximate comparisons can be made for similar scores between similar variables (e.g. beneficiary participation in project implementation vs. maintenance). When one attempts to compare scores between the participation variables and other variables (e.g. degree of democracy in the beneficiary organization), the meanings of the scores are less congruent.

Scoring procedures were thoroughly discussed and pilot-tested on six projects to standardize our scoring methods better and achieve reasonably high inter-coder reliability. Nonetheless, scores do differ between coders. Since the scores are subjective, the coders could agree in their general assessment of a variable but select slightly different numerical scores to express their respective judgments. As long as each coder is consistent with himself in his scores from case to case, these differences between coders’ scores do not affect correlation analyses. On the other hand, when the coders fundamentally differ in the direction of their judgments on a variable, then the reliability of that variable is called into question.

One indicator of the degree of congruence of coders’ judgments on a variable are the inter-coder correlation coefficients for the two sets of coder’s scores. These are included in Table 3. All the coefficients are higher than 0.75, and all but two are greater than 0.82. For the dependent variable, overall project effectiveness, the correlation coefficient was \( r = 0.91 \), a very satisfactory level in work of this sort.

Because the quality of the information from the reports varied considerably from variable to variable, the coders assigned a confidence score for each participation variable as a second measure of reliability in the score. Each coder indicated his level of confidence for each variable for every project on a scale of 1 to 5. The mean confidence scores for the 15 variables ranged from 1.23 to 4.40 and averaged 3.09, very close to the scale’s midpoint of 3.00. The dependent variable, overall project effectiveness, had the fourth-highest mean confidence score of 3.52, exceeded only by the three variables with extreme mean value scores, one with the highest and two with the lowest scores, respectively.

Even though we have devoted considerable effort to achieving reliable judgments on these scores, we must acknowledge that some of our variables were difficult to score with confidence. Some of the variables allow for considerable leeway in judgment, e.g. the degree to which the organization of beneficiaries was indigenous vs. engineered. The reports were often vague or silent on many of the issues that were of interest to us. The reports were written as impact evaluation reports, and thus are reasonably good at reporting results, impacts and secondary consequences, but have relatively little to say about the origin of the
### Table 3. Mean value and confidence scores, and inter-coder correlation coefficients for participation variables for 52 projects

| Independent variable                                           | Mean value score | Mean confidence score | Inter-coder coefficient |
|                                                               |                  |                      |                         |
| 1. Participation in project origin                             | 1.22             | 4.13                 | 0.75                    |
| 2. Participation in project design                            | 1.85             | 3.80                 | 0.92                    |
| 3. Beneficiaries redesign project                              | 2.34             | 3.04                 | 0.80                    |
| 4. Participation in project implementation                     | 3.93             | 3.44                 | 0.88                    |
| 5. Participation in project maintenance                       | 4.10             | 3.38                 | 0.90                    |
| 6. Degree indigenous knowledge is used                         | 3.49             | 3.15                 | 0.83                    |
| 7. Indigenous knowledge after project completion               | 4.77             | 3.28                 | 0.89                    |
| 8. Degree of organization of beneficiaries                     | 3.38             | 3.24                 | 0.92                    |
| 9. Degree of democracy in organization engineered              | 3.17             | 2.67                 | 0.88                    |
| 10. Degree organization theirs/engineered                      | 4.01             | 3.05                 | 0.89                    |
| 11. Beneficiary commitment to project                          | 4.82             | 3.55                 | 0.86                    |
| 12. Beneficiaries' financial contribution                      | 3.56             | 3.26                 | 0.93                    |
| 13. Adequacy of communication                                  | 3.58             | 2.94                 | 0.84                    |
| 14. Degree control and ownership are local                     | 4.41             | 3.21                 | 0.87                    |
| 15. Extent project increased capacity                          | 3.32             | 3.19                 | 0.87                    |
| 16. Overall project effectiveness                              | 5.55             | 3.52                 | 0.91                    |

**Notes:** The value score is on a scale of 1 to 7 except for overall project effectiveness which is on a scale of 0 to 10. The confidence score is on a scale 1 to 5. The inter-coder coefficient is a Pearson product moment correlation.

In sum, caution must be exercised in the use of the findings of this study. The reasons include: (1) reliability problems in the original reports, (2) the reports did not focus on some of the issues covered by the questionnaire, (3) the scores are based on subjective judgments, and (4) the cases are not a random sample nor a large sample.

### STATISTICAL ANALYSIS OF THE 52 AID PROJECTS

The mean scores for the 15 ‘participation’ variables and overall project effectiveness are presented in Table 3. All of the variables clustered around the midpoint of the scale (between three and five) except for the three variables concerning beneficiary participation in project origin, design, and redesign. These three variables had very low means. The average scores for participation in origin and design were less than two, and over half the projects received the minimum score possible.
Because the variables represent non-congruent phenomena, scores are not perfectly comparable across variables, but rough comparisons can be made. It is safe to say that projects scored poorly on beneficiary participation in project origin, design, and redesign, but moderately well in project implementation and maintenance. In fact, we discover the interesting fact that the mean scores for beneficiary participation increase as the project progresses chronologically: from origin (mean scores = 1.22), design (1.85), and redesign (2.33), to implementation (3.93) and maintenance (4.10). Similarly, the degree of utilization of indigenous knowledge, as opposed to dependency on outside experts, increased from the implementation phase (3.49) to the maintenance phase (4.77). It appears, therefore, that control of the project devolves from the project agencies to the beneficiaries, and the role of the beneficiaries increases as the project passes into the later phases.

Several other points should be noted in Table 3. First, beneficiaries tended to desire the projects and be fairly committed to them even though they seldom helped initiate or design a project. Beneficiary commitment had the highest mean of this group of variables (4.82), but even this mean indicates that a number of projects had only modest or poor support, and leaves considerable room for improvement. All projects should be highly desirable and have strong beneficiary support. Capital is scarce and must be used to good effect.

Most of the remaining mean value scores are on the low side, but not very low. The conclusions which can be drawn from them are that this set of projects are not characterized by well-organized beneficiaries, self-initiated and democratic beneficiary organizations, significant beneficiary financial contributions, good communication with beneficiaries and extensive efforts to increase beneficiary capacity. The poor showings on these variables may frustrate beneficiary participation. AID projects are not known for high levels on these dimensions, so these findings are no surprise. On the other hand, the mean scores are not so low as to discredit this set of projects. They indicate areas needing improvement, especially the failure significantly to increase community capacity, but the same could be said for almost every other area of project performance. Finally on a more positive note, the degree control and ownership are local is a somewhat more successful element of these projects.

The central findings of this study are the correlations of the 15 ‘participation’ variables with project effectiveness, which are presented in Table 4. These correlations are taken as indicators of the degree to which participation and associated variables contribute to project effectiveness. The dependent variable is overall project effectiveness. It is based on the coders’ subjective judgments of the ratio of total benefits to total costs, both economic and non-economic. Because the original reports concentrate on benefits and costs, the coders were able to utilize an 11-point scale effectively (0–10). In arriving at their score the coders consider: (1) all the outputs of the project in terms of new facilities, training, technology transferred, and organizations or programmes instituted; (2) the increase in production which results from the outputs; (3) secondary benefits; (4) the ratio of benefits to costs (economic, environmental, and social); (5) the effect on inequalities and the welfare of the poor; and (6) the sustainability of the stream of benefits. These dimensions were suggested to the researchers by AID publications and personnel as the key elements of good projects.
Beneficiary Participation and Project Effectiveness

Table 4. Pearson zero-order correlations of participation and associated variables with overall project effectiveness

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Correlation coefficient</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequacy of communication</td>
<td>0.75</td>
<td>0.000</td>
</tr>
<tr>
<td>Beneficiary commitment to project</td>
<td>0.67</td>
<td>0.000</td>
</tr>
<tr>
<td>Extent project increased capacity</td>
<td>0.50</td>
<td>0.000</td>
</tr>
<tr>
<td>Control/ownership become local</td>
<td>0.44</td>
<td>0.001</td>
</tr>
<tr>
<td>Participation in project origin</td>
<td>0.16</td>
<td>0.134</td>
</tr>
<tr>
<td>Participation in project design</td>
<td>0.23</td>
<td>0.051</td>
</tr>
<tr>
<td>Beneficiaries redesign project</td>
<td>0.24</td>
<td>0.043</td>
</tr>
<tr>
<td>Participation in implementation</td>
<td>0.29</td>
<td>0.019</td>
</tr>
<tr>
<td>Participation in maintenance</td>
<td>0.37</td>
<td>0.006</td>
</tr>
<tr>
<td>Degree of indigenous knowledge</td>
<td>0.21</td>
<td>0.072</td>
</tr>
<tr>
<td>Indigenous knowledge after project</td>
<td>0.29</td>
<td>0.017</td>
</tr>
<tr>
<td>Organization of beneficiaries</td>
<td>0.26</td>
<td>0.033</td>
</tr>
<tr>
<td>Democracy of organization</td>
<td>0.22</td>
<td>0.087</td>
</tr>
<tr>
<td>Organization is theirs/engineered</td>
<td>0.09</td>
<td>0.295</td>
</tr>
<tr>
<td>Financial contribution</td>
<td>0.23</td>
<td>0.051</td>
</tr>
</tbody>
</table>

The indicator of project effectiveness has a high confidence score and a very high inter-coder correlation ($r = 0.91$). It also has the highest correlation ($r = 0.96$) with the principal factor in a factor analysis of 20 indicators of the consequences of the projects (Finsterbusch, 1984). Thus it seems to be the best single indicator for evaluating the project.

We find that participation and six associated variables contribute only modestly to project effectiveness and four associated variables contributed significantly. The major lesson which we draw from these correlations is that good relations between the project and the beneficiaries are essential to project success, but beneficiary participation itself is not essential even though it is helpful. Two variables (communication and commitment) are highly correlated with project effectiveness and two (capacity and control) have fairly good correlations. First, the project team must communicate well with the beneficiaries ($r = 0.75$). This finding replicates the finding in the earlier study (Finsterbusch, 1984, p. 26) and there must be good understanding between the implementing agency and the public ($r = 0.67$) for effective projects. Second, the beneficiaries must be committed to the project ($r = 0.67$). In this case the causality is reciprocal, since effective projects which provide highly desirable services will inspire support and commitment.

The other two variables which demonstrate fairly high correlations with project effectiveness, increased community capacity ($r = 0.50$) and beneficiary ownership and control over project outputs ($r = 0.44$), are not so much causes of project effectiveness as outcomes of effective projects. Effective projects increase community capacity and deliver facilities, skills, technology, and institutions to beneficiaries.

In comparison to the above four variables, the five direct participation variables correlated rather poorly with project effectiveness, the correlations averaging only
This finding appears to contradict the literature which strongly advocates participation as crucial for project success. Three qualifications to our findings, however, must be borne in mind. First, our projects were largely simple infrastructure projects, so our findings should not be generalized to non-infrastructure or more complex infrastructure projects such as some integrated rural development projects. Second, the evaluations usually took place within 2 years of the completion of the project. The long-term effects of participation and non-participation were not captured in most of these evaluations. Finally, most of the literature does not claim that participation guarantees success, but simply claims that participatory projects are more successful than non-participatory projects. Our data support this claim.

Another important finding is that participation becomes more necessary for project effectiveness as the project progresses through its stages. The five direct participation variables exhibited the same pattern for correlation coefficients as was the case with the mean scores. Their correlations with project success were low or modest, but increased as one moved through the project sequentially; from beneficiary participation in project origin \((r = 0.16)\), design \((r = 0.23)\), and redesign \((r = 0.24)\), to implementation \((r = 0.29)\) and maintenance \((r = 0.37)\). It must be pointed out that the low correlations for participation in project origin, design, and redesign may be partly due to the small variance in these variables. If more cases with high participation in these tasks had been included in our study, these correlations may have been higher. Nevertheless, we tentatively conclude that participation increases in importance throughout the project. Similarly, the use of indigenous knowledge correlated more highly with project success after project completion \((r = 0.29)\) than during implementation \((r = 0.21)\). Thus the direction of growing importance was reflected in the correlation analysis the same way it appeared in the mean scores. Though these correlations are modest, they are significant at the 0.05 level (except for participation in project origin) and should not be disparaged.

At this point the five direct participation variables need to be put into the context of the larger study of all factors contributing to project effectiveness. The larger study, which considered 29 variables that contribute to project effectiveness exclusive of the 15 ‘participation’ variables, does not find the five participation measures to be as highly correlated with project effectiveness as many organizational, motivational, processual, input, and contextual factors. In fact, 18 of the 29 variables had higher correlations with project effectiveness than beneficiary participation in project maintenance, the participation variable with the highest correlation. For comparative purposes, we cite selected correlations from the earlier study (Finsterbusch, 1984, p. 26). Project effectiveness correlated with the skill and motivation of the implementing team at \(r = 0.77\), understanding among relevant agencies \((r = 0.58)\) and adequate funding of the project \((r = 0.57)\). In sum, participation per se does not appear to be very critical for project success.

The last four correlations from Table 4 provide modest support for three hypotheses stated in the issues section, and fail to support a fourth. The last correlation in Table 4 provides modest support for Mickelwait, Sweet, and Morss’s contention that financial contributions by beneficiaries improves project effectiveness \((r = 0.23)\). Two of the organization variables also supported some prevalent notions. Greater beneficiary organization correlated with project effectiveness
though at a fairly modest level ($r = 0.26$). More democratic organizations also had a mildly positive correlation ($r = 0.22$). Thus these aspects of Gran and Maguire's beliefs are mildly supported. Their belief that organizations should arise from the initiative of the beneficiaries themselves is not supported, in that this variable has an insignificant correlation with project effectiveness ($r = 0.09$). It is not disconfirmed, however, because this is not a full test of the importance of beneficiary-initiated organization. Nevertheless, since beneficiary control over organizations and facilities did correlate much higher ($r = 0.44$), we conclude that the initiative for organization or participation is not as important in its source as is the degree to which effective participation and control is generated during the course of the project.

To this point we have discussed the role of participation and related variables in project effectiveness generally. Now we test a contextual hypothesis. We assume that participation has a higher pay off in the more developed Third World countries and that the lack of participation has less adverse affects in the least developed nations. Supposedly, with greater development comes a greater demand and capacity for participation and a greater frustration with non-participatory projects. We test these notions by classifying projects by the development level of the host country as indicated by per capita GNP and rerunning the correlations of Table 4 on three subsets of projects grouped by host country GNP (see Table 5). The number of cases for each correlation are 17 or 18, unless there are missing cases for a particular variable, so the analysis of the results must be tentative and examined further in other studies. Nonetheless, we find very interesting patterns which are at least suggestive.

The major finding of Table 5 is the tendency for the correlations of the five participation variables with project effectiveness to increase with development level. Except for participation in implementation, the participation variables correlated higher with project effectiveness in the medium-GNP countries than in the low-GNP countries, though the differences are small. However, there is a large improvement in the correlations for the high-GNP group over the medium-GNP group (except for participation in project origin which has so little variation that it never has even a moderate correlation). It appears that the contribution of participation to project effectiveness increases with national development level.

Four of the variables associated with participation (numbers six through nine) had a similar pattern of increasing correlations with project effectiveness with increasing national development level. Project effectiveness is highly correlated with increased community capacity in the richest set of Third World countries and only modestly correlated in the poorest set. Similarly, the extent of beneficiary organization is increasingly important to project effectiveness with increasing levels of national development, but in this case it seems to be totally irrelevant to effectiveness in the poorest set of Third World countries. Finally, the two indigenous knowledge variables demonstrated the same general pattern. We conclude that the participatory model on the whole is more congruent with project success at higher national development levels.

There are three associated variables with erratic patterns: indigenous versus engineered beneficiary organization, democracy of the organization, and financial contributions. It is not clear what these findings signify, but we simply note that it fails to support the association of the participatory model with higher development levels.
Table 5. Pearson zero-order correlations of participation and associated variables with overall effectiveness, projects stratified by host country level of GNP per capita ($n = 52$)

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Level of host country gross national product per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0-$500</td>
</tr>
<tr>
<td>1. Participation in project origin</td>
<td>-0.02</td>
</tr>
<tr>
<td>2. Participation in project design</td>
<td>-0.14</td>
</tr>
<tr>
<td>3. Beneficiaries redesign project</td>
<td>-0.07</td>
</tr>
<tr>
<td>4. Participation implementation</td>
<td>0.28</td>
</tr>
<tr>
<td>5. Participation in maintenance</td>
<td>0.17</td>
</tr>
<tr>
<td>6. Extent project increased capacity</td>
<td>0.27</td>
</tr>
<tr>
<td>7. Organization of beneficiaries</td>
<td>-0.05</td>
</tr>
<tr>
<td>8. Degree indigenous knowledge used</td>
<td>0.05</td>
</tr>
<tr>
<td>9. Indigenous knowledge after project</td>
<td>0.25</td>
</tr>
<tr>
<td>10. Financial contribution</td>
<td>0.53</td>
</tr>
<tr>
<td>11. Democracy of organization</td>
<td>0.00</td>
</tr>
<tr>
<td>12. Organization is theirs/engineered</td>
<td>0.23</td>
</tr>
<tr>
<td>13. Beneficiary commitment to project</td>
<td>0.71</td>
</tr>
<tr>
<td>14. Adequacy of communication</td>
<td>0.69</td>
</tr>
<tr>
<td>15. Ownership/control became local</td>
<td>0.54</td>
</tr>
<tr>
<td>Number of cases</td>
<td>18</td>
</tr>
</tbody>
</table>

The three last variables (commitment, communication, and control) are exceptional in that they have significant impacts on project effectiveness at all national development levels. Evidently projects are not likely to succeed in both poor and rich countries alike without beneficiaries having favourable attitudes towards them and without good communication from the project to the public. Likewise, effective projects in both poor and rich Third World countries generally transfer the project outputs into local hands.

In summary, this study presents evidence based on 52 mostly infrastructure AID projects which finds participation to be only modestly correlated with project effectiveness. Effective projects are almost always well received by the beneficiaries and involve good communication from the project to the public, but they are not always participatory. In fact the participatory model does not have significant benefits in the poorest Third World countries, but it has substantial effects in the richer Third World countries.

**CASE STUDIES WHERE PARTICIPATION WAS CRITICAL**

Statistics alone cannot convey an adequate impression of the potential role of participation in project success and failure. A discussion of particular cases based on the Project Impact Evaluation Reports provides a more concrete idea about
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how participation works in practice. We could provide numerous examples of successful and unsuccessful participation across the 52 cases, but instead we will limit ourselves to five cases. In each of the five selected cases, participation, its absence or misuse was one factor if not the most important factor, in contributing to project success or failure.

Rural education in Paraguay

In 1970 Paraguay’s educational system was characterized by inefficiency and inequitable access. Existing schools predominantly served urban areas, and most students did not even finish primary school. AID gave loans and grants to the Rural Education Development Project. Its goals were to set up regional education centres, train teachers, develop curricula and materials, and then distribute these to newly constructed rural schools.

Teachers in Paraguay are poorly paid and are lured away to higher-paying jobs outside education. The Paraguayan Ministry of Education had little money to support the programme, so communities with new schools established PTAs to supplement AID’s efforts. These PTAs did whatever they could to attract and keep teachers. In one case they provided a housing subsidy for a non-resident teacher and in another they provided a food allowance for a group of six teachers to help them make ends meet. PTAs also assisted with maintenance. In one instance a PTA collected funds to pay for a janitor, and in another the school was fenced off from livestock that was damaging and degrading the facility. The demonstration of support by the communities helped draw favourable attention to the program and it was reasonably successful.

Self-help housing in Panama

The second example is the only housing project in all of our cases. It was a self-help housing project in Panama which relied heavily on beneficiary participation. Panama City, like many Third World capitals, is inundated by rural to urban migration, for which it cannot possibly provide adequate housing and services. The common solution is for the immigrants to become squatters on fringe area land with the government periodically evicting them. Instead, the government of Panama provided services and gave land title to the squatters who had built dwellings. Low-price frames had been built in many instances, with the inhabitants providing labour and materials to complete their houses as their financial condition permitted. In a related project, a co-operative was established that produced building materials, shops, and even transportation to areas of employment. Almost every stage of the project was performed by the beneficiaries, with some help from advisers. In both housing projects, government willingness to work with the people and the participation of the beneficiaries in providing labour and materials, were critical for project success.

Potable water in Tunisia

Just as participation can make the different in project success, so too can its absence lead to failure. A potable water project in Tunisia is an example of a
project that suffered due to the lack of participation. The team did not seek local participation in either the design or implementation of the project. A feeble effort to get local participation in maintenance failed because of lack of interest and money to pay for such labour. Communication with the beneficiaries was abysmal. People seldom knew that a potable water system was to be constructed in their community until the construction crews arrived. Although the purported purpose of the wells was better health, few beneficiaries understood or were taught the benefits of potable water. They thought that covers for the wells were to keep small children from falling in, that chlorine made the water taste bad so they would avoid the wells immediately after chlorination, and that the water was for any purpose and frequently diverted it for irrigation and other uses unrelated to sanitation. Only in the driest area, where the need for water is most critical, did the beneficiaries levy a fee on themselves to cover costs of fuel and maintenance. In most other areas maintenance was not performed, and the wells were soon contaminated, although the beneficiaries did not seem to know the difference.

**Agricultural research in Thailand**

Poor communication with intended beneficiaries plagued another project, an agricultural research and extension centre in Northeastern Thailand. Apparently the researchers had little familiarity with the complex conditions facing farmers in the region, and made little effort to attune themselves to those, preferring instead to conduct more prestigious research along the lines of international research institutes. Many of the scientists were dispirited and were leaving the centre. The outreach programme was failing as well. Many farmers did not know of the extension services that did exist, or did not take advantage of them. Although participation was not the only problem in this project, greater participation might have led to greater use of and support for the centre, probably would have improved morale, and possibly could have saved the centre from extinction.

**Water supplies in Peru**

Usually participation *per se*, or the lack thereof, is not the determining factor for project success, but the misuse of participation can hurt or destroy a project. Such appears to be the case in the CARE Water Health Service Project in Peru. The project started badly because pipe was ordered from the US and took several months to arrive. Using non-local pipe created a maintenance problem as well, because locally produced pipe was a different size and made repairs difficult. Although the villagers were initially enthusiastic about building the water systems, after the delays and finding out that inordinate amounts of labour were required to dig the trenches, their support vanished. The potable water committees that CARE helped establish to elicit support and involvement did not materialize in the long run. The report noted that the committees felt other projects were more deserving of their resources and support. Another mistake was the introduction of food for work in order to obtain the necessary labour. This destroyed historical patterns of community participation and voluntary self-help. Though the project was not defeated by these problems, the poor handling of participation almost
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undermined the project's achievements. Thus the quality of participation matters as much as its presence.

SUMMARY AND CONCLUSIONS REGARDING PARTICIPATION

Beneficiary participation contributes to project effectiveness within the set of 52 AID projects reviewed in this study. It is not the most important factor, or even a very consistent factor, but nonetheless is a significant factor. We did find that participation or its absence was a key factor for project success or failure in several cases. Although not all the hypotheses were confirmed at statistically significant levels, the general finding is that participation and a variety of associated factors help projects obtain their purposes and increase their benefits. Efforts to increase participation in all phases should be encouraged.

In relative terms we found that participation is not a factor of overwhelming importance for the effectiveness of these projects. The reputed value of several variables simply did not materialize to the degree that alternative development strategy theorists would lead us to believe. Most direct participation variables failed to meet these expectations, and so did organization of beneficiaries, democracy of organization, self-initiation of organization, indigenous knowledge, and financial contribution. The four variables with strong correlations were adequacy of communication, beneficiary commitment, increased community capacity, and local control of outputs. These are not the 'participation' variables which are emphasized in the alternative development strategy literature.

One specific finding that manifested itself in a variety of ways is that while participation in the early stages of a project may not be critical, participation in implementation and maintenance is definitely more important for continued project success. This was verified (in our correlations) by the increasing importance of participation as the project progressed, the growing importance of utilizing local skills and knowledge, the degree of ownership and control in the outputs of the project, and in the extent that community capacity was increased. This finding should be retested on a sample of cases which includes more cases having higher participation in project origin and design before concluding that participation can be neglected in these stages without adverse consequences. Nevertheless, for the time being the emphasis should be on beneficiary participation in implementation and maintenance.

Another major finding of this study is that the positive impacts of participation on project effectiveness tend to increase with host country development level. In the poorest nations participation contributes very little, if anything, to project effectiveness, but contributes substantially in the better-off Third World countries. On the other hand, we found that beneficiary project relations—adequacy of project team communication to the beneficiaries, their commitment to the project, and the degree to which they obtain control and ownership of project outputs—were crucial in projects at every level of national development.

The findings of this study would need a larger sample size, more reliable data, and more accurate measurements to achieve more definitive conclusions. Nevertheless, they fill some crucial gaps in the empirical analysis of the alternative development strategy thesis. According to our study this thesis is correct in
claiming that beneficiary participation contributes to project effectiveness, though it seems to overestimate the extent of that contribution. However, participation has more beneficial effects in the better-off Third World countries, so we assume that it will become increasingly important as Third World countries develop.

REFERENCES


