Empowering Leaders, Communities, and Organizations

Working at Both Ends of the Power Ladder
A systemic approach to business & economic development

"Top-down" – the traditional approach

For many years it has been the practice of international consultants working in emerging markets or struggling organizations to orchestrate donor-provided resources - and local resources where available - to serve a socioeconomic group or economic sector within a community or a region.   In many cases, this has included leveraging private investment funds with these resources.

The recipients of these efforts and the accompanying funds usually span a potpourri of local economic development agencies, investment support authorities, export promotion offices, business and industrial associations, and/or private businesses working within a specific market sector, all with the desired outcome of increasing local capacity and building sustainable engines of economic opportunity.

The specific nature of the efforts may include start-up funding, training in business fundamentals, and/or direct technical assistance with governance issues, business-to-business linkages, trade shows, catalog and website development, participation in professional and industrial associations, and lobbying efforts with government on behalf of business-friendly policies.

Although addressing economic development with technical solutions is appealing to donors with limited mandates, time frames or budgets, such approaches rarely accomplish the intended purpose over the long-term and are often simply not sustainable. The reason for this is quite simple: by focusing only on specific demographic groups or business sectors within the community, the needs of the community as a whole, the very community that must ultimately provide the base for sustainable economic development, are left unaddressed. The approaches seldom address the interdependence and multicultural realities that are often present.

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Such a fragmented approach does little to help overall economic growth does not take into account the need for a community or organization to create, manage and take ownership of its own future.

Unfortunately, instead of serving the needs of all community members, the initiatives (business or organizational) that are delivered and the results that are achieved, while sometimes benefiting a small segment of a community's population, often only serve to deepen the divisions in already divided communities.

The shift

We are beginning to see the signs of a paradigm shift in approaches but still have a long-way to go. The good news is that this shift is driving economic development efforts to be significantly more community-based but is still based on 'cookie-cutter' methodologies.

In recent years, a few business and multinational initiatives have begun to move beyond traditional models and have begun to use a *systemic* development approach.

This approach seeks not only the involvement, but also the active participation and commitment of ALL community members. This whole-community approach makes the up-front assumption that all of the diverse elements in a community have an important contribution to make to the sustainable health and prosperity of that community.

The evidence already shows that when business development, operational transitions and program design is approached from a whole-community perspective, the results are not only more immediate and effective; they are also more sustainable for the long-term. When the most vital and fundamental needs of *every* community member are taken into account, the

> **The roots of community**
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> At its most fundamental level, a community becomes empowered by living as, and being what it actually is: a community. It is worth taking a moment to consider what we mean by 'community.'
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> The starting point, as with most words, can be found in the Latin origin 'commūnitās', meaning 'common.' A community is a group of people who have common characteristics, be it cultural, ethical and religious commonalities, living or working together in a particular area, a common livelihood. For a community to reorganize itself, adapt to new challenges and to sustain growth for the future, it has be intellectually and emotionally connected to its roots, to the essence of what makes it a community. This is not about stubbornly preserving traditional customs or heritage but recognizing and affirming the commonalities that can bring the individuals of the community together and using these bonds to form mutually supportive working and living relationships.
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> It follows then that any organization (business or otherwise) has to be based on a thorough knowledge and understanding of its local context and culture, which includes an understanding of the "invisible" causes of underdevelopment and disempowerment and their historic impact on the community served. In an age where interdependence on others outside of your community is a reality – the need to be global fluency and cultural understanding has never been more critical to existence.

community can then respond both cohesively and powerfully to the ever-changing social and economic factors that will influence its future.

The community as a system

To understand why a systemic, whole-community approach is both desirable and effective, it is important to recognize that the community itself is a system. Human society and the dynamics of the world in which it exists are made up of an infinite number of nested, interdependent systems. Our solar system is a system. Our physical bodies comprise an extremely complex biological system. The environment, the economy, politics, and government – all are systems with multiple interdependent elements (some controllable and some not) that, together, determine how successful that system will be in dealing with the unknown variables of its future. Our families are systems and so too are our communities.

Moreover, all of these systems are themselves *interdependent* and the behavior of one component in the system affects the behavior of all of the other components. So, by only focusing on selected groups or sectors within a community, any positive effect that changing these components might have upon the entire community system is minimized. To achieve systemic change, all groups and stakeholders of the community must not only participate in but also take responsibility for the entire process.

Systemic change in action

In the slums of Iloilo City and Mandaue City, the HPFPI's (Homeless Peoples Federation Philippines) community-led approach involved mobilizing slum communities through community consultations and orientations on organizational development, engaging and establishing networks and partnerships among slum dwellers and with local, national public and private technical, financial and legal institutions, and establishing community savings and finance schemes that developed community, city, regional and national level cohesion. As a result of these initiatives and newly formed partnerships, the nine slum-dweller communities in both cities empowered themselves, built the confidence to recognize and mitigate the risks, and constructed and managed the upgrading of their own community infrastructure.

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The strategy of HPFPI reveals one essential factor of systemic change: *transparency*. By having open, inclusive meetings and offering complete financial disclosure, by inviting participation in budget preparation, by seeking comments on financial reports and by regulating money management, transparency instills a spirit of trust, ownership and accountability.

The case study also highlights the impact of engaging the disenfranchised individuals of a community in participation, for they are among the prime stakeholders in any project for change. And when given the space to identify, analyze and plan, they empower themselves.

Though this case study was very specific to a dynamic problem, the same methodology has proven just as applicable in business reorganizations, leadership and cross-cultural management, interagency collaboration, and multinational engagements. And most anywhere people must interact and engage.

The empowerment of communities

When a community undergoes the process of systemic, whole-community development, be it in an economic, social, or cultural sense, what it is really doing is *reclaiming its own power*. Empowerment implies enabling people to understand the reality of their environment and to take steps to effect the changes needed to improve their situation. It is a process that encompasses people deciding where they are now, where they want to go and developing and implementing plans to get there, based on self-reliance and a sharing of power.[4] In a community context, empowerment occurs through the dynamic collaboration of all the stakeholder groups of the community, from the grass roots to community donors and local governing bodies.

Identifying and developing the potential leaders within each stakeholder group and by bringing them together around the table to engage with each other openly and collaboratively facilitate this leadership. As each leader brings to the table the opinions, needs and realities of the individuals they represent, and as the

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[4] Gajanayake S and Gajanayake J (1993), *Community empowerment: a participatory training manual on community project development*, New York, PACT Publications.

leaders share and discuss these contributions in order to make informed choices, the leadership is acting to serve the needs of the whole community.

The community is empowered because, in this way, the leadership becomes the shared responsibility of the entire community, and the community now has *ownership* of its own decision-making process. The key is to drive this throughout the organization.

Empowerment through inclusive leadership: a case study

"A community is like a ship; everyone ought to be prepared to take the helm."
- Henrik Ibsen

The effectiveness of inclusive, collaborative community leadership can be seen in the following case study that took place in the 1990's.

A nonprofit agency was formed to alleviate the burden of fundraising from five vital social service agencies in five rural, northern counties of the U.S. state of Nevada. In one particular year, seventeen non-profit agencies applied for funding to help children and families at risk due to poverty, mental and physical health-related issues, aging, and education related issues. The Board members realized that the best way to recognize and address needs within a community was by seeking representatives from all parts of the communities served. They gathered information from a comprehensive sweep of archival data, ranging from police records and hospital data to domestic violence calls and school reports. After the Board compiled the existing data into one single report, it distributed this report throughout the region and set up open meetings with people from these communities. These meetings produced intense, open, provocative dialogue that gave rise to many ideas, ideas from which the Board gained a clearer vision of how to address the needs of the communities. Diverse groups were brought together to work collaboratively in finding more effective ways to meet the communities' needs without duplicating effort or depleting scarce resources.

Over the next six years on into the present day, these groups of people continue to meet regularly to support each other and to provide activities focused on building healthy communities for children and their families. The fundraising component of the original organization still exists and has grown to over $1

million in annual campaign receipts. But now, community members work together as task forces to address specific issues that concern their entire families. [5]

Addressing all rungs of the power ladder

Using the metaphor of a ladder to represent the power structure of a community, the above case study in northern Nevada illustrates that it is necessary to strengthen and address *all* rungs of the power ladder in order to stabilize the community and allow it to grow. Even working 'bottom-up' instead of 'top-down' is insufficient; development practitioners must work at both ends simultaneously, not only with the communities themselves but also with the government entities that have a determining influence over the future of the communities. In addition to government bodies, local businesses and enterprises (including investors) must also be brought into the collaboration.

An integrated, whole-community approach to business and operational development

Many international development programs focus on growing local businesses - starting and building them up, helping them secure their niche in the marketplace, and positioning them to achieve profitability. When the focus is not on helping local businesses grow, economic development programs often expend the remainder of their time and resources enticing foreign investors to establish a regional or national presence. In either instance, little or no emphasis is placed on integrating the local businesses or the foreign investors into the very communities of which they either are or will become a critical part. Building linkages with the relevant community stakeholder groups is either not prioritized or overlooked completely.

The Afghan Women's Business Federation[6], for example, despite being an organization for the promotion of women-owned and operated businesses and helping its members with the fundamentals of running a business, did not address the need to actually integrate those members and their businesses with the community. The issue was not addressed because the economic

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[5] From an interview conducted with the former Executive Director of the United Way of the Great Basin (2008). The coalition referred to is 'P.A.C.E' (Partners Allied for Community Excellence).

[6] Afghan Women's Business Federation

development projects offering assistance to the Federation did not include such processes as part of their technical assistance package. They now have to play catch-up, putting those processes in place after the fact, in order to build a sustainable base from which to successfully integrate into their surrounding communities.

Adapting to today's world – the consultants and the community members

The strain of migration and the desire to travel present profound challenges for communities who have been living together in the same locality for generations and who find themselves, in today's world, physically dispersing to other regions. Even in these situations, a community can adapt and sustain itself. As the philosopher Martin Buber wrote, "*A real community need not consist of people who are perpetually together; but it must consist of people, who precisely because they are comrades, have mutual access to one another and are ready for one another.*" [7] This encapsulates the systemic, holistic approach to community development; that all groups and all individuals of a community are engaged together in addressing their individual needs and the needs of their fellow community members in an open, collaborative process that is theirs to own and theirs to build on and take forward into their own future.

The personal involvement of the individual community members in all stages of the process initiatives requires a corresponding involvement in the process by the development consultants. For real change to ensue, it is not sufficient for the practitioners to simply challenge community leaders to empower themselves and their fellow community members. Consultants must be willing to and actually take on the same risks as the people of the community. This demands a commitment on the part of practitioners to leave their relative comfort zones, both in a physical and intellectual sense, and to try to develop genuinely open, transparent collaborative relationships with the local people. Such 360° interplay reflects the paradigm shift of development interventions from a mere product delivery mechanism into a dynamic process of consistently engaging the individual community members and the development consultants in the taking on, and sharing of the risks involved.

The choice of all communities

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[7] Martin Buber, ' Paths in Utopia' (1948)

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"*The **only** way we are going to keep our standard of living rising is to build a society that produces people who can keep inventing the future. But as knowledge hurtles forward, inventing the future becomes a harder education, the right infrastructure, the right ambition, the right leadership.*"[8] *- Thomas Friedman, 'The World is Flat'*

Today's world is a world that is rapidly changing through the seemingly irreversible forces of technology and communications. Very often the pace of change grinds communities to a halt and they are left motionless, not only failing to grasp the nature and implications of these changes but resistant to accepting their very reality. Empowerment begins with an acceptance and awareness of one's reality. For the world's communities to move forward and to empower themselves, they must make a choice: either they can be passive and let change dictate the way they will adjust, or they can be forward-thinking and, instead of simply reacting instinctively to change, actively and intuitively anticipating it. Empowered by this anticipation, the community will be powerfully and dynamically placed to create effective strategies to improve and enrich the lives of their individuals and families, and to perpetually renew itself by continuously mapping out its very own future.

At its heart the EDI Advisory Group is a development and decision-support group dedicated to helping communities/ organizations of all types to thrive and prosper. Specializing in Global Fluency and Interactions we help our clients navigate an increasingly interdependent, multicultural, and changing global marketplace and work environment. Through blending applied research with practical application we are able to bridge the gaps and connect dots, thus aligning strategy with the actual implantation throughout an organization/community.

Every community/ organization is unique to itself; our goal is to help them capitalize on what makes them special and definite their own end-state.

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[8] Thomas Friedman, ' The World is Flat' (2005)

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