

# COMMUNITY DEVELOPMENT

SHORT INTRODUCTION

BOAZ ADHENGO



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B O A Z A D H E N G O



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# Table of Contents

* Community Organising .....	1.
I What is Community Development? .....	9.
II Social Capital .....	24.
III Community Leadership Skills .....	30.
IV The Community Workforce.....	49.
V Marketing The Community .....	61.
VI Establishing A Community Based Organisation .....	76.

# Community Organising

## INTRODUCTION

Community organizing is the process by which people come together to identify common problems or goals, mobilize resources, and, in other ways, develop and implement strategies for reaching the objectives they want to accomplish. Thus effective community organization will generally include:

- ***Gaining an understanding of the community.*** The first key step is learning what the community is like, and what is important to its residents.
- ***Generating and using power.*** There are many types of power; depending on the nature of your organization and your long term goals, your organization may have (*or need*) different types.

Different kinds of power include:

- *Political or legislative power* -- for example, you could work to pass laws to make it more difficult for young people to get hold of alcohol or tobacco.
  - *Consumer power* -- your organization might organize a boycott against a company whose policies are environmentally unsound
  - *Legal regulatory power* -- your organization might take a delinquent landlord to court
  - *Disruptive power* -- employees of an organization might go on strike as part of a demand for better working conditions
- ***Articulating issues.*** A crucial part of effective organizing is being very clear about what people find important, and what you feel should be done about it.
  - ***Planning purposeful action.*** Action planning is central to effective community organization.
  - ***Involving other people.*** Community organizing works in large part because of the strength that exists in numbers. The idea that "*what we can't do alone, we can often accomplish together*" is what community organization is all about.
  - ***Generating and using other resources.*** While involving many people is at the heart of any community organizing effort, a group will need to obtain other resources as well. These may include cash, gifts-in-kind, and other forms of donations or support.
  - ***Communicating with your community.*** There are many ways to effectively get the word out and let the community at large in on

what you are doing, why you are doing it, and why they should be a part of it.

An important point to remember is that community organization is fundamentally a grassroots process. It's not about an outside "expert" telling a community what it should work on. Instead, it's about community members getting excited about something, and using that energy to create change. In short, community organization is all about empowering people to improve their lives; whichever way we decide to do that.

Community organizing, done right, leads to a shift in power: you're building a power base among a broad group of people. Many times, community organization is done among those who have traditionally been denied a voice, or whose needs have been ignored -- *the poor, the homeless, certain minority groups, etc.*

## Why should we engage in community organisation?

Organizing members of a community -- *no matter what your goals might be* -- has some general advantages that will occur if the work is well done. These advantages include:

- ✓ A greater ability to bring about the changes you want to see. The collective voice of many people working together on a problem is usually much more powerful than a single voice.
- ✓ Empowerment. Involving people (*especially those who haven't traditionally had much power*) in improving the conditions which shape their lives can increase people's sense of their own worth and capabilities, helping them to live more fulfilling lives.
- ✓ Increased self-sufficiency among community members. Organizing people to bring about change helps maintain a high level of ownership by people for their own destinies. Ultimately, this reduces the amount of outside help that will be needed.
- ✓ Increased social support. By bringing together diverse groups of people who are working for the same cause, people get the chance to talk and learn with others they may not have met otherwise. Both professionally and socially, community organization offers ample opportunity for growth and enjoyment among those who come together.



- ✓ Greater equity in the society. When people gain control over the forces that shape their lives, it changes the balance of power in the community, spreading it more broadly and distributing it more equitably. That, in turn, changes for the better the circumstances of those with the least power, making for a more just society.

There are many different ways for a community to bring about the changes it wants; this will be seen by them coming together to better their livelihoods and can occur in different ways, and for different reasons. Thus, there can be slightly divergent ways of looking at the process of organization which include:

*Organization for locality development.*

Also known as community development, locality development focuses on community building by improving the process by which things get done. For example, it emphasizes the ideas of community competency--*the ability of the community to solve its own problems by learning skills such as group facilitation and critical thinking that are crucial to community work* -- and through working to build harmonious relationships among people from different racial, ethnic, and social class groups. A lot of weight is put on how people think and feel about things. The idea of "*helping people help themselves*" is key to this concept.

*Social planning or policy change.*

Whereas locality development focuses primarily on the process of working together, social planning focuses on getting results. That is, it emphasizes solving specific social problems, such as a lack of adequate housing or a very high crime rate. Delivering goods and services and avoiding the duplication of those services are important ends in this type of organizing. It is often initiated by community officials or planners, or as the result of national or county government programs.

Because it is driven primarily by statistics and other types of data, social planning may be seen as more scientific than locality development. For example, an organizer might point out that, "*records from the health department show that only about 65% of the children entering kindergarten are fully immunized; we need an initiative to make sure all of our children receive the immunizations that will safeguard their health.*" The use of experts may be considered a necessary part of this approach because of the importance placed on statistics and other data.

*Organising for social action or systems advocacy*

When we think of the civil rights demonstrations in South America in the 1960s, or AIDS activists conducting "die-ins" in front of the White House in the 1980s,

this is what we are talking about. Social action organizing is highly adversarial, and the concept of social justice is a dominant ideal.

In social action organizing, members of a certain group -- *often those who are discriminated against or low on the economic ladder, and thus have little voice as individuals* -- come together in order to make demands on the larger community for increased resources or equal treatment

### *Coalitions*

Coalitions are broad groups that bring together people and organizations from throughout the community, including many groups that may not normally work together. For example, a coalition working to increase AIDS awareness in the community might bring together officials from the health department, representatives from the faith community, young people, business leaders, and members of the LGBT (*gay, lesbian, bisexual, and transgender*) community -- groups that sometimes don't see eye-to-eye.

The power of coalitions comes from the idea of strength in numbers -- *bringing together many diverse people gives you the power you need to make the changes you want.*

When looking at these four strategies for community organization, it's very clear that these approaches are not completely distinct from one another. A group that is mostly concerned with the processes of locality development will nonetheless have some results they want achieved, and they may well use the more strident tactics of social action to achieve those results. And certainly, a coalition might choose to use any (*or more likely, all*) of the other three strategies at some point during its life span. However, am hoping that by separating these ideas - *even if the separation is somewhat academic* - am helping organizers who are reading this book, to think systematically about their desired ends and the means it will take to get there, as well as to organize their work in accordance to their values.

Notably, community organization can be done in many ways; how you do it will depend on where you are working and what your specific goals are; some of the basics are pretty much the same, whatever your ultimate goals might be. What follows then, is simply a general overview to get you thinking about the fundamentals.

*First of all, and most obviously, you need to involve people in your community efforts. This is the heart of community organizing. This may be done in many ways -- from informal conversations, to going door-to-door, to using more formal methods of recruitment.*

Door-knocking is a classic tactic in community organizing that is still used regularly by community activists. Going door-to-door in the area that interests you with a short script like the following can do a lot to spark original interest:

*“Hello, I’m \_\_\_\_ and I work with \_\_\_\_ we’re asking people in the neighbourhood about how the community can be improved. Would you be willing to take a few minutes to talk about what you think should be looked at or changed?”*

Be careful here. There may be some members of your group not comfortable going door-to-door as a way to get the word out. They may be unsure about the safety of the neighbourhoods they are visiting. It may also be illegal for your organization to communicate with community members through door-to-door visits. So, before you begin your campaign, check the comfort level of your members and examine local laws to make sure that a door-to-door campaign is safe and legal!

*Next, from the comments and suggestions you have heard from community members, identify the issue that seems to be of the greatest concern.* Three questions are especially important to consider when deciding to tackle a problem:

- ✓ Is it important enough for the people that they’re willing to take action about it?
- ✓ Is it specific? For example, violence may be a problem -- but what kind of violence are people concerned about? Domestic violence? Violence in our schools? Muggings after dark?
- ✓ Can something be done to affect it in a reasonable amount of time? You may not be able to do much locally to change global warming, but you can probably do quite a bit to encourage energy conservation and the use of green building techniques and power sources.

Then, those who want to do something about the problem should reframe it as a goal. That gives people something positive to strive for, and enlists them in building the community, rather than simply eliminating something harmful or annoying. It not only makes working on the current issue more compelling, but prepares people to continue the *community-building-process* in the future.

Importantly, it allows you to narrow down the issue towards something clearly achievable. Suppose the issue identified by the community is traffic. It’s noisy, it pollutes, and it’s gotten a great deal worse over the past ten years, so that what was a ten-minute drive now takes 45 at rush hour. What’s a clear goal that will address the issue?

There are a number of possibilities. Improving and expanding public transportation is one, and one that a community initiative could probably have some influence over. The designation of bike lanes and the building of off-street cross-town bike paths is another. Each of these presents a clear goal that not only represents a community organizing success, but that can also inspire people towards participation in the next campaigns, which might have more ambitious goals.

*Developing your strategy is the next step in community organizing.* What your strategy will entail, shall vary greatly, depending on what type of organizing you are doing. However, in all types of organizing, members of your group will want to come together and develop agreed-upon answers to the following questions.

- What are your long and short-term goals?
- What are your organizational strengths and weaknesses?
- Who cares about this problem?
- Who are your allies?
- Who has the power to give you what you want?

It's important to build your organization's strategy in a logical manner. People love looking upon themselves as being reasonable. Thus, organizers should develop the strategy in such a way that each escalation of activity makes sense, so that neither members of the group nor the larger community see what is being done as overblown or reactionary.

*The next step in community organizing is to choose specific actions to carry out the strategies and tactics you have developed.* These action steps are the bread and butter of your community work. They should be very explicit, specifying who will do what in what way by when.

The organizer should set goals for immediate, short-ending-wins, and these wins should be celebrated. Most community work takes a long time; some of it is never done. Your organization's goals may be very large -- *ending child abuse; developing a thriving neighbourhood in what is currently a run-down, crime-infested area; or an end to all forms of discrimination.* These are goals that will take a long time to reach; they may not even be completed in our lifetime.

Because of this, it's important that the group does win something very quickly. It's important for the morale of the group to feel you really are making progress; that your work is not only for a good cause, but you're also going

about it in the right way. No one likes to feel that their work is useless, that they are giving up precious free time for a lost cause, or that they are not appreciated for all of their work. So make celebrations of your work -- *and the people doing it* -- a regular part of your organization's life.

*Finally, the organization needs to keep on going.* As we said above, community work never ends. Your group may be organizing people to work on specific goals. But when your group has won (*or when you have decided it's time to bow out gracefully*), then it's time to rest, regroup, and move on to the next campaign.

The power of an organized community working together to reach agreed-upon goals is nothing short of spectacular. There is no more important step to take than the activity of organization when trying to improve life in our communities. And so, it is crucial for those of us working for our communities to understand how to do so effectively.

Martin Luther King, Jr. was a tremendously powerful organizer. In a speech in Memphis in 1968, he rallied listeners with the words, "*Let us rise up tonight with a greater readiness. Let us stand with a greater determination. And let us move on in these powerful days, these days of challenge, to make America what it ought to be. We have an opportunity to make America a better nation.*" As you read this book, am asking you to take that opportunity - *- that you work to organize people for a better community, a better nation, and finally, a better world!* Am doing this for Kenya, doing it for Africa.

# What is Community Development?

## CHAPTER ONE

Community development has many varying definitions. Unlike mathematics or physics where terms are scientifically derived and rigorously defined, community development has evolved with many different connotations. Community development has probably been practiced for as long as there have been communities. It is hard to imagine the British colonies being successfully established in the nineteenth century without some degree of community development, even if the term had not yet come into existence.

Many scholars trace the origin of modern community development as a discipline to post-World War II reconstruction efforts to improve less developed countries. Others cite the American “*war on poverty*” of the 1960s with its emphasis on solving neighbourhood housing and social problems as a significant influence on contemporary community development. The origins of community development are actually very old; a major contribution of community development was the recognition that a city or neighbourhood is not just a collection of buildings but a “community” of people facing common problems with untapped capacities for self-improvement.

Today, community is defined in myriad ways: in geographic terms, such as a neighbourhood or town (*“place based” or communities of place definitions*), or in social terms, such as a group of people sharing common chat rooms on the Internet, a national professional association or a trade union (*communities of interest definitions*).

Community development has evolved into a recognized discipline drawing from a wide variety of academic fields including sociology, economics, political science, planning, geography, and many others. A quick internet search reveals how much the field has evolved – *the search returned 19,200,000 hits for “community development.”*

Today there are many academic and professional journals focusing on community development. The interest of researchers and practitioners from many different disciplines has contributed greatly to the growth and development of the field. However, community development’s growth and interdisciplinary nature have led to the current situation

where it is defined and approached in many different ways, and, all too often, “we can’t cross same waters on the same river twice”.

The terms community development and economic development are widely used by academicians, professionals, and citizens from all walks of life who have as many definitions as users of the concept.

Economic development is perhaps more familiar to laypersons. If random individuals on the street were asked what economic development is, some might define it in physical terms such as new homes, office buildings, retail shops, and growth in general. Others might define it as new businesses and jobs coming into the community. A few thoughtful individuals might even define it in socio-economic terms such as an increase in per capita income, enhanced quality of life, or reduction in poverty. Ask the same individuals what community development is, and they would probably think for a while before answering. Some might say it is physical growth – *new homes and commercial buildings* – just like economic development. Others might say it is community improvement such as new infrastructure, roads, schools, and so on. Most respondents would probably define community and economic development in terms of an outcome – *physical growth, new infrastructure, or new jobs*. Probably no one would define them in terms of a process and many would not understand how they are interrelated. This is unfortunate because some of these passers-by are probably involved in community and economic development efforts, serving as volunteers or board members for chambers of commerce, economic development agencies, or charitable organizations.

## **Community Development**

The beginning step in defining community development is to define “community.” As mentioned previously, community can refer to a location (*communities of place*) or a collection of individuals with a common interest or tie whether in close proximity or widely separated (*communities of interest*).



Most definitions refer first to people and the ties that bind them and second to geographic locations. They remind us that without people and the connections among them, a community is just a collection of buildings and streets. In this context, community development takes on the mantle of developing stronger “communities” of people and the social and psychological ties they share. Indeed this is how community development is defined in much of the literature. Discussions that reflect this aspect focus on community development as an educational process to enable citizens to address problems by group decision making. Or, they may describe community development as involvement in a process to achieve improvement in some aspect of community life where normally such action leads to the strengthening of the community’s pattern of human and institutional relationships.

All of these concepts of community development focus on the process of teaching people how to work together to solve common problems. Other authors define community development more in terms of an action, result, or outcome: local decision making and program development resulting in a better place to live and; or a group of people initiating social action to change their economic, social, cultural and/or environmental situation.

These conceptions show that community development should be considered as both a process and an outcome. Therefore, a working definition of community development in simple but broad terms is:

*A process: developing and enhancing the ability to act collectively, and an outcome: (1) taking collective action and (2) the result of that action for improvement in a community in any or all realms: physical, environmental, cultural, social, political, economic, etc.*

Having arrived at a comprehensive definition of community development, the focus can now shift to what facilitates or leads to community development

The community development literature generally refers to this as social capital or social capacity, which describes the abilities of residents to organize and mobilize their resources for the accomplishment of

consensual defined goals, or the resources embedded in social relationships among persons and organizations that facilitate cooperation and collaboration towards such accomplishments. Simply put, social capital or capacity is the extent to which members of a community can work together effectively to develop and sustain strong relationships; solve problems and make group decisions; and collaborate effectively to plan, set goals, and get things done. There is a broad literature on social capital with some scholars making the distinction between bonding capital and bridging capital. **Bonding capital** refers to ties within homogeneous groups (*e.g., races, ethnicities, social action committees, or people of similar socio-economic status*) while **bridging capital** refers to ties among different groups.

There are four other forms of “**community capital**” often mentioned in the community development literature:

1. *Human capital*: labour supply, skills, capabilities and experience, etc.
2. *Physical capital*: buildings, streets, infrastructure, etc.
3. *Financial capital*: community financial institutions, micro loan funds, community development banks, etc.
4. *Environmental capital*: natural resources, weather, recreational opportunities, etc.

All five types of community capital are important. However, it is difficult to imagine a community making much progress without some degree of social capital or capacity. The more social capital a community has, the more likely it can adapt to and work around deficiencies in the other types of community capital. When doing community assessments it is useful to think in terms of these five types of community capital.

So far working definitions of community, community development, and social capital have been provided. To complete the community development equation, it is necessary to identify how to create or increase social capital or capacity. This process is generally referred to as social capital building or capacity building: an ongoing comprehensive effort to strengthen the norms, supports, and problem-

solving resources of the community. Notice that this sounds like the definitions of the process of community development given above. We have come full cycle. The process of community development is social capital/capacity building which leads to social capital which in turn leads to the outcome of community development.

Progress in the outcome of community development (*taking positive action resulting in physical and social improvements in the community*) contributes to capacity building (*the process of community development*) and social capital. For example, better infrastructure (*e.g., public transportation, Internet access*) facilitates public interaction, communications, and group meetings. Individuals who are materially, socially, and psychologically better off are likely to have more time to spend on community issues because they have to devote less time to meeting basic human and family needs. Success begets success in community development. When local citizens see positive results (*outcome*), they generally become more enthused and plough more energy into the process because they see the payoff. Research has shown that there are certain characteristics of communities that influence their ability to do capacity building and create social capital.

## **Economic development**

As with community development, modern economic development grew in part from efforts to improve less developed countries and the American war on poverty. Immediately after World War II and certainly before, parts of the American South were not unlike third world countries with rampant poverty and unemployment due to the decline of agricultural jobs. Many southern states developed programs to recruit industries from the northern United States of America with cheap labour and government incentives (*e.g., tax breaks*) as bait. In the 1960s, the emphasis on economic development was at the Federal level with Great Society programs aimed at eliminating “*pockets of poverty*” such as the southern Appalachian Mountains region. In the 1970s and 1980s, the emphasis shifted to states and localities. If they did not already have them, many communities created economic development organizations with public as well as private funding. In many communities, economic development was part of city or county

government, while in other communities it was under the auspices of private non-profit organizations such as local chambers of commerce.

Initially, most economic development agencies focused on industrial recruitment – *enticing new companies to locate in their communities*. State and local departments of economic development aggressively courted industry and increased the amount and variety of incentives. Soon it became apparent that thousands of economic development organizations were chasing a limited number of corporate relocations/expansions and playing a highly competitive game of incentives and marketing promotions. As communities realized that there were other ways to create jobs, they began to focus on internal opportunities such as facilitating small business development and ensuring that businesses already located in the community stayed and expanded there. Many communities also realized that by improving education, government services, the local labour supply, and the business climate in general, they could make themselves more attractive to industry.

Like community development, economic development has evolved into a broad and multidisciplinary field. A national association of economic development professionals has offered the following definition:

Economic development is the process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services. The economic developer's role is to influence the process for the benefit of the community through expanding job opportunities and the tax base.

Most economic developers concentrate on creating new jobs. This is generally the key to wealth creation and higher living standards. Job creation generally involves the “*three-legged stool*” of recruiting new businesses, retaining and expanding businesses already in the community, and facilitating new business start-ups.

As discussed previously, economic developers originally concentrated mainly on recruiting new businesses. Stiff competition for a limited

number of new or expanded facilities in a given year led some communities to realize that another way to create jobs is to work with companies already in the area to maximize the likelihood that, if they need to expand existing operations or start new ones, they would do so in the community and not elsewhere. Even if an expansion is not involved, some businesses may relocate their operations to other areas for “pull” or “push” reasons. They may relocate to be closer to their customers, closer to natural resources, or for any number of strategic business reasons (“pull”). Businesses may also relocate because of problems with their current location such as an inadequate labour force, high taxes, or simply lack of community support (“push”).

Although communities cannot influence most pull factors, they can act to mitigate many push factors. If the problem is labour, they can establish labour training programs. If the problem is high taxes, they can grant tax incentives in return for creating new jobs. Business retention and expansion has become a recognized subfield of economic development, and there are many guides on the subject.

There is also much that communities can do to facilitate the start-up of new local businesses. Some communities create business incubators where fledgling companies share support services, benefit from reduced rent, or even get free consulting assistance. Financial assistance, such as revolving loan funds at reduced interest rates, is also a common tool used to encourage small business start-ups.

While the majority of new jobs in most regions are created by business retention and expansion and new business start-ups, communities continue to define economic development in terms of recruiting new facilities. Some communities are stuck in the old paradigm of “*smokestack chasing*” – *relying solely on recruiting a new factory when manufacturing employment is declining nationally and many companies are moving off-shore*. These communities may have historically relied on traditional manufacturing companies for the bulk of their employment (*e.g., textile mill or garment factory*), and when these operations shut down, the only thing they knew to do was to pursue more of the same.

Elected officials, civic board members, and citizens in these communities need to be educated and enlightened to the fact that the paradigm has shifted. They should be recruiting other types of businesses such as service industries (*that are not going off-shore themselves*) while practicing business retention and expansion and creating new business start-up programs.

While economic development today is often defined by the “*three-legged stool*,” there is much more to the profession. Many communities are beginning to realize that it is often better, especially when recruiting new companies, to practice economic development on a regional basis and combine resources with nearby communities. Rather than create an economic development agency providing the same services for every community, it is usually more efficient to combine resources and market a region collectively through one larger organization. Regardless of where a new facility locates or expands, all communities in the region will benefit as employees live in different areas and commute to work.

### **The relationship between community and economic development**

While conceptions and definitions of community and economic development vary, in practice they are inextricably linked on many levels and are highly synergistic. To understand these synergies, consider another definition of community development:

*Community development is . . . a planned effort to produce assets that increase the capacity of residents to improve their quality of life. These assets may include several forms of community capital: physical, human, social, financial and environmental.*

Recall the previous definition of economic development:

*The process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services. The economic developer's role is to influence the process for the benefit of*

*the community through expanding job opportunities and the tax base.*

These two definitions are clearly parallel. The purpose of community development is to produce assets that may be used to improve the community, and the purpose of economic development is to mobilize these assets to benefit the community. Both definitions refer to the same community capital assets: human, financial, and physical (*environmental or natural resources*).

As mentioned above, a more modern holistic definition of economic development would include not only wealth and job creation but increasing the quality of life and standard of living for all citizens. This expanded definition is certainly compatible with community development. The definition of economic development does not include social capital per se, but while economic developers might not have used this term when this definition was created, it will be seen that social capital is important for economic development as well as for community development.

As most economic developers will attest, a key to success in economic development – *new business recruitment, retention and expansion of existing businesses, and new business start-up* – is to have a “development-ready” community. Most businesses operate in competitive markets, and one of the major factors influencing business profitability is their location. When making location decisions, businesses weigh a host of factors that affect their costs and profits such as:

- available sites and buildings;
- transportation services and costs (*ground, water, air*);
- labour cost, quality and availability;
- utility costs (*electricity, natural gas*);
- suitability of infrastructure (roads, water/sewer);
- telecommunications (*Internet bandwidth*);
- public services (*police and fire protection*).

Quality of life factors (*e.g., education, health care, climate, recreation*) are also important in many location decisions. If a community scores poorly in these factors, many companies would not consider it development ready. A weakness in even one important location factor can eliminate a community from a company's search list.

Whether a community is considered development ready depends on the type of business looking for a location. For example, important location criteria for a microchip manufacturing facility include a good supply of skilled production labour, availability of scientists and engineers, a good water supply, and a vibration-free site. A call centre seeking a location would focus more on labour suitable for telephone work (*including students and part-time workers*), a good non-interruptible telecommunications network, and, perhaps, a time zone convenient to its customers.

While location needs differ, a community lacking in the location factors listed above would be at a disadvantage in attracting or retaining businesses. Shortcomings in these or other location factors would increase a firm's costs and make it less competitive. In addition, companies are risk averse when making location decisions. If a company is comparing two similar communities where one has a prepared site that is construction ready with all utilities in place and the other offers a swamp and a promise to have it developed in six months, it is apparent which the company will choose. Most companies would not want to incur the risk that development of a site would be delayed by construction problems, cost overruns, or simply by local politics. Lost production equates to lost revenues and profits.

There are many location factors that are subjective and not easily quantified. For example, it is not feasible to objectively measure factors such as work ethic, ease of obtaining permits, or a community's general attitude toward business (*these and other factors are sometimes collectively referred to as the *business climate**). Yet in the final decision process after as many factors as possible have been quantified, these intangibles often determine the outcome. Most company executives prefer to live in desirable communities with good arts and recreation, low crime, and a neighbourly, cordial atmosphere.



It should be apparent now how important community development is to economic development. If a community is not development ready in the physical sense of available sites, good infrastructure, and public services, it will be more difficult to attract new businesses and retain and expand existing ones. New businesses starting up in the community would be at a competitive disadvantage. Being development ready in this physical sense is an outcome of community development (*taking action and implementing community improvements*).

The process of community development also contributes to success in economic development. First, as has been discussed, the process of community development (*developing the ability to act in a positive manner for community improvement*) leads to the outcome of community development and a **development-ready** community. In addition, some of the intangible but important location factors may be influenced through the process of community development. Companies do not like to locate in divided communities where factions are openly fighting with one another, county councils are deadlocked and ineffective, and citizens disagree on the types of businesses they want to attract (*or even if they want to attract any businesses*).

As a company grows, it will need the support of the community for infrastructure improvements, good public education, labour training, and many other factors. Communities that are not adept (*or worse, are totally dysfunctional*) at the process of community development are less likely to win the location competition. Furthermore, company executives would probably prefer not to live in such a place.

As discussed, economic development, like community development, is also a process. Establishing and maintaining a good economic development program is not easy. Significant resources must be devoted to hiring staff, providing suitable office facilities, and marketing the community. Most communities that are successful in economic development have strong support (*financial and otherwise*) from both the public and private sectors. Success in economic development does not come overnight. Some community residents mistakenly believe that if a local economic developer gets on a plane

and calls on corporations in distant cities, these companies will see how wonderful their fair city is and choose to locate there. There are two problems with this belief: (1) there are thousands of other “*fair cities*” competing for new facilities, and (2) relocation and expansion decisions happen only sporadically for most companies.

Communities that are successful in economic development devote the appropriate resources to the effort, design good programs, and stay with them for the long-haul. Over time a good economic development program pays dividends. If communities approach economic development in a start-and-stop fashion, frequently changing programs as, say, new mayors take office; the likelihood of success is significantly lower. A well-planned and widely supported economic development program based on consensus building through the process of community development has a much higher likelihood of success.

Community economic development occurs when people in a community analyse the economic conditions of that community, determine its economic needs and unfulfilled opportunities, decide what can be done to improve economic conditions in that community, and then move to achieve agreed upon economic goals and objectives. These point to the link between community development and economic development that is sometimes not understood or appreciated; that economic development theory and policy have tended to focus narrowly on the traditional factors of production and how they are best allocated in a spatial world. The argument is for community economic development to be broader than simply worrying about land, labour and capital. This broader dimension includes public social capital, technology and innovation, society and culture, institutions, and the decision-making capacity of the community.

### ***Who practices community and economic development?***

The short (*and correct*) answer to this question is that all citizens who are interested in moving their communities forward should consider themselves practitioners of community and economic development. To be successful and sustainable, community and economic development plans should be based on input from all socio-economic groups –

*everyone should feel that they have a voice in their community's future.* Furthermore, successful implementation of community and economic development programs requires the engagement and collective action of all citizens. In practice, community and economic developers can broadly be classified into two basic groups: **paid professionals and volunteers.**

As we have discussed, community development is a broad field encompassing all aspects of society – *housing, health care, education, transportation, and so on.* Therefore, in theory any paid professional in the public or private sector who is working to improve their part of the community in any of these fields is a community developer. Note that the private sector includes private for-profit entities and private non-profit organizations. A more practical definition of a community development professional would be anyone working in a government, non-profit or other organization whose job definition involves improving certain aspects of a community for benefit of the community itself. For example, a person working for county government might have the title “**community development specialist**” and be responsible for improving one or more aspects of the community such as housing or health care availability.

This indistinct boundary between full-time professionals whose job description includes community development and other professionals working in health care, education, and so on that have community development impacts underscores the close relationship between community development and these related disciplines. When professionals in all these fields are more aware of the community development impacts of their jobs, the overall community development effort is strengthened. For example, a city planner should certainly design a land-use plan with the safety and convenience of community residents in mind, but should also be aware of the potential impacts of the plan on economic development, housing affordability, or any number of overall community development issues.

The economic development profession, on the other hand, is usually more distinct and readily defined. It is important to note that both disciplines have recognized professional certifications. As discussed

previously, economic development involves activities such as creating new jobs and increasing household or per capita incomes – *eliciting structural change within the area's economy*. To accomplish this, economic developers may recruit new companies, work to retain and expand existing companies, facilitate new business start-ups, and engage in related activities. Economic developers are employed by a variety of public and private organizations, usually with clearly defined economic development responsibilities. In some communities, economic development activities are concentrated in the public sector (*e.g., a national or county department of economic development*) while in others they may be concentrated in the private sector (*e.g., Creative Arts Society of Kenya*). In most communities, economic development responsibilities are shared by the public and private sectors.

Finally, there are the community and economic development volunteers. These include residents participating in community and economic development activities such as public meetings, planning sessions or community initiatives as well as board members of community and economic development organizations.

Success in community and economic development requires dedicated, well-trained professionals and volunteers' working together effectively for the community's benefit.

# Social Capital

## CHAPTER TWO

In this previous chapter, we have distinguished social capital (*sometimes called social capacity*) from human, physical, financial, and environmental capital. All of these constitute resources that communities need to function. The extent to which communities have these forms of capital influences their ability to accomplish tasks and to develop themselves.

Development of a community includes, in part, the building of its social capacity. Conversely, the level of a community's social capacity both influences the way development evolves for that specific community and the pace at which its development efforts can occur. We have defined social capacity and social capital; explaining how the social capital of communities relates to the process of community development, both as an antecedent that predisposes a community to further development in the “community development chain” and, as a consequence, a feature of the community that increases as a result of community development. The discussion in this chapter places emphasis on social relationships embedded within, and distributed throughout a community. Individuals can amass social capital, as well as other forms of capital. They can have strong ties to social networks that enable them to do things for themselves. However, unless the social capital that they possess becomes a resource available to be used by the entire community, it has little or no direct effect upon that community's development.

### ***What is Social Capital?***

Analogous to other forms of capital (*e.g., financial, human*), social capital constitutes a resource. It provides value to individuals and can also benefit communities. It has effects, often called “externalities,” in economics literature.

No single definition has achieved universal acceptance though eventually a common standard may emerge. Most definitions stress interconnections among people or social networks. Early definitions tended to place emphasis on how individuals could use social relationships as a resource to accomplish goals; they did not add a community dimension to the definition. More recent definitions tend to

recognize the distinction between social capital at the individual level and social capital at the community level.

Eventually, however, social scientists realized that social capital that was in the control of individuals, but not shared with others within the same community, does not fit into the “community development chain”. It does not necessarily produce community social capacity that affects the ability of the community to develop. In fact, individuals who have such capital can even use it to the detriment of their own or other communities.

Consider, for example:

- A gang or a network of organized criminals that lives and operates within a community but uses its close interconnections to commit crimes and to engage in acts that detract from the liveability of the community. The Kenyan example is the *Mungiki Sect* in Nanyuki and Nyeri.
- Wealthy elite residents of a small city in a developing country who separate themselves from others in the population, maintain social and business connections with individuals and organizations in other locations, and channel their financial wealth to places outside the country.
- In a financially struggling Kenyan city, a gated cluster of town homes for high-wealth residents who don't engage in ongoing relationships with the local population and who invest most of their money elsewhere.

In all the above cases, social capital, not to mention financial capital, exists within a geographically defined area. However, that capital produces few, if any, benefits for the community as a whole. In fact, those who have such capital may actually use it to exploit others in the same locality. A map of the social interconnections within any of the communities in the above examples would reveal one or both of the following:

- Individuals with no ties to other individuals in the community but to those outside the community. For example, many of the wealthy members of the developing society, such as residents of the gated community, may have strong ties with business and social associates in locations throughout the world.
- Highly cohesive social networks among one or more subsets of the community, with no strong ties between any of these networks. For example, members of criminal gangs may maintain strong ties with one another or wealthy elite residents in an area may do the same.

Recognition of the distinction between individual social capital and community social capital (*or community social capacity*) does not negate the importance of individual social capital. An individual's social capital provides an important resource for the individual; it has real effects. However, unless amalgamated with the social capital of others in the same community, it does not necessarily produce benefits for that community. **Bonding capital** ties individuals to others like themselves (*race, economic status, nationality*); **bridging capital** ties individuals to a diverse set of others, some like themselves, some not.

Community social capacity is the extent to which members of a community can work together effectively. This includes the abilities to: develop and sustain strong relationships; solve problems and make group decisions; and collaborate effectively to identify goals and get work done. Communities with high community social capacity can identify their needs; establish priorities and goals; develop plans, of which the members of that community consider themselves owners; allocate resources to carry out those plans; and carry out the joint work necessary to achieve goals.

The term “*community social capacity*” applies holistically to an entire community. It is an attribute of a community, not of any specific members. The level of community social capacity depends upon the number and strength of ties or bonds that community members have with one another. Thus, it is a form of social capital – *since it involves social networks and norms of reciprocity* – but it distinctly involves interconnections among people who reside in the same community (*defined by geographic location*).



If people who live within the same geographic area do not know one another and have little contact with one another, the likelihood is low that they can get together to define community goals or respond productively with one voice to a community issue. Their community social capacity is low. On the other hand, if people who live within the same geographic area do know one another, share a large number of social ties, and feel a commitment to the place where they live, then community social capacity is high.

The level of community social capacity (*or community social capital*) influences community development in two broad ways: structural and cognitive. Structurally, interconnections among people within a community create a web of social networks. These networks facilitate community development by enabling the flow of information, ideas, products, and services among residents. Cognitively, interconnections create a shared sense of purpose, increase commitment, promote mutual trust, and strengthen norms of reciprocity among community residents.

Communities often recognize the need to increase their social capacity and take steps to do so in a community-building process (*any identifiable set of activities pursued by a community in order to increase community social capacity*).

Fundamentally, community building concerns strengthening the capacity of neighbourhood residents, associations, and organizations to work, individually and collectively, to foster and sustain positive neighbourhood change. For individuals, community building focuses on both the capacity and empowerment of neighbourhood residents to identify and access opportunities and effect change, as well as on the development of individual leadership. For associations, community building focuses on the nature, strength, and scope of relationships (*both affective and instrumental*) among individuals within the neighbourhood and through them, connections to networks of association beyond the neighbourhood. These are ties through kinship, acquaintance or other more formal means through which information, resources, and assistance can be received and delivered. Finally, for organizations, community building centres on developing the capacity

of formal and informal institutions within the neighbourhood to provide goods and services effectively, and on the relationships among organizations both within and beyond the neighbourhood to maximize resources and coordinate strategies.

Community organizing can support community building. It refers to the process of bringing community members together and providing them with the tools to help themselves. The process may include: *identification of key local resources, the gathering of information about the community context, the development and training of local leaders to prepare them to serve effectively as representatives of the community and as full partners in an initiative, and the strengthening of the network of the various interests both internal and external to a community.*

Community building refers to activities pursued by a community in order to increase the social capacity of its members. It involves the practice of building connections among residents, and establishing positive patterns of individual and community behaviour based on mutual responsibility and ownership. There are factors that can influence the success of community building efforts, these could be:

1. **Characteristics of community:** social, psychological, and geographic attributes of a community and its residents that contribute to the success of a community building effort.
2. **Characteristics of a community-building process:** components of the process by which people attempt to build community.
3. **Characteristics of Community-building organizers:** qualities of the people who organize and lead a community-building effort such as commitment, trust, understanding, and experience.

# Community Leadership Skills

## CHAPTER THREE

In all rural areas, community after community is struggling to figure out what needs to be done to create a healthy economy and an attractive quality of life. The problem is complicated by the accelerating rate of change in the nature of economic activity, globalization, growing concerns for local educational capacity, increasing demand for a broader array of municipal services, the impact of the internet, and so on.

In particular, the dynamics of the new economy are placing additional pressure on communities to develop leaders who understand what it will take to survive as a community in this new environment. This new economy is knowledge-based and requires not only knowledgeable but also involved local leadership to take advantage of it. In addition, the shift from a manufacturing or resource-based local economy to a service economy has left many communities, and particularly rural ones, struggling to determine their destiny. Anyone traveling around Kenya or other East African countries will come across a number of communities that are responding more effectively than others to these challenging times. Why are some communities able to rise above their problems and achieve a more sustainable living and working environment, while others are bogged down in poverty, high unemployment, and a deteriorating quality of life?

The answer is most likely to be found in the quality of local leadership, often the critical ingredient that determines whether a community overcomes its limitations or remains mired in them. Evidence strongly supports the conclusion that it is the effective involvement of local leaders that leads to successful communities. In these rapidly changing times, it is critical that local leaders understand how to manage change to the benefit of their community. Furthermore, if these leaders lay out careful plans of action and pursue them with some measure of unity, it is amazing what can be accomplished to change the destiny of the community.

The premise of this chapter is that the positive impact of local leaders in community and economic development can be dramatically improved if that leadership is **enlightened and committed**. This premise seems reinforced by the growing interest in community leadership, as

seen by the increasing number of books and articles on the topic. The following pages in this chapter will provide a brief overview of how to create a stronger and more effective set of leaders in the community.

Notably, an extensive review of the literature has revealed that no one has satisfactorily defined what leadership is, especially in the context of a community. The term often refers to anyone in the community who has relatively high visibility. However, a leader should be identified as someone who is more than a widely recognized individual or a local official. Recognition alone does not constitute leadership.

Most articles and books on the topic of leadership conclude that it involves influencing the actions of others. In my book on the same topic, it's emphasised that leadership appears to be the art of getting others to want to do something you are convinced should be done. Another would argue that leadership implies followership.

A community leader emerges when he or she is able to get a number of community residents and/or businessmen to strive together willingly for leaders' goals.

### **How does one become a leader in a community?**

This doesn't occur by simply declaring oneself a leader; others need to acknowledge that leadership. The followers actually determine whatever real power the leader may have. No simple formulas or models exist to guarantee that one can achieve leadership. So, how does one attract followers? It would appear that the level of credibility of an individual is the single most significant determinant of whether he or she will be followed over time. Leaders create followers because they are able to bring about positive change in the understandings of others'. This is in contrast to leaders who emerge from a group of citizens who react to an adverse situation, often by doing nothing more than getting in front of the parade.

A leader's ability to get people to do something comes from a strong desire to see a particular outcome and a commitment to pursue that conviction. It has been said that leaders are just ordinary people with

extraordinary determination. Participants in a conference organised by the *Creative Arts Society of Kenya* in Nairobi agreed that a leader is someone with the inherent ability to visualize the goals that must be accomplished, the courage to accept the risks associated with the struggle to attain these goals, and the skills to develop a consensus.

Another important characteristic of effective leaders is their ability to inspire people. Inspire them to what? Community leaders have to believe in and communicate something worthy of inspiration. People will only be inspired if they strongly want and believe in what the leader stands for. They have to perceive that the leader is going somewhere worthwhile if they are to be persuaded to go along. The ability to communicate and to stimulate action is probably more important than any other specific personal leadership style or characteristic. Leaders must be able to make a compelling case for the current need for change, or their followers will stay satisfied with the existing situation, no matter how bad it is.

Leadership is not innate. Many seem to believe that leaders come into this world with that capability, but in reality they are nurtured. Although the basic desire and motivation to be a leader cannot be taught, if a child develops self-worth, self-confidence, and a concern for others, that individual begins the process of becoming a leader. Furthermore, basic leadership skills – *such as the ability to listen actively, to clearly state one's position, to work with others collaboratively, and to negotiate solutions* – can be developed through a combination of education, training, and experience.

Few communities are totally lacking local leaders. This leadership shows itself in the activities of local organizations, government, school districts, civic clubs, and so on. Typically, a wide range of talent exists that can be put to good use in moving the community forward. Unfortunately, far too often, local leaders don't work together toward common goals and visions for the community, and little improvement is accomplished. The good news is that, if appropriately directed, leaders can develop a shared vision and goals, and can work together to determine priorities and strategies to achieve the desired future. Additionally, when leaders of both public and private sectors work

together, a community can accomplish more than it may ever have dreamed possible.

## Power and Influence

As noted, leadership involves influencing others, particularly with respect to embracing the leader's ideas. Since power may be defined as the ability to influence the actions of others, leadership may be viewed as the effective use of power.

Power, as defined as having the strength and courage to accomplish something. *It is the ability and the desire to make choices and decisions.*

As a leader, the appropriate use of this power should be influencing others to embrace those choices and decisions. Actually, it is the perception others hold about a leader's power that enables that person to influence behaviour.

A number of ways exist to describe leadership power. For the purposes of this chapter, only two types of this power will be examined: **position power** and **personal power**.

Position power belongs to people who are able to get other individuals to do something because of their position in the community or organization. Frequently, a mayor of a city is a good example of this type of power. Often, individuals holding a position use the power of that position to try to exert the influence they want.

Personal power is awarded to individuals who derive it primarily from their followers. Personal power is the extent to which followers respect, feel good about, and are committed to their leader, and see their goals as being shared and satisfied by the goals of their leader. In other words, personal power is the extent to which people are willing to follow a particular leader. *Should I use the example of my relative, Raila Amolo Odinga? Yes!*

Your job gives you authority. Your behaviour gives you respect. Some individuals have both position power and personal power. Regardless

of the type, the amount of power or influence a leader has is related to a number of factors, including:

- Personal qualities (*appearance, age, family background, reputation, and communicativeness*).
- Control of or access to such resources as jobs, wealth, property, businesses, and prestige.
- Their professional reputation and their technical expertise.
- Their ability to get things done.
- Their confidence and positive outlook.

### *The Visionary Leader*

Recently, much research has been conducted which bears out the previous statement that leaders need vision. In the context of community development, leaders should have a strong idea about a new and desirable direction for the community. Generally, local residents receive their vision of the community from their leadership since most have not developed their own. However, unless local leaders are able to clearly articulate their visions, those will remain important only to the individual leader.

The leader's own belief in and enthusiasm for the vision is what inspires others. People will be inspired as they see how the vision can directly benefit them and how their specific needs can be satisfied. By clearly articulating a desirable vision, leaders help the community to see its potential. However, if people are to trust in the vision, they must trust those who promote it. They need to see the commitment and follow-through of their leaders. In other words, these visionary leaders must “*walk the talk.*” Ultimately, the many visions of the various key community leaders need to be merged into a compelling and shared vision held by the majority of them and, therefore, by most of the citizenry. Typically, local leaders have different ideas about what they want to see happen in their community.

However, if there is little agreement among these leaders as to what the future should hold, it is unlikely that much will happen to ensure that future. It is similar to being on a ship with no one in agreement as to its



course. The most effective means for obtaining a shared vision is to move the key local leaders and stakeholders through a consensus building process in a workshop or retreat environment. Using small group techniques, the basic elements of a common vision can be quickly and efficiently developed. The drafting of the vision can be done by a select committee or the development organization using the input received.

Despite the best efforts of visionary leaders, most of the residents of a community tend to resist getting excited over a vision that takes them into new places. They are most comfortable with what they are familiar with, and are likely to resist change. Unfortunately, it sometimes takes a crisis in the community to shake people and officials out of their complacency.

Good leadership has always been important. Leaders have been critical to communities since people first started living communally. However, the nature of the local community has been changing, which requires new thinking about effective community leadership. In the last half of the twentieth century and into the present, the mobility of Kenya's population has often resulted in a loss of this sense of community in the traditional sense of *harambee*. This has often made it easier for residents to identify with the more highly visible political leaders than with the less visible business leaders who so frequently played a key role in the past.

It is difficult for many in the community to be aware of potential private sector leadership because many of these leaders may be more involved with their businesses rather than with their local community. Their place of business has often become their community of interest.

Furthermore, as a result of globalization and competition, the business leader today typically experiences a long work day. A segment of potential leadership is thus less available during regular business hours when many traditional community development activities take place.

Many potential leaders are also being lost to the community due to the loss of local businesses that they had developed and managed there.

By the same token, the influx of branch manufacturing plants, mergers and acquisitions of businesses, retail chains, and so on create a more fluid and mobile set of managers and executives. As these potential leaders are transplanted into the community from some other location, their lack of familiarity with their new surroundings reduces their leadership impact. They are not likely to have as much desire or opportunity to neither build a following among community residents nor feel much loyalty to what may be viewed as a temporary assignment. The shortage of effective leadership is evident in business, government, education, churches, volunteer groups, and every other form of local organization.

Complaints regarding the scarcity of leadership talent in communities does not relate to the lack of people to fill organizational positions but to the lack of those who will and can be significant leaders. This presents a major challenge for the community development professionals as they try to create a higher level of leadership involvement.

Leaders can have the most significant impact if they represent the culture of the community. If the goals and values that the leader pursues are not in sync with those who will be affected by his or her decisions and actions, it is likely that not much attention will be paid to that so-called leader. This means that effective leaders need to know what the local culture really is. Useful feedback on local thinking may be obtained from constituents through such sources as the media, the mail, e-mail, faxes, and face-to-face contact. In addition, polls and surveys may be used. However, a leader must remember that polls tend to reflect rather superficial opinions that are subject to change. In addition, results from polls may not necessarily be the same as the desires and expectations of most local residents.

It would also appear that a fundamental requirement of good leadership is a set of ethical standards that reflect the moral standards of the community. Moral authority is the key to leadership! In essence, an effective leader must be able to tell the difference between right and wrong and to know when self-interest is impeding the greater good of the community.

It is critical that leaders develop trust among their constituents, a quality which results from their perception of his or her ability, level of commitment, and integrity. The trust and respect given to leaders reflects not only what they do but how they do it.

An effective leader is transformational. When the leader has a desired impact on followers, positive change occurs in the community. Effective leadership, then, should be measured by the extent to which a leader has helped to produce actual social or economic change – *a change in the way people live and work*. Transformational leaders are able to articulate a clear and powerful agenda of change that answers the question, “*Where, exactly, are you leading us over the next five to ten years?*” As was stated earlier, this transformation is more likely if the goals and desires of the leaders are compatible if not identical with those of their followers.

### ***Collaboration for Progress***

The most successful community development programs are usually effective public-private partnerships that include a high level of participation by key leaders across all sectors. In addition, these leaders/stakeholders collaborate with each other, which means they work together to creatively solve local problems. The idea is to bring people to the table; people who have different experiences, knowledge, and perspectives so that new and innovative ways may be found to bring about change. Instead of majority rule, a collaborative process seeks consensus on critical issues. This process of collaboration among the leadership in a community must be nurtured, strengthened, and managed; it doesn't happen by chance.

Unfortunately, the most powerful leaders or stakeholders in a community are rarely open to working cooperatively in solving local problems. Instead, their self-interest drives them to control local initiatives. Those who perceive that they have the most to lose will be the least likely to support significant changes, making collaboration difficult. For example, local manufacturing firms in a rural county might oppose attracting new companies because that might raise wage levels and require new expenditures on infrastructure. Or local leaders

might resist expanding the level of tourism, preferring to limit the intrusion of outsiders into the community development agenda.

Collaborative leaders are the leaders of the present and especially the future. This new type of leadership involves setting aside personal egos and working with others to come to a better decision than any individual leader would have been able to achieve in solitude. It is not telling others what to do, but facilitating a productive team process.

As a community grows in size and economic complexity, it becomes less likely that it will be dominated by just a few leaders. Instead, a multidimensional leadership structure tends to emerge, comprised of a large number of individuals with a variety of specialized interests and leadership skills. As a result, it becomes more difficult to identify many of these leaders so they can be effectively integrated into the local community development process.

Successful long-term community development requires identifying and engaging the most important and influential leaders including those individuals who are highly visible as well as those less obvious individual. It also involves assessing who among these leaders may resist collaborative efforts, how strongly, and why. Finally, it entails developing working relationships with these individuals to facilitate effective action toward community improvement.

Identifying and involving leaders in the community development planning process has two purposes:

- First, to enlist their support in the initiatives needed to stimulate the local economy, improve the quality of life, or manage local growth.
- Second, to educate them so that their vision is based on a realistic set of assumptions that may be shared among the key leadership.

It is particularly important that local business leaders are recruited. The business power structure is the only local interest group that has a continuing and consistent stake in local development policies and programs. While local policy initiatives generally come from county or

national government, these agencies feel more secure about local development policy if they have the support of the major business organizations. It is usually well recognized that these people make or influence private investment and stimulate a healthy local economy.

### ***Developing Local Leadership***

The problem of developing adequate local leadership may be considered an issue of civic capacity (*often referred to as social capital*). Extensive research on this topic has demonstrated a clear contrast between strong and weak communities. The strong communities have the following in common: *a leadership that works collaboratively, active citizen participation, a high level of volunteerism and philanthropy, and frequent public dialogue*. It takes a lot of work to make this happen on a sustained basis.

Civic leadership clearly requires strong and competent individuals. However, the overall intent of these leaders should be to empower others and increase participation in community life in order to create a better future for all (*transformational leaders*). The strategies used to enhance civic capacity include education and training, strategic thinking and planning, creating opportunities for effective volunteer involvement, and a good flow of information about the needs and assets of the community.

Smaller communities in particular tend to have a unique leadership need. Their organizations are often run by volunteer leaders with few if any paid professional staff. This reliance on volunteers for such areas as fiscal management, economic development, education, and program development and implementation, makes the need for leadership training in rural areas even more imperative.

Why have programs to improve the competence of local leadership in the community? The rationale is as follows:

- Consensus decision making by a large group of participants is more desirable than centralized decision making by a small group of officials or professionals.

- Planned change, involving widespread public participation, is possible and more desirable than unplanned or ad hoc change.
- The process that produces planned change can be learned and used by a wide variety of leaders who are interested in improving the quality of the community.
- Potential leadership competence exists throughout the population of most communities and can be developed through education, skills training, and leadership experience.

There is a strong relationship between leadership and civic capacity; thus effective leaders can help develop communications, networks, trust, and shared values among different groups in a community, thereby facilitating community and economic development.

There are now literally thousands of local, regional, and state-level leadership training programs in Kenya and other countries. Funding for these programs comes from a variety of sources including membership dues, state and foundation support. Many of them are initiated and run by non-profit organizations set up to facilitate local leadership development, for example, [Jahwar Amber Fund](#).

Participants for many of the community programs are chosen either based on their established history of local participation, from within the community, or by an employer. These programs are as diverse in length and scope as they are in number. Typically, the leadership training program lasts one year and involves day-long seminars once a month on specific high-priority topics.

The ultimate purpose of the leadership training program is to bring new individuals into community leadership and to assist existing leaders in being more effective. It is also a means for facilitating communication among leaders by providing an opportunity to work and learn together. Frequently, the leadership program involves team projects and information sharing that provides a hands-on-experience and chances towards developing an awareness of local problems and the possible solutions. Most programs have associations or networks

for their graduates so that they can continue their learning and their contributions to build stronger communities.

The leadership training programs have proven to be a good method for involving leaders and training potential ones; however, the programs in themselves do not necessarily resolve the local leadership problem. Issues of local fragmentation and lack of unity of purpose can only be effectively dealt with through a consensus building and collaborative process that involves all the relevant leadership. The community leaders need to see themselves as in the same boat, rowing together to get where they want to go.

In addition, much of the agenda for leadership training programs appears to be focused on acquiring knowledge. Participants learn how the community functions, how to plan, what community development is, and so forth. Certainly, knowledge is a necessary first step to changing leadership behaviour but, by itself not enough ingredient towards developing of new leaders. The new knowledge must be put into action; and this has usually required the acquisition of new skills. To fully learn a new skill, people must first understand it, then practice it and get feedback on their performance. Much more attention needs to be given to providing ongoing training in leadership skills at the community level.

Certain leadership skills that can be developed and maintained are:

- problem solving
- planning and goal setting
- critical thinking
- effective decision making
- conflict management tactics
- negotiation techniques
- team building and team management
- group process techniques
- effective listening.

Simply having these skills, however, does not guarantee effective leadership. The successful leader is one who is inspired and motivated to use these skills in the appropriate ways at the appropriate times.

As important as training local leaders is, it is not enough if the community is to benefit from their skills and knowledge. Frequently, the comment is heard: *“I spent a year in this leadership training program but I don’t know what to do with what I learned.”* The follow-up to all of this education and training is as important as the learning process itself.

The key is to determine how to most effectively involve these emerging leaders in the local community development process. A number of community leadership programs have set up projects that are important to their development, and involve the new leaders in them. These projects may be an important contribution to their respective communities but should be weighed against the priority development issues that each community faces. Consideration should be given to channelling the effort of these new leaders into activities that will address key development problems.

### **Motivating Local Leaders**

Leaders can be energized and motivated if they come to realize that their personal lives and their business activities are dependent on how well the community is doing. Their enthusiasm for getting involved will be greatly increased if they see that they can play an important and decisive role in creating a more positive living and business environment.

In a more practical sense, the appeal to the volunteer leader can be explained in the description that he or she will *“give up a few shillings today with the hope of making more shillings tomorrow.”* Hopefully, leaders will look at their investment of time, energy, and money as a means of gaining more for themselves as the community prospers. The selfish aspects of this are offset by those of hope. Although there is no assurance of gain for the individual, it may be hoped that if effort is made the community is likely to come out ahead.



It is important not to understate the need for personal sacrifice in soliciting the effort of the volunteer leader. On the other hand, for the community and the leader alike, the possibilities of both financial and other gain should be demonstrated clearly. In the typical community, the number of leaders willing to sacrifice their time and talent is likely to be small. However, these few can be the catalyst for making major improvements in the community.

### *Workshops/retreats*

One approach to motivate and involve local leaders is to conduct a workshop or retreat to teach them why their involvement is needed and to solicit their input regarding the development needs of the community. The key issues identified by the leaders can also be prioritized through a structured group process. The results from this process can be incorporated into the community development plan. This process is also useful for the board members of the development organization so that they can establish organizational priorities consistent with those of the community at large.

It is usually desirable to hold a retreat at some distance from the community in an unusual surrounding away from ordinary distractions. This fosters a sense of togetherness that facilitates dialogue and problem solving. Over the course of a day or more, this relative isolation also permits a continuity of discussion and input among the participants that is often impossible to achieve in a series of meetings, or within a localized workshop that allows participants to come and go as their own perceived schedules dictate.

### *Advisory councils*

Another way to involve local leaders is to enlist their participation in various organizational advisory councils. These are frequently formed by various agencies in the community to encourage input and support of their programs. Local government agencies may establish private sector advisory boards. Community development organizations may use the councils or boards for obtaining advice on a variety of key program areas.

Although advisory councils can be helpful in providing insight and a forum for ideas, it is difficult to sustain interest in such group participation. Busy leaders may tire of being part of something that is merely advisory. Furthermore, the advice given may not be heeded by the organization to which it is given, which is frustrating to the giver. As a caution, without a mechanism to address these issues systematically, advisory councils can be reduced to public forums for airing grievances.

### *Leadership trips*

A number of communities around the nation have initiated what have become known as leadership trips. Typically, elected leaders or volunteer participants focus on a particular problem in their community and then find a city that has tried and ostensibly succeeded in tackling the same problem. Visits to these selected cities can be very productive, as these visiting leaders are able to see what the community has done and hear from local leaders how they were able to accomplish it. New ideas can then be brought back and, through a process of dialogue and planning, possibly initiated in their community.

### *Task forces*

A higher and more sustained level of leadership involvement can occur through establishing task forces to deal with specific aspects of community development. They are called task forces because their assignments are usually focused on tasks or areas of need and members are generally appointed for a specific and reasonable length of time. Task forces can present opportunities to incorporate the expertise and interest of leaders and volunteers into productive channels of activity through direct membership in or consultation to the task force.

Enthusiasm toward their task force appointments can be much higher if the members know they have been carefully selected and are made to feel that their participation is an honour as well as an important contribution.

A task force approach provides the advantages of: (1) concentrated activity within a designated time frame; (2) working in a collaborative group; and (3) being part of a network of influence.

Typical concerns of task forces established for community development programs are:

- population growth and housing availability
- workforce development
- stability of the local economic base (e.g., *business retention and expansion*)
- land planning and environmental considerations (e.g., *“sustainable development,” “smart growth”*)
- quality of life trends
- infrastructural demands and capabilities
- local education improvement
- marketing strategies
- program funding
- technology development.

The precise size of such a group will be determined to a large extent by its purpose and the representation needed in its membership. Unless wider representation is needed, most task forces or committees should comprise fewer than 20 people. A smaller task force or committee increases the opportunities for each member to take part and business can be handled in a more informal fashion.

Smaller committees not only assemble more efficiently for meetings but tend to be more flexible and able to handle sensitive or controversial topics. It should be kept in mind that task forces or committees are usually not meant to be action-oriented organizations. These leadership groups are policy makers, thinkers, and planners; they are not doers. Their satisfaction comes from seeing things happen in the community as a result of actions in which they took part. Their role is to help the community development organization: (1) *think through problems*, (2) *encourage education when needed*, (3) *determine priorities and timing*, (4) *mobilize financial support as appropriate*, and (5) *support and promote a plan of action*. The job of

implementing the programs then falls on the governmental agencies or private sector organizations responsible for these programs.

### ***Board positions***

One of the most important roles that community leaders can play is membership on the board of directors of the local development organization.

However, the board should be an integral part of the organization rather than only a group to whom the executive director reports periodically. The skills and contacts of these leaders usually offer a great deal toward implementing the community development program.

On the other hand, the board should understand that its primary responsibilities are to set policy and evaluate results. They should not take an active role in the day-to-day implementation of that policy (*micromanagement*), which is strictly a staff function.

### **Leadership in Community and Economic Development.**

Leadership and community and economic development share many common elements. As discussed in this chapter, leaders study their community situation, solicit widespread input from all concerned parties, build consensus, create and communicate a shared vision, and motivate people to implement the community plan. Rather than immediately dictating a plan of action, leaders learn about the issues facing their community through an assessment process. Building consensus, creating a shared vision, and communicating effectively are all cornerstones of the community development process, as well as being critical to successful economic development. Such development flows from creating a **development ready** community that not only has a strong physical infrastructure for businesses (*prepared sites, good transportation, utilities*), but offers good education, health care, and an overall good quality of life.

All too often, citizens do not fully understand the importance of making their community *development-ready* and quick decisions are

made without adequate thought and planning. In some communities, the attitude is “*let’s find a piece of land and develop an industrial park immediately,*” which frequently leads to a rash decision to buy a less marketable (*and often cheaper*) piece of property. Worse yet, the community’s attitude may be “*this is a great community and business should want to join us; we’ll help them find a site when they decide to locate here.*” The fallacy of this attitude is that most businesses would chose instead to find a good prepared site, or building in another community, rather than run the inherent risk of delay in new site development and, in turn, incur a financial penalty from a later start-up.

With effective leadership, such a scenario would be less likely to occur. Exercising the skills discussed in this chapter, a good leader would make the community development-ready by encouraging it to develop a vision and plan, conducting an assessment of its strengths and weaknesses, and developing both a step-by-step strategic plan and a marketing plan to attract industry to that community.

# The Community Workforce

## CHAPTER FOUR

Workforce development strategies have become increasingly important in recent years as predictions concerning a “new economy” have begun to play out in the lives of individuals, businesses, and communities.

Scenarios formulated in the early 1990s predicted that Kenya would lose large numbers of low-skilled jobs to developed countries. It was thought that the loss of these jobs would be replaced by better jobs created as a result of technology and innovation. As it turns out, these predictions were correct but incomplete. The realization of the predicted impact of technology and globalization on the local economy was constant, often harsh, and with no apparent relief in sight. Now, a decade later, Kenya is not only dealing with the expected loss of low-skilled, low-wage jobs, but additionally many desirable high-skilled, high-wage jobs are being lost to countries with well-educated workers such as Qatar, India and China. The need to develop a workforce that can withstand the pressure will continue as countries such as China – *soon to become the number one English-speaking country in the world* – become well equipped towards a global economic dominance.

As the workforces of Kenya and other third-world countries compete for jobs in an international arena; policy and practice must be revolutionized to meet the demands of this new environment. A public school system designed for the rural, agricultural economy of the post-colonial independence must now prepare students to succeed in a very different twenty-first-century life.

Colleges and universities that have not evolved, responsive to the world changes but remain grounded in academic tradition and policy must become more deliberate to their role in economic prosperity.

Immigration policies that are politically driven must be revamped to permit the flow of needed talent into the country, especially in light of expected shortages due to the aging and illiterate Kenyan workforce. County and national workforce development programs that struggle to keep up with the emerging needs of business and industry in this ultra-competitive environment must be streamlined with policies that easily adapt to changing conditions. Perhaps most important, some observers believe that the Kenya as a society has not demonstrated an

understanding of the value for lifelong learning nor a willingness to demand rigor and excellence of all students at all points along the educational system. The changing economic realities of the twenty-first century cannot be predicted with certainty but communities can prepare with a variety of tools, and a flexible workforce is among the most essential.

## Primary and Secondary Education

Attention to early education is the most cost-effective strategy to increase the number of skilled workers in the workforce. Primary and secondary education provides students with strong foundations in reading, writing, mathematics, reasoning, and computer skills. It also paves the way for success in higher education and placement in employment.

Community leaders often mistakenly focus workforce development efforts too narrowly, thinking only in terms of customized training for industrial recruitment or business retention. In reality, holistic workforce development begins in earnest at the secondary level with career exploration, academic preparation for postsecondary education, or technical preparation for entry into apprenticeship programs or job placement. Numerous reports and studies affirm that academic achievement at the high school level is extremely important in preparation for the high-skilled, high-wage, high-demand jobs of the new economy. This is equally true for the vocational student who traditionally moved through the education system focusing almost exclusively on trades-based studies, with less emphasis on academics such as math and communications skills that are now required across all levels and types of employment.

To make significant progress, public education can no longer engage in business as usual. Kenya must consider new approaches to public education commensurate with that required of industry as it faces the challenges of the new economy. The standard approach to **8 - 4 - 4** education has changed only marginally since 2010. After decades of **educational reform** and immense increases in funding, far too many high school graduates still leave public education with inadequate



skills for the workplace, or require remedial classes to raise their level of academic proficiency for college. High schools must do a better job of preparing students for either entry into the workforce or postsecondary education, as both are equally important to a competitive workforce.

Unfortunately, education reform has been slow to non-existent, which results in Kenyan students lagging behind their peers in countries that compete with global businesses for the best and brightest talent, the currency of the new economy. To demonstrate the significance of this brain drain, consider that 25 percent of the Chinese population with the highest IQs is greater than the total population of Kenya. This means that China has more honours students than the Kenya has children, which certainly positions China to compete for high-skill and high-wage jobs.

Because **8 - 4 - 4** education is the foundation of all future learning, a comprehensive workforce development strategy should include support and advocacy for excellence in education, beginning with **8 - 4 - 4** and extending through two- and four-year postsecondary institutions. The issues surrounding **8 - 4 - 4** reform are very difficult and often controversial but community leaders and community developers must find ways to facilitate a rational public discussion of the issue. Support for educational reform must be included if workforce development efforts are to be effective.

### Postsecondary Education

If a community or state is to increase its competitive standing nationally and internationally, more graduating high school seniors and working adults must start or return to college. Postsecondary education is a crucial way that working adults can acquire the skills and credentials necessary to succeed in current and emerging business and industry. Unfortunately, since working adults have full-time jobs and family responsibilities, they often lack the time, money, and flexibility of schedule to fit into traditional higher education models. Recent studies report that working adults get very little financial aid from national or county resources. Working adults who hold full-time jobs

are typically able to attend school on a less than half-time basis, which renders them ineligible for most aid.

The problem is not just the absence of financing but, on the part of most institutions of higher education, the lack of programs and schedules developed to accommodate working adults. Degree attainment and other credential requirements often seem too daunting for a working adult attending school part-time, who may have been out of school for several years and may require some level of basic skills remediation. The pathway connecting education with improved jobs is obstructed for many adults. The counties do not effectively provide the financial aid, student support, and basic skills remediation essential for working adult students to advance in their education and career.

Yet, the ability to compete effectively in the new economy is directly related to a community's or nation's ability to increase the educational attainment of all its citizens, from those with minimal job skills to those seeking the highest in academic achievement. Numerous national studies have confirmed the direct correlation between academic attainment and earnings potential. The benefits of postsecondary education accrue not only to individuals but to families, communities, states, and to the nation as a whole. For individual citizens, it is well documented by the Kenya Bureau of Statistics (*in population census data and other sources*) that personal and family *lifetime* earnings increase directly with higher education levels. The bureau also documents that quality of life factors, such as improved health for individuals and families, are dramatically enhanced by higher levels of education.

As quality of life issues are improved for the citizens of a state, the need for other state programs directed toward health issues and correctional activities is reduced. Policy makers increasingly recognize that improving educational attainment is a key ingredient in their efforts to strengthen economic competitiveness and enhance quality of life. The role and contributions of community colleges in workforce development initiatives cannot be overstated.

These institutions are uniquely positioned as the bridge between high school and university studies, yet are flexible enough to offer classes responsive to general community needs. Community colleges provide developmental, remedial classes to high school graduates without college-level academic preparation, and provide continuing education for non-degree-seeking students.

These various approaches to education are important to the overall level of workforce quality, making a strong community college a valuable local asset. Because community colleges are deeply embedded in the local community, they are naturally attuned to the needs of local business and industry. Typically, community colleges are the institution of choice for non-traditional students above the age of **25** who also happen to make up the majority of the local workforce.

Community colleges are extremely important in producing students to fill critical shortages in occupations such as nursing; providing industry certifications such as **KNEC** and **TVET**; offering services that help students transition from secondary to postsecondary education or from postsecondary into the workplace; and providing direct services to local employers and organizations.

One of the most common barriers to educational attainment is the difficulty encountered by students as they progress through the separate secondary and postsecondary systems. Rare is the occasion when high schools and colleges develop occupational programs of study with curricula that are **aligned**.

Aligned systems allow for articulation agreements; that is, concurrent and dual enrolment programs designed to allow high school students to acquire college credit prior to graduation. To facilitate this alignment, there is need to establish career clusters; this will provide a framework for grouping occupations according to common knowledge and skills.

Using sequences of coursework required at secondary and post-secondary levels, a career pathway provides a student with a plan of study that leads to specific occupational titles found in his or her career cluster. Rather than training for a specific job, this allows students to

acquire skills that are transferable across related occupational fields. For example, the health science career cluster includes pathways for therapeutic services, diagnostic services, health informatics, support services, and biotechnology research and development.

A student wishing to become a nurse would develop a plan of study in the therapeutic services pathway, which would include foundational skills that would be transferable to the other pathways in the health sciences career cluster if desired at a later time. This plan of study would map core, technical, and elective coursework beginning with the ninth grade through graduation. If the high school and the post-secondary institution have aligned coursework using the career cluster framework, the student could also map courses required for the nursing degree and identify opportunities to take college-level work while in high school. This would save tuition fees and reduce the time between high school and employment.

Siaya County has enhanced its career pathways initiatives with career coaches – *community college employees who spend most of their time on high school campuses, where they serve as resource specialists for career planning and connect students with businesses and community colleges*. To further support the career pathways initiative, Nyanza Province is piloting the “Middle College” concept which will provide an opportunity for high school dropouts between the ages of 18 and 24 to attain a pre-college diploma and enrol in college coursework that will enhance basic workforce skills as well as count toward a certificate or an associate degree and attainment of a workforce readiness certificate.

Career pathways to improve adult post-secondary attainment initiatives can be designed for secondary to post-secondary transitions. However, career pathways are also needed to enable adult individuals to advance, particularly in high-wage, high-growth careers, and to meet the long-term demands of the new economy. A framework of study must be developed to help an adult student start at the beginning of the career path, if necessary, then move along the path to a certificate or degree.

Steps along the path could include basic skills development, earning a pre-college diploma, learning how to integrate education into work, how to be successful with higher level responsibilities, and how to manage wages. The pathway is not a single program, but a collective framework of multiple programs and services to serve the client at all points along the path.

Workforce development has often been aimed at one career path, which is much too narrow to apply in today's economy. Institutions must now focus on the entire client, not just the skill the community wants to learn. This new focus will help communities raise the standard of living for themselves as well as future members of their families. Too often in the past, workforce training programs relied on someone else to focus on the personal and social development needs of the community, which resulted in confusion as to who was responsible.

Therefore, workforce development must now be an entire approach organized with an economic development focus applied to the current and future training of communities. At the same time, it must provide lifelong learning, a wide range of employment support services, and attention to character development and career awareness. Thus, a much broader scope of organizations and individuals must be involved in the design and delivery of the new workforce development program.

### ***Developing a demand driven workforce development system***

Designing an effective workforce development system requires a new thought process. Traditionally, workforce training has focused on job training – *developing the specific skills necessary for a particular job as well as the human interaction and leadership skills required for the team approaches of the past decade*. Unfortunately, this approach may result in limited training and preparation, designed to move individuals into entry-level jobs without consideration of long-term skill development, thereby increasing the number of working poor. Job training must be differentiated from workforce development, as the former is but a single strategy and too narrow for a comprehensive workforce development plan.

The world we have created is a product of our thinking; it cannot be changed without changing our thinking.

The ideal workforce development approach is a demand-driven system of both short- and long-term programs and policies which integrate workers, employers, educators, community and economic developers, and government policies into one seamless system. The system must be coordinated as well as flexible and responsive to changing economic conditions. It must include strategies for incumbent workers, the unemployed and the underemployed, special needs populations, mature workers, and the future workforce. This will require ongoing collaboration among employers, trade associations, and labour organizations, economic developers, public and private secondary and post-secondary institutions, and community-based non-profit organizations.

Workforce development strategies for the twenty-first century should be grounded in the community development process and support the economic development needs of the community. An effective demand-driven workforce development system will both bridge the traditionally separate policy domains of education, labour, and economic development, and address both demand-and supply-side issues.

The demand side includes workforce development policies and programs that respond to employer needs in finding and retaining qualified workers, and increasing their skills so that the employer can be more competitive. This may include employer practices that increase on-the-job learning and getting employees to work in teams. On the supply side, workforce development systems that support short and long-term economic priorities by producing increased skills among current and future workers.

These systems help people find and keep jobs and advance in employment, with programs for out-of-school youth, those already working, those seeking employment, and special populations such as women, minorities, and the disabled. What sets demand-driven systems apart from other approaches is the focus on lifelong learning and advancement.

To achieve this, systemic changes will be required in education policy to improve achievement levels of all students, to offer alternative pathways which facilitate lifelong learning, and to create more flexible credentials and course delivery methods that allow working adults to attain education in small increments over extended periods of time.

The community development process highlighted in this book should be the basis for a workforce development plan because it should be part of a larger overall strategic plan for the community. Since most communities have an established workforce development entity, it may be that a review, redirection, or consolidation of efforts is in order rather than starting from scratch. Common elements of most effective programs include programs that are employer/employee centred, maintain strong networks of diverse partnerships between government and community-based organizations, contain employers who value training for their employees, and serve a network of clusters in the industry, government, and educational sectors. In addition to the community development process, the following are points to consider when developing a demand-driven workforce development system:

- *Establish a vision for the workforce network supported by an action plan with key indicator targets and performance measures.* The vision and action plan should contain labour market policies that both support local and regional economic development goals for job creation and economic growth, and contain financial strategies and incentives that support public and private sector investment in skills development.
- *Ensure that the vision and subsequent decision making are data-and-fact-driven to provide an analysis of the labour market including current economic conditions, major forces, and local trends.* Use data and creativity to replace bureaucracy with innovation.
- *Involve all stakeholders in visioning and planning, especially if agencies may be eliminated, reduced, or combined.* Develop strategic linkages among stakeholder groups including service providers (*secondary and postsecondary educators, county*

*agencies, private companies*); government agencies (*policy makers, national and county funding sources*); and community-based organizations and individual citizens. In this way, the system will be characterized by responsiveness to economic needs, continuous improvement, and results-based accountability. Because industry representatives are the best source of information for layoff aversion strategies, as well as of advance knowledge related to preparing for emerging jobs, they are critical team members in developing workforce strategies.

- *Give strong consideration to regional programs since today's mobile workforce is not necessarily restricted to a specific municipality or county.* Because economies are regional in nature, develop workforce development strategies that are also regionally focused. Develop industry-led regional skills alliances to address areas of skills shortages across the region, in order to provide training for industry clusters rather than individual companies.
- *Design incumbent worker training programs so that recipient firms are required to develop long-term, work-based training plans before financial assistance is provided.* Firms should be required to consider overall training needs rather than providing quick fixes for immediate needs.
- *Build a seamless learning system that produce graduates with marketable skills.* To achieve this, education must be viewed as one system rather than separate secondary and postsecondary silos. It also involves advocating for overall high school reform and implementing increased linkages between high school and college.
- *Make sure higher education understands the economy and advises students of current and emerging job opportunities so that education is aligned with available employment opportunities.* Increase resources for community colleges so that services can be expanded towards students pursuing a



four-year degree, those seeking technical certifications for beginning employment, and incumbent workers needing to acquire new skills to keep abreast of changes in the workplace. This will help people raise their standards of living through increased educational attainment.

- *Create strategies for certifying knowledge and skills that are recognized by employers though gained outside the formal education system, and build pathways for continuing education in the informal and formal learning systems for adults and youth including literacy programs, apprenticeship, vocational training, youth development, technology-enabled learning, and alternative education programs.*

# Marketing The Community

## CHAPTER FIVE

The competition to attract new investment and jobs into communities is fierce. There are thousands of communities competing for business expansion and relocation projects annually. In today's economy, the competition for new investment is increasingly global. Communities must also market themselves to firms already located in their areas (*business retention*) and to new business start-ups. Marketing is a critical component of a successful community and economic development program.

Communities market themselves to a variety of entities: *new firms, existing firms, non-profit organizations, tourists, new residents, restaurant chains, and so on*. While the principles behind marketing to these various audiences are similar, the specifics of marketing programs vary according to the target audience.

*What does marketing mean in the specific context of economic development?*

Let us start with a broad definition of marketing and narrow it down to the economic development field.

**General marketing:** *“The performance of business activities that direct the flow of goods and services from producer to consumer”* This is a broad, consumer product definition of marketing.

**Societal marketing:** *“To determine the needs, wants and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being”*. This is getting closer to a definition of marketing in the economic development context. In order to attract new investment that will create jobs and benefit the community at large, communities are trying to meet the needs and wants of their target markets. A company or organization needs a good location for business.

This, in turn, is a complex and multifaceted concept including potentially hundreds of factors affecting business operations.

***Economic development marketing:*** “*Creating an image in the minds of key company executives who rarely make expansion decisions; staying in contact with them so that when the time comes to act, they consider a particular community; and, finally, ensuring that their business location needs are fully satisfied.*”

Community marketing may be divided into four broad steps:

- Define the product and message.
- Identify the audience.
- Distribute the message and create awareness.
- Satisfy the needs and wants of the customer.

***Define the product and message:***

It would be remiss to discuss community marketing without covering two of the key elements on which a marketing program must be based: community SWOT analysis (*strengths, weaknesses, opportunities, and threats*) and strategic visioning and planning.

A SWOT analysis identifies the economic development strengths and weaknesses of a community. Which community strengths – *such as highly productive and trained labour force, good utility cost and service, and supportive local government* – will attract industry? Conversely, which weaknesses – *such as inadequate transportation infrastructure, lack of available industrial site and buildings, and permitting difficulties* – will hurt the recruitment of new businesses, retention and expansion of existing community, and new business start-ups? All the basic site selection factors should be covered but there will also be community-specific issues that will surface in the analysis such as factions quarrelling over which direction the community should go. Opportunities might include economic development potential from an excellent community college while threats might include the potential closure of a local plant.

It should be obvious why a SWOT analysis is such a critical component of community marketing. If an audit of strengths and weaknesses hasn't been conducted, how can a product (*the community*)

be defined and made attractive to its potential audiences (*types of industries*)? Many communities claim they are a great place to “*live, work, and play.*” However, what specific set of assets does a community have relative to the thousands of others also vying for new investment? Without a SWOT analysis this question cannot be answered, the product cannot be defined, nor can an effective marketing image and campaign be created. A SWOT analysis also identifies the weaknesses and threats that need to be addressed in the short and long term.

The SWOT analysis gives the community a foundation on which to base effective community strategic planning and visioning. Once community leaders and citizens compare their economic development strengths and weaknesses with those of other communities, they can more effectively chart a direction for future growth and development. So many communities want to attract the next automobile assembly plant or company headquarters, yet have a completely unrealistic assessment of their chances for attracting such large projects. Perhaps they should focus instead on smaller advanced manufacturing companies or customer support centres. It is great to dream about a future in which the community is growing and attracting high-paying jobs, but if a dream is unrealistic it will likely never happen.

Another component of strategic planning and visioning involves what the community wants to be in the future. Does it want to focus on attracting manufacturing and service firms, or does it want to become a “*bedroom*” community and thus rely more on tourism and retail and jobs in surrounding communities to support its residents? Again, it is easy to understand why strategic planning and visioning is critical to an effective marketing campaign. Without this element based on SWOT analysis a community does not even know to whom it wants to market. Imagine that a person wakes up one day and decides to get in their car and go somewhere. However, they are not sure where to go or why, so they drive around aimlessly and return two hours later, happy they made good time on the highway. Their neighbours and family would certainly question the person’s sanity. Community marketing without a SWOT analysis and strategic plan is just as pointless.

## *Marketing Image*

A fundamental part of defining the product and marketing message is to create an effective marketing image. A community marketing image may be defined as: “The sum of beliefs, ideas and impressions that people (*residents, target audience, outside public, etc.*) have of a place”. Another term often used for image is the “market brand” of a community.

The image or brand of a community or place can profoundly affect companies’ location decisions; a community’s image often determines whether it is on the initial facility location search list or not. Once the shortlist of locations has been selected, it also often has an intangible but strong effect on the final location decision. Most of the time, when the decision is down to the final two or three communities, the profit and cost profiles of the final communities are similar. The final decision is affected by a number of intangible factors including image.

For example, a company executive might be afraid to recommend a location with a negative image for fear his management and board of directors would think he was making a mistake.

A marketing image should be:

- valid,
- believable,
- simple,
- appealing,
- distinctive (*not just another great place to live, work and play*),
- related to the target audience.

If the marketing image does not meet these criteria it can do more harm than good to a community. Slogans and logos may be used to communicate a community’s image and rise above the marketing clutter of hundreds or thousands of other communities. Slogans are briefly stated ideas, themes, or “catchphrases” used to convey a community’s or area’s image.

Logos are graphic or pictorial images used to help convey a community's image. They can provide a visual unifying theme for marketing materials such as brochures; letterheads; and promotional giveaways such as key chains, pens, coasters, and so on. Again, themes and logos must clearly reflect a community's carefully crafted marketing image. It has been said that we live in a sound-bite world today and slogans and logos can be effective in instantly communicating an image.

### *Identify the audience*

After the community image and message have been crafted, the next step is to identify the audience for the development marketing campaign. That market is certainly broad with an audience includes:

- Outside companies, site selection consultants, industrial real estate companies, and others involved in corporate expansion (*recruitment*).
- Lead-generating economic development organizations (*e.g., state and regional economic development organizations, utilities*).
- Existing businesses already in the community (*business retention and expansion*).
- Entrepreneurs (*new business start-ups*).

This group may be referred to as an external marketing audience: *those organizations and individuals that can help a community attract investment and create jobs*. There is another marketing audience that can be referred to as internal:

- Community stakeholders (*e.g., elected officials, board members, sponsors*).
- Media (*newspapers, TV, radio*).
- The general public.

Community and economic development organizations need to communicate with this internal audience so that they may continue to secure strong cooperation and support in the overall development

effort. Many economic development marketing programs have died premature deaths because not enough attention was given to ensuring that a strong community coalition stayed together to support the overall effort. This is one area where community development and economic development have a strong overlap.

The external development marketing audience is still quite large and successful, and communities identify their prime prospects by drilling down to specific sectors and organizations in the marketplace. This is critical because communities have limited marketing budgets and cannot spread their resources too thinly by marketing to a broad audience that may not even be interested in their message. The challenge is to identify those industries and companies that would be most likely to view a community as a potential location match. In order to do this, communities need to segment their markets.

Community economic development market segments include:

- *Sector/industry:* Manufacturing, service, professional, wholesale/distribution, and so on. Within each sector (*e.g., manufacturing*), which industries would make the best targets (*e.g., auto parts, plastics, electronics*)?
- *Geography:* It would probably be more fruitful to try to recruit companies in higher cost locations (urban area rather than similar rural areas nearby).
- *Type of company/organization:* Smaller communities may be better off targeting smaller, privately owned firms. Larger communities can target these as well, but also may want to target larger, publicly traded companies. Again, it is all about the best match with the community. Substantial effort should be given to the target industry analysis because this often makes the difference between a successful and unsuccessful marketing campaign.



Target industry selection criteria include:

- A match between the locations needs of the industries and the strengths/weaknesses of the community (*from the SWOT analysis*).
- Historical and potential growth rates of industries.
- Skill levels and wage rates of industries.
- Diversification potential of the industries for the local economy.
- Other community-specific considerations such as environmental friendliness, industry image, and so on.

Once the target industries are selected, the next step is to identify companies in those industries that will make likely targets for recruiting. The community should look for companies that are most likely to expand and that also meet the above mentioned criteria of geography, company size, and ownership.

The target industry and company selection process must be based on sound research. Large amounts of data on growth rates, location criteria, and patterns should be collected and analysed in order to select the best targets. Many communities hire professional consultants or rely on local universities to assist with this complicated procedure. If the community undertakes the analysis itself, there are numerous sources of information on industries and companies that are available through government and private organizations. So much of this is now only a few clicks away on the Internet.

### *Distribute message and create awareness*

After creating the message and identifying the target audience, the third basic step in community marketing is to distribute the message and create awareness. There are different means a community can use to distribute its marketing message and promote itself.

The mix of marketing elements should be chosen very carefully and with much research in order to make the best use of limited marketing budget.

Ways to promote and market a community for economic development include:

- *Advertising.* Media choices include television, radio, and print. Types of print media for economic development advertising include national business publications such as the East African Business Week. However, advertising in these national publications is quite expensive and probably not feasible for smaller communities. Other print media include industry trade publications oriented toward industries. Industry trade publications are read by executives within specific industries and thus may be used to reach a community's target industries. Site selection and development magazines target corporate executives that are typically involved in corporate expansion decisions but which cover a broad range of industries. There are other niche print publications, such as local business journals and private-sector magazines that communities can explore as potential advertising options.
- *Direct mail.* We are all regularly bombarded with "junk mail" and 99 percent of it winds up unopened in the trash. However, many communities operate successful direct mail campaigns aimed specifically at the industries and companies they have carefully selected, as described above. Research shows that repeated mailing to a select audience has a much higher response rate than general blanket mailings. If a community sends out 1000 targeted mailings, gets 10 company prospects, and lands one new company, the benefit will be tremendous even though the batting average is low.
- *Email.* Many communities use email to market themselves. Some email messages are direct "sales pitches" while others are electronic copies of newsletters, announcements, etc. Targeted email can be effective but random mass e-mailings are usually treated as just more spam.
- *Trade shows.* Many communities successfully market themselves to their target industries at trade shows. There may

be hundreds of executives from a target industry there, so attendance can be a very cost-effective way to reach the target audience. Many communities buy or share booths at the trade show and stock them with marketing materials. Others just “walk the floor” and look for opportunities to meet executives from key companies face-to-face.

- *Personal contact.* This is one of the best ways to market a community but it is often difficult and expensive to get a personal contact opportunity with a corporate executive. Trade shows are one way to do this, as is the telemarketing follow-up which is part of the direct mail campaign discussed above. Another personal contact method is to visit prospects, but this is expensive and is usually done after a prospect has expressed interest in a community.
- *Networking.* Many leads come to communities through networking with other economic development officials and agencies. Networking contacts should include the state economic development agency, utility companies, real estate brokers and developers, site selection consultants, existing employers in the community, railroads, and other organizations that may know of expanding companies.
- *Public relations.* While all of the above activities may be considered public relations, to get their message out to their target audience and general public, successful communities have even more proactive programs at their disposal. Local, regional, and state news channels (*television, radio, and print*) should be regularly sent press releases and otherwise contacted to get the community’s name in print and publicize significant events.
- *Websites.* The Internet is now a primary way to gather information; and site selection data is no exception. It is almost taken for granted today that a community will have a website with relevant economic development information. Not having one sends a negative message to potential investors. In

addition to containing basic economic and demographic information about a community, a website can contain testimonials from local executives, preferably in audio or video format; community pictures; and interactive video “*virtual tours*” of the community.

Types of marketing materials include:

- **Brochures:** One of the best formats is a six-to-eight-page four-color professional brochure highlighting the economic development assets and liveability of the community. However, these can be expensive so many communities opt for “desktop” versions.
- **Postcards and other brief mailings:** As discussed above, these brief reminder pieces sent out quarterly or semi-annually help keep a community in the minds of target company executives.
- **Community profiles:** These are more in-depth fact books about communities. Often 15 to 20 or more pages in length, they are really more valuable as a follow-up tool once an executive’s interest in a community has been piqued. Brochures or other shorter pieces should be used to create the initial interest.
- **Audio-visual presentations:** This category includes CDs, DVDs, computer presentations, and the like. They can be expensive to develop and are being replaced in many instances by websites that can do the same thing over the internet at the click of a mouse. However, these presentations can be effective as a downstream selling tool once initial interest and specific contacts have been established. Mass mailings of these media are almost never effective.
- **Promotional items:** This category includes T-shirts, pens, tote bags, and many, many other creative items. As mentioned

above, these promotional gifts can help with community branding and imaging.

- **Newsletters:** Short newsletters mailed to prospects can be effective marketing tools. However, newsletters mailed to the external audience should not contain purely local information such as the date of the next city council meeting. Instead, newsletters sent to the external audience should briefly highlight recent positive developments, company locations, and expansions in the community.

### *Satisfying the needs and wants of the customer*

The final basic step in marketing the community is satisfying the needs and wants of the customer. Marketing calls upon everyone in the organization to think (like) and serve the customer. This is a critical but often overlooked distinction in community marketing.

Development organizations must keep their focus on attracting and satisfying the needs and wants of the companies, tourists, restaurants, non-profits, or other groups they are trying to attract. When making a location decision, most companies refer to a “must-have” (*or needs*) list of key location drivers for the particular project. These might include a skilled labour force, low tax rates, low transportation costs, high-quality utilities, or any number of factors. In addition to the needs list, they usually have a “want” list that might include a low cost of living, good education, recreational opportunities, and so on. It should be stressed that all company location projects are unique. There is no universal list of top location factors. Obviously the location criteria for a steel mill are different from those of a corporate research and development centre or non-profit organization.

Attracting companies and new investment often requires communities to be flexible and make accommodations for companies such as improving water and sewer infrastructure, helping with labour training, or granting incentives. Of course it is up to the community to decide which accommodations to make, if any, based on the economic

benefits of new corporate investment and on the desires and values of local residents.

## The Marketing Plan

A marketing plan is the roadmap communities follow for successful promotion. It should be a written document widely agreed upon by all elements of the community. The marketing plan should contain:

- A mission statement for the marketing plan and a vision statement for the community.
- A situation analysis (*SWOT analysis summary*).
- A description of the target audience (industries and companies).
- Marketing goals and objectives.
- Strategic action items to achieve each objective.
- Budget and resource requirements.
- Clearly defined staff requirements and positions.
- Clearly defined responsibilities of participating organizations and stakeholders.

Marketing goals are what a community or other entity has set out to accomplish. For example, a major goal of a marketing plan could be to *“attract new business and industry to the county through an aggressive targeted marketing campaign.”* Marketing objectives generally describe what needs to be done to achieve the goal. An example of an objective could be to *“Convince prospects with an active project to visit the county.”* Strategic action items are specific, measurable activities designed to accomplish an objective. An example could be to *“Invite corporate prospects as expense-paid guests to enjoy the county’s Siaya County Arts Festival and local duarr hunting.”*

Marketing plans may be 10 or 100 pages long, depending on the community and level of detail desired. Too little detail causes the marketing plan to be viewed as just another general statement of goals and objectives; too much detail can discourage local stakeholders from reading the plan and buying into it. Detailed marketing plans are best and they can include an executive summary for the general public’s benefit.

Marketing plans should be dynamic. No one can predict with certainty how the various elements of the plan will work in practice.

As the community learns about the elements of the marketing program that work best and as external conditions such as the economic situation change, the marketing plan should be revisited and modified at least yearly.

### *The regional approach to marketing*

Marketing a community can be a very expensive activity. Advertising, travel to trade shows, developing promotional materials and other marketing activities often require significant budgets which may be beyond the means of smaller communities. For example, a booth at a major trade show can cost tens of thousands of shillings. Yet in a global economy with increased competition for investment, tourism, and other economic activities, it is even more important to have an effective marketing program to “*get on the radar screen.*”

In the past several years there has been a trend toward regional marketing whereby adjacent communities join together to develop and support a joint marketing program. In this way, smaller communities can pool resources and compete with larger communities. This joint approach has many added benefits including better geographical recognition and encouraging adjacent communities to cooperate in other ways such as joint infrastructure development. Larger communities can also benefit from regional marketing.

Regardless of whether a community takes a regional approach or a “*go-it-alone*” approach, careful consideration must be given to developing the right kind of marketing program to ensure positive returns on invested resources. Many communities fall prey to the ideal community syndrome and throw money at ineffective marketing campaigns that portray them as the best place in the world to locate any business.

To be effective, as discussed in this chapter, marketing campaigns should be targeted, focused, and credible. Targeting involves segmenting the market and selecting the right industries and companies (*or tourists or other targets*), being focused means selecting the right media for the message, and being credible means crafting the right image and message that is believable and resonates with the marketing audience.



# Establishing A Community Based Organisation

CHAPTER six

So, you want to start a community-based-organization (CBO) or a community development corporation (CDC). You've looked around the community and found something you think should be or could be made better, be it economic development, health care, housing or transportation. You've assembled a few similar thinkers and you are all committed to doing something positive. That usually leads to forming an organizational committee that will lead to a formal community-based-organization that will lead to. . . .

Stop! Before the first bylaw is written, before the first officer is elected, there are some basic organizational structuring steps that, if taken, will save time and effort and create a more productive and sustainable organization. A little thought and deliberation at this juncture will pay great dividends over time.

Starting a community organization should be approached with as much care as starting a small business . . . because that's exactly what you are contemplating. Both must plan, market, manage staff, create revenue streams and maintain cash flow. The important point for CBOs is to give as much attention to the process of running the organization as it has passion for the project.

By definition, community development is about organizing people and resources to accomplish common goals. Therefore, one of the most fundamental questions facing community developers is, "*How should we be organized?*"

To determine this, make sure you're asking the correct question. The initial question should not be, "*How do we become a CBO?*" It should be, "*How can we get better and more affordable housing for all?*"

Keep focused on the destination, not the vehicle in which you will be traveling. This is not always as easy as it sounds, especially in the formative stages of group process when strangers come together to pursue a passion. Some will be very type **A** and get bogged down in the mechanics of organization. Others will be so driven by the passion for the project that they will want to skip important foundation-building requirements. The remainder may get lost in the debate and go

elsewhere with their time and talent. Articulate what it is that you want to happen in the community and use this as the compass to guide all future decisions.

The next logical question would then be, “*Is there anyone else already doing this?*” Determine if there are organizations already addressing your concerns because the best interests of the community are not served when too many organizations compete for the same resources. If there are others, you may elect to simply join their group, or to proceed with establishing your organization and form a collaborative arrangement with the existing organization, or to focus on another issue in community development. Just be sure you are not fragmenting scarce community resources with your admirable zeal to do good.

## **Mission and Purpose**

A clearly defined mission statement is critical, but even more critical is its constant use to guide strategic decision making. It establishes what will be done, who will be involved, and how the community will be affected. The mission statement is what keeps your ship in the correct ocean.

While crafting the mission statement, it is important to recognize that there are four different types of community development functions and people – *organizers, developers, planners, and resource providers* – and that each has different purposes and expected outcomes.

Organizers are about advocacy and empowerment, about influence and being heard, about applying political pressure, or staging protests. Organizers are likely to congregate in neighbourhood coalitions organized around social issues. These groups can focus attention on a need previously ignored and provoke resource commitments previously unavailable.

Developers are project centred and about doing, creating, and building. Development projects can require substantial resources to deliver the products or services making the organization dependent upon outside support and relationships. Developers require a wide range of technical

and administrative skills to accomplish complex and time-consuming, long-term projects. Development organizations vary widely in scope and can be independent or networked, simple or complex.

Planners are about visioning and charting a course of action. They compare the past to the present and develop a roadmap for the future. Planners examine possibilities and pull the pieces together into a larger picture. While elements of planning are found in all CBOs, some organizations form purely for the purpose of strategic planning and must be able to bring together diverse groups to create a shared vision. It is not uncommon for planning organizations to complete the planning process and then regroup into development organizations.

Resource providers are just what the name implies. They are about giving and assisting. Providers include private and public charities, non-profit organizations, government agencies, private individuals and businesses, faith-based organizations, and human service agencies.

### **Is the organization feasible?**

A worthy cause supported by a workable plan, with sufficient funding and competent leadership will generally generate sufficient organizational capacity. Capacity includes:

1. Short- and long-term strategic plans.
2. Professional and/or volunteer staffing with effective leadership and management skills.
3. Sufficient available facilities and equipment.
4. Sustainable financial resources and sufficient cash flow to provide for the organization's operations.

Capacity also includes the credibility and influence of those leading the organization, a track record of demonstrated ability to achieve results, and a constituency base that can provide political influence.

### *Is there a business plan?*

The most important use of a business plan is to ground the organization in reality and provide operational guidance for daily decisions. A business plan should include:

1. A description of the organization (*what it will do and how it will help*).
2. A marketing plan (*who will be served and how they will be reached*).
3. A financial plan (*start-up financing, expenses, revenues, and cash flow*).
4. A management plan (*description of the management team's experience*).

A business plan increases the chances of securing funding; helps identify strengths and weaknesses of the organization, and provides a way to measure actual results against what was planned. There are some who will resist a formal business plan, seeing it as a waste of time. *“We don't have time for all of that; we know what needs to be done. Let's just get busy.”* Reach agreement among the governing body that the business plan will be adhered to. Stand firm for formal planning; it is time well spent.

### *Can we pay the bills?*

*“It takes money to make money”* is as true for non-profits as it is for private business. The only difference is that in the non-profit world, *“money”* takes many forms. It may be cash, in-kind, volunteers, or institutional support. The bottom line is that the organization must have sufficient start-up support to get organized and secure initial and sustained funding. Most small businesses fail because of inadequate cash flow and CBOs are no different. According to an unknown sage, *“The not-for-profit that doesn't make a profit is a bankrupt not-for-profit.”*

## **Partner and Grant Organizations for Local Community Development**

Community-based organizations do not exist in a vacuum. They must establish local relationships as well as partnerships with state and federal agencies and organizations throughout the public, private, and non-profit sectors.

### ***Public sector***

#### ***Public sector county programs***

A review of county agencies in Kenya, will indicate that resources from such agencies most commonly flow to their own regional wards, to the national and other government entities, to regional economic development authorities, to educational institutions, or to non-profits.

These entities may then distribute the resources further until they are received by a local development organization, an intermediary linking government funding with a private sector entity, non-profit or an individual consumer.

#### ***Public sector state programs***

Every state has an agency that delivers economic and community development programs using a variety of organizational models. The superagency structure combines all functions of primary economic and community development activities – *such as economic development, workforce development, and tourism* – out of a single centralized administrative unit. The regional structure is also a single department but services are delivered through a clearly defined network of regional offices and regional advisory councils.

The umbrella-structured agency centralizes policy and administration with daily operations executed by a network of private non-profit corporations and related state agencies (*e.g., tourism, workforce development*). The private sector structured agency basically outsources its programs through a state-level public-private partnership. State development agencies also provide community betterment programs with awards and recognition when a community

meets certain levels of achievement in community development. These programs may be run entirely by the state agency or in partnership with other organizations. It is also common for an independent organization to take the lead in these programs with support coming from the state agency.

### *Public sector university-based programs*

University centres are partnerships between national government and academia that mobilize the vast resources of universities for development purposes. Partially funded by the **Constituency Development Fund**, these centres perform research to support development of public policy and economic programs. They may also initiate special development projects and consult with government agencies, businesses, media, and the general public.

Local universities play important roles in business development through business incubators for technology or biotechnology and are the funnel through which flow extremely important national research and development budget. Fully accessing the resources of colleges and universities should be a priority when organizing the community for development. The Small Medium Enterprise Centres (SMECs) are partnerships between the micro-finance administration and local universities. The SMEC network has a central state-wide office and also includes regional sub-centres which provide assistance direct to the business owner. This is partly facilitated by the Kenya Private Sector Alliance (KEPSA).

### *Private sector*

Private sector companies and organizations participate in community development through grants, technical assistance, and staff involvement in community leadership roles. Utilities, banks, and private developers are the most common private enterprises to undertake community development activities and they are generally involved in activities that relate to their specific business mission or that will create revenue-generating opportunities for them. Electric utilities in particular offer extensive support in prospect leads and

responses, community preparation, and leadership development. Corporate grants and contributions are valuable resources and it is important to establish relationships with the local manager or economic development representative.

### ***types of community-based-organizations***

Community-based-organizations are too numerous to describe fully but they can generally be categorized as independent organizations, networks, partnerships or regional initiatives.

#### *Independent organizations*

The local Chamber of Commerce is perhaps the most pervasive community-based-organization and represents the fundamental organizational structure for CBOs – *a volunteer board of directors with committees*. Chambers pursue a variety of interests including economic development, leadership programs, community promotions, governmental affairs, and are as diverse as the communities they serve.

Because Chambers are such familiar organizations, there is little need to describe them in detail but they should be recognized for the direct and indirect impact they have on a community. A community with a strong, progressive Chamber is likely to be a very successful and competitive one.

The Rotary Club, PTA, and the Boys and Girls Club are other examples of local CBOs that need to be brought into the mainstream of community development at the local level.

### **Community Development Corporations**

A community development corporation (CDC) is a non-profit organization that serves a particular geographic area and is normally controlled by its residents. A board of directors, usually elected from the membership, governs CDCs and may also have board positions reserved for representatives of key local institutions such as banks,



county government, or the hospital. A paid staff and volunteers execute the programs of work.

Some CDCs focus on one issue, such as housing, while others pursue a wide range of activities from grass-roots advocacy to job creation. CDCs may vary in focus but they have one thing in common - they are entirely focused on the issues that are unique to the local community. In many ways, CDCs are the purest example of a grass-roots development organization. A good example is the Adhengo Institute.

This CDC depends upon collaborative efforts and must be very astute in developing relationships and building partnerships. Typical partners has included faith-based institutions, non-profits, government departments and agencies, private developers and businesses, banks, national and state intermediaries, social service agencies, schools and colleges, and others related to the specific mission of the institute.

### *Networks*

A network is formed when two or more organizations collaborate to achieve common goals; to solve problems or issues too large to face independently; to leverage the power of numbers in exercising influence or flexing political muscle; to maximize limited financial and human resources of a community by reducing duplication of organizations; or to operate more efficiently in concert with others.

#### Information exchange networks

Networks may be as simple as an arrangement to exchange information among organizations or businesses that share common interests such as trade associations or *chamber-based-leads-groups*. Leads Groups are structured so that there is only one company per business type represented in the group – *one bank, one utility, one lawyer*.

Group members share business opportunities, and doing business with one another is encouraged.

## Service delivery networks

Other networks, such as the International Council of AIDS Services Organizations (ICASO), are very sophisticated and can be very high maintenance. ICASO is a massive network of numerous CBOs providing prevention and/or treatment services for AIDS patients and is organized from the local to international levels. Networks can be very effective in addressing social issues, especially those that are multi-dimensional.

### *Business corporates*

In 2007, a small group of community members in South Africa established an artist network to help the creatives develop a business mindset with start-ups. Over time, the network developed chapters in other African countries and such chapters transformed to become national societies. For example the Creative Arts Society of Kenya that not only provides business incubator models to serve upcoming artists in the niche markets but additionally clusters the specific creative companies including fashion designers and provide support services, access to capital, and cooperatively owned theatres.

Over time, we have seen the development of venture capital corporates, with the likes of Jahwar Amber Fund and the HEVA Fund, both providing technical and start-up assistance to local artist organizations and creative entrepreneurs, and access to shared theatre and digital market distribution hub. Adhengo Boaz & Associates also falls within this bracket of business corporates.

## **Public-Private Partnerships**

Public–private partnerships (PPPs) are collaborative arrangements between government and the private sector that involve the public partner paying, reimbursing, or transferring a public asset to a private partner in return for goods or services. Government today struggles to deliver public services, often forced to choose between harmful reductions or significant tax increases. PPPs can provide a welcome alternative.

Outsourcing and privatization are fairly straightforward, but the blending of the two is much more complex. PPPs are not always well received, with strong opinions on both sides. Supporters cite cost savings of up to 40 percent while realizing more innovation and improved quality of service. Detractors fear violations of constitutional or statutory law, private sector greed, lack of accountability, and an increase in unemployment. The debate can be very polarizing, so it is important to focus on actual case studies when exploring the potential benefits of implementing a local public–private partnership. PPPs often pair up competitors to create a win-win partnership.

One of the most visible community-based organizations is usually the economic development agency. Perhaps the most successful model for economic development is the public–private partnership, which comes in various forms. Some communities have separate non-profit economic development organizations funded by local government monies and private sector contributions. In other communities, the local government sector may provide funding to the economic development agency housed in the Chamber of Commerce. Nationally, the average funding share for local economic development is approximately 50 percent public and 50 percent private.

The litmus test for assessing effectiveness of PPPs is this: Has the partnership enabled government to act more efficiently and better utilize its limited resources to meet critical societal needs? Has the public been well served by the public–private partnership? While there is clear evidence supporting the use of PPPs, there are important cautions to take when delivering essential public services:

- Provide for public involvement in the process through community meetings or public hearings to educate and gain approval from affected constituencies.
- Allow considerable time for the planning process.
- Provide for public disclosure of the PPP agreement including financial arrangements and guarantees.
- Clearly define performance guarantees and associated penalties and/or incentives in contracts to minimize the risk of disreputable contractors in the marketplace.

- Finally, don't eliminate the potential of PPPs because of their complexity or newness. Consider them as one possibility among many that may be utilized for community development.



This book is made available for free download due to the generous donations of many who appreciate reading from Boaz Adhengo. You too can make a donation using the M-PESA method.

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