

Vijay Padaki and Manjulika Vaz. *Institutional Development in Social Interventions: Towards Inter-organizational Effectiveness*. New Delhi: Sage Publications, 2003. 256 pages. Indian Rs 295.00.

Is an institution the same as an organisation? Why do organisations organise themselves into institutional forms? What makes some institutions more successful than others? How do we define and assess 'success'? Does institutionalisation require formalisation? How do we go about building and developing institutions? These are some of the questions that are the subject matter of the book under review. It was a research project undertaken by a Bangalore-based management research and consultancy centre from 1997 to 1999 that provided the necessary impetus and focus for institutional development in the special context of development interventions. This book is in the nature of a presentation of a work-in-progress and not merely a report of a research project.

The book consists of three main sections. The first section is theoretical, dealing with the conceptual background of institutional development (ID) ranging from social ecology to neo-institutional economics. The second part explains the practical experiences of eight development organisations that have fostered the ID process, and six case leads. The last section draws lessons learned from the experiences of different cases and attempts to arrive at a set of hypotheses about social institutions in development interventions.

The use of the term 'institution' varies with different disciplines and contexts. Inter-group and inter-organisational collaborative behaviours require structures and processes and a higher level of organisation may be called 'social institution'. In the context of development interventions, the social institution is viewed as an organisation of organisations, the main function of which might well be the promotion of collaboration around chosen objectives. Therefore, the authors adopt the definition of the term 'institution' as 'an organisation of organisations' and differentiate it with the term 'organisational development (OD)'. The main features of institutional development (ID) are sustained collaborative action, inter-organisational linkages, networking across groups, and multi-partner or multiple stakeholder involvement in the development process. The question is: How should ID take place? Apparently, there are issues in ID that make it different and more complex to manage than developing single organisations. Moreover, there is no available methodology to enable and sustain the ID process in today's development context.

After defining the ID process, the conceptual framework of social ecology and institutional economics are established. The importance of social ecology in ID process is a highly inclusive conceptual framework, which makes us realise the importance of ecological infrastructure, which, in effect, receives the impact of many development interventions. In my view, the authors have not very well explained the

significance of institutional structures in the social ecology of development interventions. The chapter on 'Key Ideas in Institutional Economics' briefly explains that importance is given in economic theory to perfect information and not to property rights. Neo-institutional economics (NIE) questions perfect market assumptions by introducing the idea of transaction costs and also property rights, the collective action, the principal-agent problem, and the role of institutions in economic change.

The case studies included in the book attempt to capture a wide variety of experiences across different fields and different sectors. The most important consideration in the choice of cases is given to extensiveness and variety rather than to the similarity between them. The main purpose of the case studies is to help seek generalisations, hypotheses, and principles in institutional development. At the end of the case studies section, there are some emerging questions which are connected with the focus on: (a) viewing an institution as an 'organisation of organisations', (b) recognising the significance of inter-group and inter-organisational collaborative behaviours in development, and (c) seeking institutional structures and processes that might be linked to collaborative behaviours.

The last section is the outcome of a workshop which was conducted in March 1998 to explore theory and methodology in institutional development, using the first seven cases and six case leads as the background. There were three main thematic sessions. The authors summarised the sessions as follows.

(1) Institutional Functions. The balance between the need for conformity and the need for innovation appeared particularly significant. As a matter of fact, it could be regarded as the prime organic function of the institution, or superordinate institutional function. Some of the other functions may be to balance conflict resolution, promotion of values, and optimisation of gains. (2) Creating Institutions. A typology of institutions appears an important task in furthering the field of ID. The distinction between vertical and lateral institutions appears valid and useful as a first-order categorisation. (3) Exploring Theory. As a matter of fact, balance might well be a key factor in institutional health and effectiveness. In sum, the action research paradigm appears best suited to develop the field of ID rapidly.

The authors conclude the book on the need of methodology in the process of institutional development. The prime requirement of methodology in ID should be viewed in conjunction with the main objective of any development intervention. To deal with the vicious cycles of the events that are the causes of inequalities and poverty in society, one needs sustained and concrete efforts across several areas of action. Such actions require collaborative efforts across the organisations and groups concerned. These must reach the critical masses to counter the vicious cycles and generate alternative processes, hopefully in a virtuous cycle. Isolated projects cannot generate the alternative process by themselves. The collaborative efforts call for

appropriate social institutions that need to be developed consciously. The methodology is needed towards an acceleration of the institutional development process. This calls for a planned intervention aimed at building the institution. However, robustness in the institutional system appears to be better ensured in an organic, naturally evolved, bottom-up process. Thus, the core task in institutional development may be seen as the acceleration of an organic process through a planned intervention.

Institutional Development (ID) is a relatively new field of inquiry that is attracting widespread interest. This book explores both the concept and application of ID from multiple perspectives. It is a blend of theory and practice. The book argues for the need to embark upon a journey towards the formation of a recognisable body of knowledge to give us a reliable methodology for institutional development. It can be a handbook of institutional development in development interventions for development practitioners.

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