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CDD and Elite Capture: Reframing the Conversation

Power over local decision making has been always been, and continues to be, concentrated among elites. Indeed, even in developed countries where democracy is well established, elites have disproportionate influence over community decisions. Nevertheless, because they function in the context of political institutions which are transparent and accountable to citizens, elites' actions often, though not always, reflect their constituents' priorities.

In the areas where Community Driven Development (CDD) operations are typically implemented, community involvement in choosing, constructing and managing a public good is often dominated by elites, who tend to be better educated, able to dedicate more time to community activities, and better connected with outsiders and aid agencies (Rao and Ibanez 2003). As a result, elite capture poses a major challenge for CDD operations.

While detractors of CDD often suggest that the detrimental effects of elite involvement cancel out many of the substantive benefits of community driven interventions, the evidence on this subject is decidedly mixed. Indeed, recent research suggests while elite capture in CDD operations can result in graft and corruption, elite involvement also has the potential to facilitate positive development outcomes and high levels of stakeholder satisfaction if appropriate checks are in place.

To the extent that leadership is a critical factor in promoting collective action, this implies that it is the quality of elite engagement and involvement-as opposed to its presence or absence-that determines the short-run efficacy of CDD projects. Changing political culture is an incremental process which inevitably unfolds slowly. While it is unrealistic to expect that CDD initiatives will completely circumvent elites in the short run, in the long term CDD has the potential to set

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Defining Elites and Elite Capture

- Elites are actors who have disproportionate influence in the development process as a result of their superior social, political or economic status.
- Elite capture refers to situations where elites shape development processes according to their own priorities and/or appropriate development resources for private gain.
- Though elite capture can involve explicit acts of corruption in some instances, in other situations it can primarily entail elites exercising disproportionate control over community decisions at the expense of communities' priorities.

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communities on a path to lasting social change.

Conditions That Increase the Likelihood of Elite Capture

While elite capture does not eliminate all of the benefits of CDD, it does have the potential to greatly decrease the effectiveness of CDD operations. In order to most effectively promote social accountability, task teams should not only be aware of the structural conditions which make elite capture more likely, but also sensitive to the fact that communities' must be sufficiently empowered before they can benefit from CDD operations. Negative elite involvement is particularly likely to occur when:

- Elites have significant control over community decisions and/or the autonomy to craft rules which discourage community involvement in the project.
- There are higher levels of inequality at the village level, which gives elites more influence over community decisions and a greater ability to co-opt influential members of the community. Communities which are heterogeneous

What Does Positive Elite Involvement Look Like?
The Jamaican Social Investment Fund (JSIF) uses a CDD approach to improve living standards for poor and vulnerable communities. Though a recent study found that community leaders and well- connected individuals dominated much of the decision-making, community members expressed high levels of satisfaction with the project's results. Moreover, the study found that JSIF's CDD approach increased trust and enhanced communities' capacity for collective decision making in comparison to communities which had not utilized the CDD approach. Taken together, these results suggests that "elite capture may be 'benevolent' in the sense that such projects may serve to benefit the entire community in the long run with the vast majority of individuals in the community ultimately expressing satisfaction with it."[1]

and/or have large populations, both of which act as barriers to collective action, are also more prone to elite capture.

- Outside "development brokers" from urban based NGOs or other organizations are able obtain leadership positions at the village level and gain control of development resources.

- Projects are initiated before sufficient capacity-building measures have been implemented to ensure that community members have the skills and knowledge necessary to effectively advocate for their position with local elites.

- Community facilitators are not trained well enough to increase community participation, educate citizens about their rights, and empower people to guide the development process.

- The project moves forward with implementation before clear rules and processes have been established to guide its activities.

Setting the Record Straight: Positive Elite Involvement and Social Change
While CDD often increases communities' participation in development decisions, no one claims that it completely eliminates elites' central role in the development process. Nevertheless, in contrast to the conventional logic on the subject, recent research demonstrates that elite involvement in CDD projects does not impact the effectiveness of operations in a uniformly negative way: elite capture can either be harmful or benevolent. These results suggest that "benevolent" elite

involvement does not necessarily harm project outcomes:

- *Effectiveness:* All things being equal, elite involvement on community boards[1] does not impact board effort and performance. This is important because boards which function effectively and transparently are more likely to promote community participation, especially of women and the poor. (Fritzen 2005)

- *Satisfaction:* In recent studies, beneficiaries have expressed high degrees of satisfaction with projects where decision making was dominated by elites. For example, elites may be able to improve community level projects by contributing expertise and mobilizing resources. However, it is important to note that elites' were more likely to obtain projects that matched their preferences than the poor. (Rao and Ibanez 2003)

- *Momentum:* Positive outcomes, even if they are elite-led, increase communities' ownership over projects and empower them to remain involved with the project in the future. Over time, this can increase community involvement in project decision-making.

It is important to note that this analysis does not suggest that "benevolent" elite involvement is the optimal outcome. However, the findings above point to the fact that elite involvement does not necessarily lead to negative project outcomes. Given that

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[1] Boards refer to the village committees which make decisions in many CDD projects. It is important to note that not all CDD projects use this approach.

The Importance of Community Facilitators
In order to minimize the likelihood of harmful elite involvement, participatory planning should be properly facilitated by well-trained facilitators. Facilitators play a central role in CDD projects by mobilizing communities, ensuring adequate representation and empowering citizens to hold government accountable. In doing so, they play a crucial role throughout CDD operations in the formation or election of village committees, project preparation, and the implementation of subprojects. However, it is important to note that in some settings it can be difficult to find quality facilitators and/or accurately monitor facilitators' activities. Accordingly, task teams should attempt to create incentive structures–such as providing adequate salaries and designing effective monitoring systems- which increase the likelihood that facilitators will effectively advance the project's operational objectives.

task teams will have difficulty eliminating elite control in the short and medium term, they should develop an understanding not only of what factors determine whether elite capture will be harmful or beneficial, but also how to design projects which increase citizens' capacity to guide the development process.

Striking a Balance: Increasing Participation While Enhancing Elite Responsiveness

The goal of CDD is to empower the poor to guide the development process and achieve development outcomes which are consistent with their needs and priorities. Though elites will inevitably be involved in the development process, task teams can apply the following approaches to increase community participation while enhancing elite accountability in CDD projects. While elites will have disproportionate influence in the short-term, CDD projects which include the correct checks and balances will ideally shift the balance of power in communities' favor in the long-run.

Provide Elites with Incentives to Serve the Needs of Communities (Supply-Side of Good Governance):
- Democratic leadership selection helps ensure that the community board is less dominated by elites. Democratic selection mechanisms also increase accountability because board members know they can be voted out of office by the community.
- Eliminate subsidies for community board members to increase the proportion of people on the board with a service orientation.

- Use sequential and conditional releases of aid funds to increase accountability. Attempt to distribute funds directly to the community.[2]

Provide Citizens with the Tools they Need to Hold Government Accountable (Demand Side of Good Governance)
- Ensure that community members are aware of operation's purposes and know board members and their roles. Task teams should place a strong emphasis on information disclosure and transparency, especially related to project budgets, financing, contracting, and procurement. Public bid openings and the corresponding financial and contract information should be discussed publicly and displayed on information boards.
- Make certain that community members are involved in all stages of the project cycle from setting priorities, to monitoring progress and assessing results.
- Each community should form an independent committee responsible for overseeing contracts, procurement, finances, and implementation of development projects. These committees should report on projects' finances and physical progress. Provincial journalists and NGOs should be invited to meetings to further enhance accountability.

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[2] See the CDD Note on Disbursement Best Practices for more information on this topic.

Operational Questions to Ask About Elite Involvement

During Project Preparation: Are the targeted communities structurally prone to harmful elite involvement? Do communities have previous experience with participatory governance? Have community members participated in these forums in the past? If not, why not? How can the project be designed to mitigate the deleterious effects of elite involvement?

During Implementation: Are communities satisfied with project results? To what extent are communities' preferences being reflected in project selection? What measures can be taken to increase communities' influence relative to elites?

As the Project Proceeds: Is the power balance between elites and communities shifting? In other words, do citizens have more influence over project decisions then they previously did? Are elites more responsive to communities' needs? How can the operation be adapted to achieve these objectives?

Project Design

- Enhance operations' clarity of purpose by devoting sufficient time to training community facilitators and conducting a poverty mapping. Research shows that the quality of facilitators is an important predictor of project success. Facilitators should be recruited from among the local population, not the capital city, in order to decrease the likelihood of harmful elite capture. Similarly, poverty mapping increases the likelihood that operations will be able to more effectively fulfill the needs of the poor.

- Implement CDD projects slowly to provide communities with additional opportunities to make corrections to the project and replace ineffective leaders. Make sure that facilitators proactively disclose information on projects' status to community members in order to resolve asymmetries at the local level.

- Develop complaint handling mechanisms to provide stakeholders with opportunities to report elite capture to project authorities through anonymous channels.

Social Development Tools for CDD Projects

- Community Scorecards: A monitoring tool that draws on techniques of social audit, community monitoring and citizen report cards to increase transparency and project responsiveness.

- Participatory Poverty Assessments: An instrument for including poor people's views in the analysis of poverty and the formulation of strategies to reduce it through public policy.

- Participatory Monitoring & Evaluation: A process through which various stakeholders engage in monitoring or evaluating a particular project, program or policy. Stakeholders share control over the content, the process and the results of the M&E activity and engage in identifying and implementing corrective actions throughout the project cycle.

Conclusion:

Spurring political change is necessarily a long-term endeavor. While elites will initially have disproportionate influence in CDD projects, over time CDD projects which include the correct checks and balances can lead to enhanced participation and community input into the development process. To the extent that CDD increases participation while aligning elites' preferences more closely with the communities' needs, it represents a step in the right direction towards lasting change and improved governance.

For Further Reading:

1. Ghazala Mansuri and Vijayendra Rao, "Community-Based and Driven Development: A Critical Review", World Bank Research Observer, Vol. 19, No.1 (2004)
2. Scott Fritzen, "Local Democracy Matters: Leadership, Accountability and Community Development in Indonesia"(2005). Available online at: http://www.spp.nus.edu.sg/docs/wp/wp06-07.pdf

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3. Vijayendra Rao and Ana Ibáñez "The Social Impact of Social Funds in Jamaica: A 'Participatory Econometric' Analysis of Targeting, Collective Action, and Participation in Community-Driven Development", Journal of Development Studies, Vol. 41, No.5 (2005)

4. Jean Phillipe Platteau, "Monitoring Elite Capture in Community-Driven Development", Development and Change, Vol. 35, No. 2 (2004)

5. Benjamin Powis, Systems Capture: Reassessing the 'Threat' of Local Elites, World Bank (2008)

6. Robert Chambers, Who Counts? The Quite Revolution of Participation and Numbers, IDS (2007)

7. Learning from Change: Issues and Experiences in Participatory Monitoring and Evaluation, IDS (1998).

Building a Culture of Citizen Oversight

Adapted from Poriaman Sitanggang and Scott Guggenheim, "Picturing Indonesia: village Views of Development", Godown (2005).

It was a brilliantly clear morning in central Sulawesi when the villagers first spied the large pile of lumber and the men that worked for the public works department there.

The villagers were curious. Just last year they had received funds from the Kecamatan Development Project (KDP) to build a stone road from their rice field to the market route, and now here were the materials to repair the bridge. Had the government finally noticed their plight?

"Friends what is this wood for? How much wood is there? What did it cost?"

"That's none of your business. Just be thankful that the government will be building you a bridge"

"But we want to know because this is our new rule here. You have to come and tell us about the project. Then you have to post a signboard so that all of us know how much this bridge costs. If KDP does it we want you to do it too."

"You are mistaken. This is a government project, and we follow our own rules. Just be thankful you are getting a bridge."

Early the next morning, the villagers heaved the wood on to a large truck owned by the son of the village council head. When the first parliamentarians arrived for work that morning they were met by a quiet delegation of villagers standing atop a large pile of wood.

"What is this?" they asked.

The village head replied, "This project is dead. We would rather have no bridge and no wood than go back to the corrupt ways of the New Order. From now on we only want projects that involve us in decisions. If KDP can do it, other projects can too".