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CONCEPT PAPER ON THE DEVELOPMENT OF A PARTICIPATORY APPROACH TO USAID'S STRATEGIC AND PROGRAM PLANNING AND IMPLEMENTATION

I. INTRODUCTION

Participation is the centerpiece of the development process. The relevance, effectiveness and sustainability of development projects, programs and policies are directly dependent upon the meaningful and broad-based involvement of the citizenry in the decisionmaking that affects them, their communities and their environments. External assistance that is supportive of this democratic process and the outcomes that it produces can play a significant role in engendering equitable and sustainable economic growth and development, addressing global problems at their roots, and building stable democracies.

Participation means more than sharing in the benefits of development. It means an active, sustained and consequential role -- particularly for those who have hitherto been the passive "targets" and the "intended beneficiaries" of a development defined by others -- in determining how those benefits are to be generated. It means -- especially in the case of women, who have been largely responsible for holding together fractured economic and social systems -- having a seat at the table where the allocation of development resources is decided. And, just as importantly, it means owning a share of national economic and political power sufficient to ensure that one is not perpetually reliant on outside interventions for access to the decisionmaking process.

The Process of Inclusion

For such access to be sustainable, local populations in the developing world (as well as in Eastern Europe, Russia and the Newly Independent States) must be able to associate voluntarily in a range of organizations through which they can address the issues that affect them and their communities. The involvement in public decisionmaking on the part of organizations and social movements that directly represent the broadest possible range of interests in the civil society helps ensure that decisions are relevant and have broad-based support. Such organizational involvement, along with the freedom and exercise of individual expression, forms the backbone of a democratic society.

This process of inclusion is also critically important because it strengthens a nation's institutional -- and, hence, development -- capacity, while engendering a commitment of resources that can ultimately sustain economic progress without outside assistance. It is the growth and maturation of participatory organizational structures and effective support institutions, rather than specific projects or programs, that is the key to a sustainable development process.

If these non-governmental institutions can operate freely, they and their constituencies are in a better position to engage effectively in development decisionmaking, competing on a more equal basis with organizations representing the interests of economically or socially more powerful groups. The fair competition among interest groups not only adds vibrancy to a society, it can also yield national consensus on many issues and, with it, greater social stability. The more that groups, even those with sharply conflicting interests, are able to listen to and interact with one another, and the more that they feel that they are part of an open and meaningful national dialogue, the more likely they are to support a broader social interest.

Participation and Foreign Assistance

USAID and other donors similarly committed to promoting participatory, equitable and sustainable development can help ensure that all these sectors, and particularly the most broadly representative entities in each, are adequately and continually consulted and incorporated in the process of determining the allocation of development resources.

A development process will fail if it is driven by outsiders, whether it be governments formulating programs without the full involvement of affected communities or donors conditioning loans on the application of a particular economic-policy framework. Planners, technicians, economists and other specialists -- both national and foreign -- can play a critically important role in the development process but only if they serve a broad spectrum of society. No matter how enlightened and well-intentioned the experts, their policies will inevitably fail to serve the interest of the poor and marginalized unless they are informed by the values and priorities of ordinary people and are in some way made accountable to local populations.

In this regard, USAID has important contributions to make. It has been engaged in promoting various forms of participation in development through the years, more extensively during some periods than in others. Times have changed, however, since the last concerted attempt to incorporate participation systematically in USAID programming. The strong emphasis on policy dialogue over the past decade has resulted in an increased concentration by donors and governments on economic policy-reform issues relative to project investments.

With this shift has come the need to open up that dialogue to broad-based participation as part of the democratization of the development process. It is the development process as a whole and not just specific projects that must be defined and designed in a participatory fashion.

USAID must take a new, bold and more comprehensive approach to participation, with the emphasis first and foremost at the strategic level. In addition to ensuring that there has been full involvement of the civil society in the formulation of the economic policies that it supports, USAID must elicit the participation of local populations in the development of its own priorities, policy objectives and country assistance strategies. Only in this way can the priorities of the people and those of the Agency begin to mesh.

In short, a full and sustained commitment to participation as an operational methodology will mean a transformation of the Agency into an effective facilitator and supporter of bottom-up, equitable development. It will require significant changes in the way USAID is structured and operates, as well as a dedication to overcome the many constraints and challenges that will be faced as the new methodology is applied in the field.

II. OPERATIONAL MEANING OF PARTICIPATION FOR USAID

USAID's promotion of participatory development means, in operational terms, the provision of support for those activities and decisionmaking processes in which affected populations are engaged, directly or through their representative organizations, for the purpose of shaping their economic and social environments. Such participatory processes are essential to the creation of democratic structures and the design of the projects, programs and policies that serve the broad-based national interest.

In practice, **USAID would promote participation in the identification, design, implementation, monitoring and evaluation of development undertakings at all levels**, including: programs of support for community and other local-level endeavors; larger-scale projects, development programs, infrastructure investments and government policy formulation at the local and regional levels; and national-level development programs and policies and their formulation. Just as importantly, **the Agency should support institutional development, as it is only through their own organizations that people can gain greater control over the development process**. Clearly, effective project activity and the building and strengthening of local institutions are mutually reinforcing. A project to train village health workers, for example, must not aim just to improve technical skills, but to encourage the newly trained workers and other villagers concerned about local health to meet and identify common interests and ways to work together to address sanitation and health problems.

USAID must act simultaneously at both the macro and micro levels and do so in a consultative, participatory, inclusive and responsive fashion. Support for participatory local initiatives, representative organizations and social movements can help empower local populations and provide the foundation for more open and relevant development decisionmaking, broad-based development and democracy. And, in those places where active participation in national and regional planning is possible, these processes help ensure an appropriate environment for the emergence and implementation of participatory endeavors and innovative initiatives at the local level.

To be effective in supporting participatory development, **the Agency must also remain flexible in formulating and adapting its own country assistance strategies and programs over time. In so doing, it must be responsive to ongoing input from local populations and systematize its own learning process**. USAID must reach out more broadly to a wide range of organizations representing civil society and not limit its contacts to those with whom it agrees and/or has a funding relationship. It should also establish mechanisms through which it can be held accountable to those with whom it has consulted, as well as to the intended beneficiaries of the projects and programs it supports.

Through the consultative process, USAID would be able to effect its own field-based analysis of the development situation in the countries in which it works and would bring a more informed point of view to its discussions with government. This would allow staff to assess better the relevance of government plans to local populations, determine the degree to which public planning has been participatory, and credibly promote participatory planning where it has not taken place. It would also increase USAID's awareness of alternative institutions and program options.

Participation at the Local Level

Popular participation at the local, or micro, level is an active process through which beneficiaries and other affected populations initiate, control and/or significantly influence the design, execution and general direction of development activities. While USAID would not necessarily or primarily fund directly at the community level or directly finance small projects, it could enhance the process of participatory development by supporting the expansion of local participatory initiatives, the establishment of programs in support of these initiatives, and larger-scale, often multi-institutional efforts that have built upon local successes.

With a sufficiently decentralized staff, it would place itself in a position to be continually informed of, and directly exposed to, participatory endeavors and organizations. Smaller assistance and development organizations that are active at the local or regional levels, including NGOs, the U.S. regional development foundations and the Peace Corps, as well as local public-sector agencies, could provide a link to these initiatives.

In supporting development programs that have grown out of participatory activities defined and started by the people themselves, USAID would be helping to create critical building blocks in the construction of national development and democratic nations. Programs that build and draw upon the experiences of small producers in both the agricultural and informal sectors, for example, empower the farmers, enterprises and their organizations to take further action, particularly when those programs effectively respond to their needs for credit, technical advice, appropriate policy support and other assistance. It is this self-generation of activity that is central to a participatory, self-sustaining development process.

The principal vehicle for participation at local levels are peoples' organizations and those institutions that represent and/or support the poor and their interests. These range from women's community fish-retailing groups to area-wide federations of farmers' associations. They include rural and workers' unions, small-enterprise associations, local rights groups, cooperative structures, and organizations of the unemployed, as well as support organizations that provide services and project assistance while involving local populations in decisionmaking. At the same time, in most countries the formal private sector has well-established mechanisms through which larger financial, commercial and productive enterprises relate to their governments and to the international assistance community.

To play its role effectively in this process, **USAID must consult these representative and support institutions to determine locally defined needs, the voids that must be filled in the development process, and the institutions and programs in the non-governmental, public**

and private sectors deserving of support. In determining which undertakings merit assistance, USAID should consider a number of factors that relate to the degree and nature of local participation. They include: the genesis of the activity; the level of involvement of women, indigenous populations and others lacking access to development resources; the degree of decentralization of control and responsibility; and its sustainability in terms of the extent to which local institutions have been strengthened and the likelihood of continued and expanded local involvement and commitment of local resources.

USAID can further stimulate participatory development by encouraging cooperation between local organizations and governments and, where appropriate, the private sector. Such collaboration endeavors have the advantages of broadening the impact of community-based initiatives and ensuring public involvement in and support for local government programming. They also can link organizations with complementary functions and capabilities to maximize the impact of public investments.

This involvement can, in turn, expand the analytical capacity of local citizens' organizations and facilitate their involvement in public decisionmaking processes. The latter might include municipal, district, provincial and other local and regional planning exercises designed to yield plans for projects and programs, the execution of which USAID could support through appropriate participatory organizations. USAID's experience in working at the municipal level may facilitate its introduction of participatory planning processes at local levels.

Participation at the Regional and National Levels

The strengthening of local participatory initiatives and institutional capacity also facilitates the involvement of the poor and the infusion of their experiences, perspectives and priorities in macro-level decisionmaking. To the extent that USAID is involved in supporting local participation, it is in a position to ensure that such input informs regional and national planning processes.

It is critically important that USAID and other donors encourage, facilitate and underwrite such participatory planning exercises. This is particularly true in light of the social and environmental consequences of economic-policy programs promoted through the years by the donor community. Exclusion from national decisionmaking disempowers local populations, undermines local participatory efforts, and breeds alienation from, and destructive conflict in, the formal development process. Large-scale projects, planned and designed in isolation and without public scrutiny, can disrupt local activities, dislocate local populations, and wreak havoc on the natural environment. Inappropriate programs can reroute critical resources away from the poor and disenfranchised and toward the more privileged and powerful. Economic policies can create an environment in which it is difficult for small producers, workers and their families to survive, placing ever-greater burdens on women as the sustainers of national economies. Over the past decade, the formal enterprise sector, and particularly those producing for the domestic market, has also been frustrated by its exclusion from the making of economic decisions that have often had the effect of destroying indigenous productive capacity.

On the other hand, there exists a rich experience in the utilization of participatory techniques in sectoral, national and, particularly, regional planning exercises. Approaches to effecting participation in these planning processes include, but by no means are limited to, town meetings, consultations with representative functional, sectoral and regional institutions, and forums with the leadership of a broad range of local and national organizations. **The identification of appropriate development projects, programs and policies requires the participation of representatives of a wide range of organizations, population groups and constituencies in dialogue with government.** At its best, this dialogue is an ongoing process in which development contexts, problems, needs, priorities, resources, institutions, capabilities and solutions are discussed and a consensus is formed.

USAID should also ensure in its support for what comes out of these processes that the projects that are implemented are themselves designed, implemented and monitored in a participatory manner. Large-scale infrastructure projects, for example, must be subjected to up-front social and environmental assessments that directly involve the public, as well as to public reviews utilizing adequate appeals mechanisms. Once project goals are agreed upon, joint planning and management councils representing all interested parties can provide effective means for resolving conflicts and forming consensus, while small management groups or local councils can provide people with a way to promote their rights and interests. Along the way, **meaningful choice in the form a wide range of options must be available to people, who must be consulted early and continually to build accountability into the system.** **Openness, transparency and ongoing access to information must also characterize the project cycle, as well as the formulation of macroeconomic and sector-reform policies,** in order to make meaningful participation feasible. A proper enabling environment is key, because, without the appropriate services, infrastructure and policy framework, peoples' initiatives at the local level cannot be successful.

If these processes are in fact participatory, they present USAID with real opportunities to underwrite democratic change and development. It can support new and evolving policy frameworks, confident that they are well grounded in local reality and do not reflect either narrow private or public-sector interests or the biases of donor agencies. It can, in accordance with its own resource availability, invest in those areas of national development that emerge as national and regional priorities. And it can work with those institutions that are representative of broad-based local interests or that practice participatory decisionmaking in carrying out component parts of the national plan in accordance with established criteria.

Participatory External Assistance

As an important development actor in many country contexts, USAID, along with other donors, has the potential to be either a constructive or destructive force in the area of participatory change. To be the former, **USAID itself must act in a participatory fashion.** This means three things operationally.

First, in order to promote participation, **USAID must be open to supporting participatory endeavors and that which emerges from participatory decisionmaking processes at the national, regional and local levels rather than promote and finance programs that do not**

reflect the perspectives and priorities of local populations. Clearly, there are limitations to USAID's involvement, which should be commensurate with the capacity of executing institutions to absorb and effectively manage and utilize funds, the projected or proven viability, effectiveness and sustainability of the endeavors undertaken, the nature and availability of the Agency's resources, and the extent to which these endeavors will empower the poor through increasing equity in the system and protect the natural resource base for future generations. Particular attention should be paid to participatory endeavors involving marginalized groups.

Second, in those many cases in which governments do not engage in participatory decisionmaking, USAID must encourage and facilitate such exercises and/or reach out itself to consult broadly with local populations and their organizations. Again, special attention must be paid to those historically excluded, particularly women and indigenous populations. **Through systematic and sustained consultation, USAID can obtain a broad view of a nation's needs and assets and move toward a country assistance strategy less influenced by elite interests and its own priorities and base.**

Third, **what USAID learns through supporting participatory activities and processes in various national contexts must also inform and modify, on an ongoing basis, the institution's policy objectives, areas of concentration, programmatic thrusts, approach to global issues, and operational style and structure** to better reflect local realities and more effectively serve its clients among local populations. It will also place USAID in a unique position in its relationship with other donor agencies, including the multilateral development banks. **It will be able to introduce field-based information and analysis into the country and overall assistance programming of other donors, thereby improving the quality and relevance of donor coordination.**

III. OBSTACLES AND CHALLENGES

As USAID moves toward the implementation of an assistance strategy in support of participatory development, it will confront various difficulties, constraints, challenges and costs. These will be found within the societies in which USAID works, as well as within the Agency itself, both in the field and in Washington. This issue will be explored in greater depth in the implementation-strategy phase of this work. A cursory review, however, of some societal constraints and some of the challenges facing USAID field staff might be helpful in putting the concepts presented above in perspective. These problems and challenges can be divided into seven categories.

1. The lack of preparedness of local populations, communities and groups to participate. The poor know their immediate environments, but they often lack information and understanding about circumstances, options and technologies outside their communities. They are also often distrustful of outsiders, who have frequently intervened in their lives without making positive contributions. For participation to be successfully elicited -- particularly in programmatic and policy decisionmaking and especially among women, indigenous populations and other marginalized citizens who have seldom had their voices heard -- sufficient trust must be established, information provided, options presented, and transparency and accountability proven. Effective organizational vehicles are also essential.

2. The role of local elites. Elites tend to control information, decisionmaking and resources at local levels. They also have the power of intimidation, and the poor usually have little bargaining power when their interests conflict. Elites need to be engaged, co-opted, circumvented and/or educated, depending on the situation.

3. Differences within local populations and among interest groups. As in our own society, social, economic, ethnic and other groups often have sharply conflicting interests. In the processes of consultation and participation, some voices are heard more clearly and often than others, and it may be difficult to reconcile divergent views. Furthermore, these views, taken separately, may not add up to positions that serve the broader social or national interest. By levelling the playing field, thoroughly analyzing the legitimacy and viability of the proposals set forth, and synthesizing the feedback received, governments and donors can, however, improve the quality of public decisionmaking. Moreover, participatory planning processes, in which the poor and other segments of the population are represented around the table by their respective organizations, can often move public decisionmaking toward consensus and outcomes that serve the greater good.

4. Conflicts between the needs, priorities, perspectives and expertise of local populations and those of planners, economists and other technicians, both in government and donor agencies. In most cases, public agencies have their own preconceived ideas of their countries' development problems and solutions. At best, they may view public participation as a means of transmitting local information and views to project and program implementors after the design phase of the endeavors have been completed. Bureaucratic systems, always difficult to change, exacerbate this problem. Donors often further complicate matters by introducing their own varied priorities through the assistance process. By developing their priorities in conjunction with local populations, however, governments and donors can close the gap between local needs and demands, on the one hand, and bureaucratic imperatives, on the other. If participation is to be effectively promoted, it will also be necessary to identify potential conflicts between the local populace and planners and to establish clear rules of the game for the iterative process of give and take between and among the various parties. An equal challenge will be to find ways to encourage and support discussions and negotiations within a framework established by local populations.

5. Government resistance to engaging in and supporting participatory processes. While some governments might welcome the opportunity to engage in processes that yield broad-based support for development programming rather than adhere to economic programs promoted by foreign donors and international financial institutions, it is equally clear that many would resist efforts to truly democratize the development process. In the latter circumstance, donors promoting participation are forced to rely more heavily on their own consultations in the field in determining what to support and to act as advocates for local populations, bringing public views to bear on their negotiations with government. In playing such a role, they will often need to reconcile conflicting local views on project, program and policy issues. There are clearly limits, however, on the extent to which this role can be played by a donor. In the end, USAID must keep open the option of working with other institutions if government agencies cannot be convinced to be sufficiently inclusionary in their decisionmaking.

6. Identifying appropriate participatory techniques. Cultural and political circumstances, as well as the nature of the activity for which USAID is considering support, will determine the type of participatory technique employed. The quality of almost all public decisions, however, will be enhanced by public input, review, and accountability, whether they relate to the development of a foreign-investment code, the construction of a power plant, or the design of a new road system.

7. Time-consuming nature of participation. Participation involves consultations, iterative planning processes, the building of local capacity, and the application of political acumen in a variety of ways, all of which take time to be effective. On the flip side, however, it increases the quality, relevance and sustainability of development activities and can hence greatly diminish the amount of work required later in dealing with the negative fall-out from ill-conceived projects, programs and policies. These trade-offs exist at all levels of activity, including the development of donor policies and country assistance strategies.

With sufficient commitment, skills and flexibility, USAID can, to a large extent, overcome many of these problems. This will require a significant transformation of the Agency, however, as many of the problems faced by field staff derive from the USAID bureaucracy itself. Extensive discussions are needed in-house to adequately flesh out current institutional constraints to effectively promoting participation, as well as required changes.

Annex: Rationale for Supporting Participatory Development

Broad-based participation -- if effectively promoted and incorporated in the aid and development processes -- can greatly enhance the quality and impact of our assistance. Support for it would also underscore two important values articulated by the Clinton Administration: fairness and democracy.

While there are many reasons for supporting participatory development, there are several that are directly relevant to the achievement of USAID's objectives.

1. Participatory development broadens and deepens democracy. To the ordinary citizen in the developing world, far removed from the processes of decisionmaking on issues that affect him or her, electoral democracy in and of itself often has little significance. This is particularly true in those many places where development programs have been imposed on people and the populace has been systematically excluded from the addressing of important economic and political matters, thereby breeding alienation -- with all its attendant social consequences.

Participatory democracy implies that citizens exercise influence, through direct and ongoing involvement, in the formulation of decisions affecting their everyday lives. The energy and ideas, as well as the competition of interests, that are unleashed by truly participatory processes in which the local populations, their families and their communities have a stake and in which they have the standing to push effectively their own agendas constitute the backbone of a vibrant democracy. Just as importantly, participation generates civic involvement, pluralism, political consensus and social stability, while providing civil means for resolving conflicts.

In addition, it can strengthen local democratic institutions that are capable of holding governments accountable to the people and to high standards of transparency and good governance. These organizations also allow for the effective decentralization of economic, social and political decisionmaking and power and, with it, an end to the imposition of development programs from above.

2. Participation contributes to broad-based economic growth. The active participation of local populations in the development process is also essential both to stimulating broad-based economic growth and to ensuring that the benefits of that growth are distributed widely.

To increase production and raise productivity, those most intimately involved in the productive process must also be involved in public decisionmaking in order to identify specific constraints, needs, programmatic options, and opportunities. Appropriate programs and policies of credit allocation, deregulation, incentives and economic protection, for example, can foster innovation and infant industries, while generating savings and further local investment. Producers know their environments and local conditions better than do development technicians in distant capital cities, and they can make program adjustments in response to changing circumstances. Local knowledge, particularly in the agricultural sector, is central not only to increasing local productive capacity but also to the long-term sustainability of economic activity.

In the agricultural, industrial and service sectors, small producers and enterprises are particularly important to consult, as they provide the bulk of national employment. The views of women, in particular, must be brought to the center of the national discourse, as they have been largely responsible for sustaining local economies and social structures in the many parts of the world where programs of economic austerity have been implemented over the past decade. If these often unheard economic actors have a meaningful role in determining the nature and benefits of economic activity that they consider important to their families and communities, they are more likely to commit their energies and resources to it, as well as to organize new economic initiatives that help generate economic growth.

3. Participation in development generates greater economic equity. Poverty, which continues to deepen across the developing world (as well as in Eastern Europe, Russia and the NIS), is in good measure a product of economic growth that is inequitable. Program and policy decisions that support single-owner plantation farming, for example, deny small-scale subsistence farmers the land, credit and other inputs they require and thus further skew rural income. Cuts in education and health services render the poor incapable of competing on an equal footing with other members of society.

If governments are to succeed in levelling the economic playing field, they must bring these people or their representatives to the table so they can address the economic factors that are causing or perpetuating these inequities. In this regard, free-functioning and representative labor organizations are particularly important. With the support of the international community in the promotion of workers' rights, these organizations can play a significant role in ensuring that the benefits of increased production and productivity are fairly shared.

Greater fairness in the economic system is both an end and a means of popular participation. The U.S. Congress has recognized as an objective of participatory development the narrowing of the income gap between the rich and the poor. Full participation in national economic decisionmaking is central to the creation of the broad access to the productive inputs and economic opportunities required to level the economic playing field and close this gap.

At the same time, the poor must gain the bargaining power and, with it, the political rights that can ensure them a permanent "seat at the table" and access to the decisionmaking process. Managed participation has its limits. USAID can help initiate a consultative approach to development decisionmaking, but, if that process is to be perpetuated and institutionalized, those with limited means must have the leverage that a more equitable share of the income and other resources generated by the development process provides.

4. Participation in development ensures women a significant role in shaping their societies. Few population groups have been more systematically excluded from the development process than have women, but this is not the only reason why special attention needs to be paid to their full involvement in economic decisionmaking. Nor is it simply a question of there being no true democracy if 50 percent of the population is not included in the addressing of core societal issues. Of equally critical importance is the fact that women bring to these processes a set of values and perspectives grounded in the everyday reality of the home and the family and an understanding of the economic and social inputs required to sustain them.

In many societies women are the principal actors in local-level economic activity and yet have little access to or control over productive inputs, much less decisionmaking regarding the allocation of those resources. A reversal of this situation would clearly have a significant impact on economic production. Similarly, investments in social sectors such as health and education would be enhanced considerably were women at the local level seriously consulted. The same is true of programs related to population and reproductive health.

Were women to have, in addition, fair access to the product and benefits of their own economic efforts, they would, because of their understanding of the needs of the family, be in a position to greatly enhance the well-being of their children and their community. Furthermore, as many studies have shown, increased control by women over their economic circumstances correlates positively with declining fertility rates.

5. Participation ensures that development is relevant to local realities and priorities. Ultimately, the quality of our assistance and the programs it supports will be determined by their relevance to the lives of the people they are supposed to serve. Participation is essential as a vehicle for communicating to planners local needs, priorities, conditions, constraints and other input required for informed development programming and the appropriate allocation of resources. This partnership between local populations and public officials also enables the provision of continual, local feedback on the evolution of projects and programs, as well as on-the-ground assistance in making the adaptations required by changing conditions.

Investment in, and commitment to, participatory processes can help us avoid laying over our own ideas of how other societies should be shaped and, in the process, alienating local populations with inappropriate solutions to ill-defined problems. It will help ensure that the nature of our assistance is shaped significantly by local priorities rather than primarily by aid-related institutional or policy imperatives. In sum, this "internalization" of the development process, at both the local and national levels, requires a strong commitment on the part of donors, governments and local populations to popular participation.

6. Participation increases program effectiveness, efficiency and sustainability and is critical to sustainable development. Participation has been found to be a major determinant of project success when present in the planning process and in other local-level decisionmaking. It allows appropriate adaptations to be made in project and program implementation and helps build in low-cost, efficient monitoring and evaluation. True participation, in which people have real power to affect decisions, creates a sense of ownership, which in turn generates peoples' commitment to the activities at hand. That commitment can take the form of a significant contribution of time and expenditure of social energy, a willingness to take risks and make sacrifices, the development or expansion of local organizations, and the generation of local resources to complement, and eventually replace, external assistance.

The success, commitment, and local resources and capacity that participation engenders are the keys to building sustainability, as well. This sustainability pertains not only to the particular project or program, but to the development process itself. Success breeds further action, while local capacity -- in the form of enhanced skills, analytical capability and institutions -- provides the basis for future organizing, implementation and follow-through.

Local knowledge and input, in this regard, are indispensable to the successful design and perpetuation of those endeavors in which USAID invests, as well as to long-term development processes generally. This is particularly true in matters related to the local environment, which local populations dependent upon it for their survival know better than do outsiders. Traditional knowledge, for example, favors multicultural over monocultural agricultural practices. When combined with a sense of control over local resources and related decisionmaking, this understanding places local populations in an enhanced position to care for their ecological patrimony and preserve resources for future generations.

7. Participation allows global issues to be addressed at their roots. Local participation is also critical in addressing the global problems that constitute obstacles to sustainability. As many of those problems have local roots, popular participation is needed in accurately defining the nature of the problems, identifying their causes and developing appropriate solutions.

The depletion of a country's or a community's resource base, for example, is at times caused by a deepening poverty that drives people both to abuse their environment to survive and to have large families to increase their economic security. Neither phenomenon can be fully understood or effectively addressed without consulting and involving the populations in question. It is women, after all, who are in the best position to explain why they have children. Unless women are incorporated systematically in the making of decisions related to educational and economic opportunities, not to mention reproductive health and their own roles and status in society, the issue of population growth cannot be handled intelligently.

The size of a country's population is only a problem, however, when it exceeds the carrying capacity of its resource base. Far more often, the degradation of the natural resource base is caused by factors outside the control of local populations. If, in fact, environmental problems are based in the inefficient allocation of resources by private markets, then USAID can help correct market failures by bringing local knowledge to bear on public decisionmaking and on the shaping of public interventions. By supporting decentralized economic activity, the Agency can also help ensure greater control over the production process by local producers and communities with a stake in protecting their local environment.

8. Popular participation is critical to the peaceful transition of societies to democracy from situations of oppressive rule, civil strife or other pervasive social dislocation. In such circumstances, the timely provision of external assistance is frequently required to help address immediate needs in a manner that facilitates the transition to sustainable development and national stability. For this to be done effectively, local populations, instead of being targets of relief efforts, must be consulted so as to ensure that the aid provided helps reactivate, rather than undermine, local production.

The rehabilitation and reconstruction of such economies cannot be separated from the process of national reconciliation and nation building itself. Success in building democratic institutions and the legitimacy and credibility of the new government and its leadership are closely tied to the achievement of a national consensus on the goals and nature of both the short-term reconstruction program and the longer-term economic plan. The achievement of this consensus is greatly facilitated by a participatory approach to economic planning.

Economic policies that are designed by new governments without adequately broad consultation generally prove to be insupportable. Worse yet is the active promotion of economic policies by the donor community either as a condition for the provision of critically needed funds or before a government is even in place. These non-democratic measures can be highly destabilizing, as can the justification and support of repressive measures taken by new governments in the name of a particular economic ideology. As National Security Advisor Anthony Lake has emphasized, the implementation of economic policies and programs lacking national consensus can exacerbate post-war instability, destroy fledgling governments and threaten the fragile institutions of democracy.