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Nothing New: A Small Enterprise Development Project in West Africa

by Aaron Barlow and Bronwyn Hughes

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For a long time many people saw the developing world as an empty pit, pouring in skills, goods, and money to fill it. More and more, this pit appears bottomless, basic human conditions within it only worsening. Project benefits are not lasting. Little seems sustainable.



Why?

Perhaps because these failed projects depend too heavily on foreign funding and skills.

Too often, development projects simply foster dependency. When the aid worker leaves, or the money stops, benefits end.

By arriving on site with technical skills and specific agendas, aid workers often assume the value of their offering and break what should be one of the basic rules of development: Never ask yes-or-no questions. Technically-trained workers do not ask local people what is needed, or even where; by their presence, the specialists ask solely that the project, the gift, be accepted. Community interests are not taken into account; local desire is taken for granted. Not surprisingly, then, when the push behind the project leaves, so do the benefits.

What can foreign aid workers do in the face of this?

At the very least, they can let local communities define their own development needs, thereby becoming expeditors (rather than sponsors) of local initiative. Rather than only bringing outside items to the developing world, they can work with what is already there, augmenting extant possibilities rather than creating new ones. The energy behind projects, then, is local and likely to stay when the foreigner leaves.

This article presents a specific strategy for the aid worker wishing to encourage income-generating enterprises followed by an analysis of the initiation of a construction-supplies business in the north of Togo, West Africa in the late 1980s. This article also stresses project assessment as insurance against failure for the aid organization. Together, these can lead to self-sustaining projects and the furthering of real development.

The methodology presented here is intended for aid workers encouraging income-generating projects. Though it may have some relevance to projects in other areas, such as health, education, and infrastructure, this strategy relies on economic incentive, something not generally considered a part of the public domain. Still, if the ultimate goal is to develop a self-sustaining economy that can finance its own clinics, schools, and bridges, then small-enterprise development of this sort must be a priority.

The selection of any development project should begin with research into past development activities and with exploration of the milieu. Project possibilities, though they will present themselves along the way, should not be the focus of this research. They will arise as the aid worker learns about the community. Eventually, by conducting simple viability/feasibility studies, the aid worker can determine which of the project possibilities that have cropped up would most benefit the community. The selected project then can be defined for eventual assessment through the establishment of specific viability standards.

Before arriving on site, aid workers should make a priority of completing secondary research into all past projects in the location where they will work, finding out which organizations have worked on what projects over the years, whether they have continued or what the conclusion of the project was. This is part of a skill-transfer circle aid workers should participate in, both coming in and going out. It also allows aid workers to place themselves within the evolving patterns created by all the different development organizations, foreign and domestic. Whatever their successes or failures, past projects have impact on the local communities. Knowledge of them not only guides the aid worker into the avenues of the possible but gives insight into what the attitudes of the population might be.

Of course, primary research into the community occurs at the site itself. It cannot happen anywhere else. To succeed, income-generating projects must meet specific needs by using available talents and resources. These are unknown from afar. We can say, "Everyone should have electricity; no one should be unable to read at night" but we might not be doing non-electrified villages a favor. Literacy may be low, books unavailable, and the subsistence economy may not be able to afford the power. Besides, what readers there are may be doing quite well with kerosene lanterns. We can only learn what a locality really needs by direct experience within it.

Among initial areas for aid workers to explore are local patterns of consumption and production, power structures, and ethnic issues. Not only will understanding of them allow the aid worker to avoid project-ruining traps, but they will lead to other topics, eventually providing, one hopes, an accurate conception of the community.

The best way to learn about a local economy is to get involved with it as a consumer or even as a producer. By cooking with locally grown foods, for example, an aid worker can learn more about seasonal shortages and gluts, about supply and demand in the area, and about local tastes than is possible by eating imported packaged foods. The aid worker can participate in the supply side of the market by starting a garden, experiencing its problems, and watching the interest it generates. These activities will also provide interaction with members of the community on a base level, providing an entry into it that might not otherwise prove possible.

A small construction project involving locally available materials and labor can also teach a great deal about needs and resources. Not only will the later, income-generating project probably require structure, but any construction necessitates interaction with a number of different parts of the community. Permissions may be necessary; workers must be contracted; materials need to be located and bought. Through a small project, the possibilities and limitations of local methods of construction can be thoroughly explored. Building a local-style house or even a shed is an excellent way to participate in the local economy. It does not really matter what the project is—as long as the aid worker is involved in every step, the knowledge desired will be gained.

In many developing countries, a post-colonial power structure continues in the process of replacing traditional hierarchies. Yet old chiefs, religious leaders, and even healers can still influence what goes on in their villages, even where appointees from the capital have superseded them. Ignoring them can certainly endanger the eventual success of any project, even though the government's representatives may have given full support. Traditional leaders can be quite helpful as they, too, want to see projects whose nature they approve succeed. Participation in village activities, from funerals to feasts, can lead the foreigner to an understanding of who these people are, and of the role each plays in the community.

Knowledge of the ways in which local ethnic groups relate to each other is also needed as part of the exploration leading to project possibilities. Various ethnic groups often live side-by-side, sometimes with clearly defined and jealously-protected roles. In a particular community, for example, one group might control transportation while another herds cattle. This results in divergent lifestyles, affecting markets. A viable business not only respects ethnic differences but, ideally, uses them to advantage. The newcomer needs to make sure, also, that he or she does not become too closely identified with one of the groups, for only the cooperation of all can lead to truly sustainable development projects.

Through the process of getting to know the milieu, the aid worker can't help but find a number of income-generating project possibilities. No matter what the village economy is, or where, possibilities do exist, and they will suggest themselves. The truism of business holds true, no matter where one is: there's always a way to make money, if one looks hard enough. The problem for the aid worker lies in deciding which potential project might actually work to everyone's advantage, given the particularities of the milieu. Viability/feasibility studies can provide the answer. Normally, these studies concentrate on market analysis, growth potential, and cost/benefit ratios, etc. However, as part of the process of selection in a developing community, these studies should also address three

additional areas of concern: Local initiative, community benefits, and aid impact.

Before deciding on a particular project, the aid workers must demonstrate that the ideas for the project existed before his or her arrival. The aid worker's own enthusiasms are ultimately irrelevant, as viability rests in local hands. While initiative cannot be quantified, documentation of it is the most critical aspect of the study, for that documentation assures the aid worker that the project is not based on his or her own wishful thinking. If the aid worker finds a local farmer, for example, already planting hedgerows, a project based on that farmer's initiative could be contemplated. The introduction of hedgerows without "ownership" by someone local will have a lesser chance of success.

Contrary to popular belief, income-generating projects rarely enrich solely one or a small number of people. But a business receiving outside aid needs to clearly benefit the community as a whole. It could provide employment, increase availability of needed goods, or become a conduit for sale of local produce. Whatever its intended results, they should be able to be clearly expressed to the entire community. Jealousies do arise, but they can be stemmed if it can be demonstrated that the benefits affect all. Therefore, their extent should be demonstrated in the preliminary study, and the means of expressing them should be outlined. The aid worker must keep in mind that the objective of development, even in an income-generating project, is not to maximize profits but to benefit the most people, though these ends are not mutually exclusive.

Once feasibility, viability, local initiative, and community-benefit possibilities have been documented, it remains to be shown that outside aid will play a positive role in the project. Aid can be of value to local enterprises in any of three ways: It can speed results so that community benefits begin earlier; it can amplify benefits; or it can add flexibility, allowing the business to take advantage of opportunities as they arise. If one of these cannot be demonstrated as a possibility, the business is either already sufficient or is not worth furthering. Aid, after all, should never be its own reason for being.

Unlike infrastructure projects such as bridges and wells, income-generating projects do not have obvious end-points. Within initial project selection, then, a threshold for viability and evaluation must be established. By selecting specific, quantifiable criteria for their phased withdrawal from enterprises, aid workers can define their own purposely limited roles within on-going operations and provide a means for eventual evaluation. The point at which aid workers can consider their projects successes, of course, is when benefits have reached to community as a whole and will continue without further outside assistance. That is, when the project has proved sustainable.

If the methodology has been followed to this point, implementation of the project should require little actual hands-on assistance from the aid worker. In fact, the less the aid worker does at this stage, the more successful the project will be. When implementation requires supervision by the aid worker, local initiative is insufficient to make the project a success in the long term.

All too often, aid workers find themselves the only ones at the sites of their endeavors, or resort to extorting work out of reluctant local people. A project

implemented in this manner will never survive the aid worker's departure. To avoid this, aid workers should limit their roles in implementation, focusing their energies, for example, on liaison with funding agencies, if that is required, or on accounting for funding receipts.

From the aid worker's perspective, project assessment is as important as project selection; it even employs many of the same skills. The project as a whole should be viewed as an experiment, and the aid worker an unobtrusive (for the most part) lab worker employing the scientific method. Like a scientist, the aid worker should study the effects of forces set in motion, but should not tamper with the results. This means that time for assessment must be built into the project from the beginning. It also means that aid workers should not confuse the importance of their personal contributions to development with the successes or failures of projects.

Assessment is based on an analysis of the project in terms of the viability standards established during project selection. It is possible, however, that the standards themselves have proven irrelevant after the project's implementation. But these standards do provide a reference point from which the impact of the project can be objectively measured. As with any experiment, however, unforeseen results will come about, and these too must be analyzed. They may even prove to be the most interesting part of the assessment.

Documentation and project follow-up brings the aid worker and the project back onto the skill-transfer circle mentioned above, at least within the particular development organization. When the development organization makes such documentation available to new aid workers, it adds to the store of secondary research materials, enriching new projects in turn. With this information transfer, the aid organization's own development also continues.

By creating projects that, in effect, reinforce existing enterprises, benefits from development projects are much more likely to last after the aid workers leave. To be effective, then, the aid worker does not need to be an expert in any particular field, for the expertise behind the project should have already existed locally. Even if the project relies on the introduction of a new concept, expertise for implementation needs to have prior existence in the community. Successful introduction of a new type of cart, for example, constructed of wood and bicycle wheels requires that local carpenters and bicycle mechanics understand and back the project. After all, they will be building and maintaining the carts.

In any project, the aid worker's role should be limited to selecting the project, acting as liaison with any necessary funding agency, weaning the project from reliance on funding, and assessing the project results. The aid worker's legacy, in fact, should not be visible in the enterprise assisted (those carts, in use, should not even arouse comment), but rather it should only be seen by future aid workers through its place within the aforementioned skill-transfer circle.

What follows is a case study of a United States Peace Corps project in Barkoissi, Togo, West Africa. Bronwyn Hughes was the primary Peace Corps Volunteer involved. Funding for the village construction-supplies business project came from the Peace Corps' Small Project Assistance fund in 1989.

The possibility for a construction-supplies business project came to Hughes' attention through her daily interaction with the people in Barkoissi, the village where she had been posted. She found that, when she needed bookcases or beds made, or chairs, she often had to wait. The wood needed was rarely available immediately. This, she found, was true for everyone in the village, when they wanted something constructed of wood. After discussing the situation with one of the local carpenters, Hughes, impressed by the thoughts he put forward on the subject, pursued the possibility as a secondary project. She felt the initiative was there in the carpenter and that the community as a whole would benefit if she facilitated realization of the business.

When Hughes had arrived at her assigned village she had known that she was to be the fifth consecutive Peace Corps Volunteer to serve there. However, no background on either the work of the four previous volunteers or the work of other development organizations in the area had been made available to her. Her training had concentrated on developing proficiency in French, the country's official language. As a result, Hughes had not done any research on previous projects in the village of Barkoissi and so had no idea of where she stood in the development continuum. The skill-transfer circle had broken down, if it had ever existed at all.

Frustrated by her lack of knowledge, Hughes compiled a simple village profile so that she could begin to see where she could be of use:

Population: Five thousand; one-half school-age or younger.

Infrastructure: No electricity; water from hand pumps; no telephones or two-way radios.

Location: Forty kilometers south of the regional capital; six-hundred kilometers from the national capital; on the region's one paved road.

Seasons: Growing (rains): June to December; Construction (dry): December to June.

Economy: Primarily subsistence agriculture; some cotton as cash crop; weekly market is third-largest in region.

Schools: Primary and middle.

Medical: Dispensary (one nurse).

Government Services: Fruit-tree nursery; two agriculture extension agents; animal-traction center; vaccination center; veterinarian.

Non-Governmental Organizations: One church mission; one private international charity; one Peace Corps Volunteer.

During her first months on site, Hughes explored the village and surrounding area. She did not yet have enough insight into the patterns of village life to select a project beyond her established work with agricultural cooperatives. Her primary research included the items detailed above, including looking into patterns of consumption and production, power structures, and ethnic issues. In addition, she investigated the local means for obtaining supplies from the regional capital, a result of her own waits for supplies.

Influx of capital to the village comes through cash-crop revenues. Outflux goes through purchase of cheap manufactured goods such as cloth, lanterns and bicycles and raw construction materials. The local market, though large, offers primarily a supply of a limited variety of foodstuffs. Only a few food items come

from outside; the supply of local grains, meats, and vegetables is sufficient for village needs.

The most curious thing about the village, Hughes decided, was the nearly complete lack of formal businesses. Most villages of comparable size in Togo have at least one dry-goods store. Villages on the paved road usually also have a gas station, a restaurant, and an auto-parts shop. Outside of the bars on the paved road, all this village had was an informal sector of carpenters, masons, bicycle mechanics, and blacksmiths, trades. Demand suggested to Hughes that any small retail or materials-supply business would likely succeed there.

The village chief, elected for life, Hughes found, has popular support but little actual power. Real power rests in the hands of the prefect, whose offices are in the nearest town, thirty kilometers away. The chief officiates at ceremonies such as funerals and oversees rites of passage. The prefect, appointed by the country's president, controls police, customs, schools, and taxation within the prefecture. Any action requiring popular approval needs the chief's support; any requiring official sanction must get it from the prefect. Successful businesses in the region work through both. Hughes quickly realized that any business she assisted would have to have the enthusiastic support of both the traditional and governmental authorities were it to succeed.

The village population is ethnically homogeneous, aside from the small group of functionaries posted by the government. These functionaries do not see the village as their home and consequently they participate in village life as foreigners. Most merchants, however, are not from the local area, typically, because pressures to support extended-family members and friends drain resources. Most are in the village only on market days, anyway, traveling an established weekly or monthly circuit.

The owner of one of the bars on the paved road provides a number of services for the village, such as selling gasoline that he dispenses in wine bottles. More importantly, the bar owner was the only means for obtaining supplies otherwise available only in the regional capital. He stopped passing trucks and gave the drivers orders and money. A few days later, other passing trucks would drop off the goods. The bar owner and truck drivers had to be paid for their intermediary services. The system was painfully slow and unnecessarily costly, but it generally worked.

In the process of setting up her own house, Hughes had ordered furniture from a local cooperative carpentry team. She had noticed how industrious the team could be, often working without a break from sun-up to sundown. The head carpenter, Boukary Kombate, part of the family in the compound next to her own house, seemed unusually conscientious and responsive to customers. Initially, therefore, Hughes did not expect the team to take more than a week to fill her order, for the work was not difficult, but she did not receive all her furniture for four months.

The problem behind the delay was simple. Milled wood was not available in the village and deliveries from the regional capital were sporadic, backing up orders. When the carpentry team had wood, it worked furiously; when the wood ran out, the team sat idle and orders went unfilled. Given the team's desire to work

and given excess demand from customers, the wood bottleneck caused frustrating unemployment and, consequently, unnecessarily low production. Waiting for wood for her own furniture, the team's problem became Hughes' problem.

The solution was also simple: Buy wood in bulk. When Hughes asked Kombate if he had considered this, he explained that a bulk order takes a large capital investment and requires storage space the team did not have. He showed Hughes a notebook in which he had already totaled the costs for a shed and an initial stock of construction materials. At the rate he was saving, however, he told her it would be a number of years before he would be in a position to undertake such a project.

Thinking about what he had said, Hughes decided that a small amount of outside funding might expedite Kombate's business to the advantage of Kombate, the carpentry team, and the whole community. Taking Kombate's plans and calculations as a starting point, she soon defined a project based on a possibility frontier expanded by outside funding sufficient to get the project off the ground but small enough to avoid, she hoped, jealousy on the part of others in the village. She hoped, in fact, to provide the funding in the form of a loan that could be publicly paid back, both to counter any charges of favoritism and to encourage others, who might later present similar ideas.

Effective boosting of the carpentry cooperative's productivity would entail the creation of an entirely separate business. Clearly, local availability of wood would help the cooperative. But a construction-supplies business would have to be viable on its own. Consequently, the project was to be focused on the market for construction supplies in the village, not merely as a conduit to the cooperative. The cooperative would be merely one beneficiary of the new business.

Kombate had envisioned starting a construction-supplies business of his own. Though a member of the cooperative, he had never planned on running his business collectively. He had seen too many cooperative enterprises fall apart from limited responsibilities and felt he could manage the new business more effectively on his own, which was why he had been saving his own money for it, rather than involving others. While working together on construction projects had proven to be mutually advantageous, the same, he felt, did not hold for money management.

Eventually, Hughes designed the project to include funding for two purposes. Where Kombate had imagined a mud-brick shed, Hughes, with Kombate, planned for a durable cement building with room for business expansion. Funding would also address the initial stock. Hughes and Kombate decided it would be best to start with only a purchase of wood. Profit from wood sales would fund eventual expansion into cement, tin, and nails.

Though Hughes felt that the ideal outside funding for projects such as this one would be a loan, no rotating loan system existed in the village and none of the development organizations were set up to issue or collect on loans. This frustrated Hughes, for she believed that collectible loans promote responsibility and a personal investment necessary for business success where a grant does not.

Because she had no choice but to use a grant to fund the business, Hughes decided to find another way to introduce some of the impact of a loan to the business. As part of this, she built in credit from the wood supplier as part of the payment for the initial stock. Rather than requesting funding for the whole first load of wood, she asked for half. Kombate would then owe the supplier for the other half of the first load, to be paid through profits from sales before reordering. Though not as ideal as a loan, credit introduced an element of risk and, thus, financial responsibility on Kombate's part.

In addition, Hughes included as a part of the project a community-service venture to be paid for and implemented by Kombate. At the end of the construction season, he would plant one-thousand trees to combat deforestation in the area. To the community, this would suggest the role business can play in village development. To Kombate, it would be a reminder that the funding organization viewed the business as a tool towards reaching a further goal, not simply as charity for him. The selection of reforestation as a community-development project, also, is environmentally appropriate for a lumber business.

Through her initial study before embarking on the project, Hughes determined to her satisfaction that the two prior conditions to starting any business would be met. First, she showed that the profit margin was sufficient to sustain the business, meaning it would be viable. Second, she verified its feasibility through market research on demand for wood in the village.

The price of red wood in the regional capital was then stable at six-thousand-five-hundred francs per plank. The same plank would sell for four thousand francs in the south of the country. The reason more people were not buying wood in the south to sell in the north was that transport costs on small quantities are prohibitive. However, Kombate had discovered that, with available capital for a minimum truck-load order of one-hundred-and-sixty planks, the supplier normally provides transport at no cost. The mark-up of over fifty percent on sales in the village would more than cover the minimal costs of running the business and could fuel future expansion.

During the previous construction season, the construction cooperative alone used over two-hundred planks of red wood bought piece-meal from suppliers in the regional capital. First-year goals for the construction-supplies business only required that one truck-load of one-hundred-and-sixty planks be sold. The demand from the cooperative alone, then, would make the supplies business feasible.

Examples of the cooperative's work included:

- Chairs for a local school;
- Tables for the dispensary;
- Latrine doors for a project in a neighboring village;
- Replacement of straw roofs with rafters and tin; and
- Window frames.

The assumption was that the entire community, like the cooperative, would prefer to buy materials in the village, eliminating time delays and transport costs from the regional capital. In addition, local availability of wood would likely

spur even more construction projects. Guaranteed demand from the cooperative plus potential markets made it feasible to assume that several truck-loads of wood could be sold during the supply business's first season. The new business would eliminate transport costs and time delays for the villagers in the purchase of construction supplies. It would increase productivity and employment within the carpentry cooperative. As the first formal business in the area, it would stand as an example, encouraging other entrepreneurs. These factors together add up to economic growth for the whole community.

Kombate's own notebooks containing his plans proved that the idea for the construction-supplies business had existed before Hughes' arrival, that she was not introducing an outside idea into the village. Though he was not yet ready to build his shed, Kombate had even obtained rights to land in a central location in the village. To start saving for the business, he had also opened an interest-bearing savings account at the bank in the regional capital. These combined to assure Hughes that the energy behind the project would not be her own.

The outside funding that Hughes could bring to the project would augment community benefits from the business for two reasons. First, the new business would become immediately possible, speeding Kombate's own process up by about ten years (by Hughes' estimate based on her analysis of Kombate's numbers). Second, funding would add flexibility to the business and would allow the carpentry cooperative to take advantage of a one-time opportunity: That year an aid organization had authorized funding for wood and for commissioning carpenters to build one desk and one chair for every primary-school student in the village. If the new business were in place in time, the funds would stimulate the local economy instead of the regional capital's, benefiting the local community twice.

At this point, Hughes established viability standards by which she would gauge the project's success or failure from the point-of-view of the funding organization. The following standards comprised the viability threshold she envisioned for this project:

- The initial stock of wood is sold and the balance paid in the first season.
- The second load has been ordered, delivered, and paid in full.
- An accounting system is in place and running smoothly.
- The reforestation project is complete.

Once the project had been discovered and defined, and funding had been obtained (a process unique to each situation, and outside the purview of this article), construction of the enhanced shed could begin. The metamorphosis then commencing, from a funded idea to an open business, involved four phases: Site selection, obtaining authorizations, building construction, and what proved to be a "wood crisis."

Property rights in the developing world may not be clear cut. Land in Kombate's village is not traditionally bought or sold but is handed down through the family. If someone outside of a particular family wants to build on a certain parcel of land, the system is to offer millet beer to the head of the household as a start of negotiations. Afterwards, once terms are agreed, all that exists in the way of a property deed is an oral contract. As indicated above, Kombate had already

received such verbal permission to build his business on a lot optimal to his needs.

Site selection is a factor in the success of any business as the site must be convenient to customers and accessible to deliveries. Part of selection is predicting the directions of business and village expansion. For example, when the paved road through Barkoissi supplanted the old dirt road, the growth of a new center of commerce changed the village focal point. Other eventualities to anticipate might be the introduction of electricity or running water. Placing the business within the stream of village development enables it to profit from change, not fall victim to it.

Problems arose for Kombate when the elder of the family that owned that land suddenly died-without having confirmed the oral contract with other family members. His replacement not only wanted the millet-beer offering again, along with the customary renegotiation, but a stake in the business. To avoid this, Kombate chose to use land that was part of his own family's tracts, though somewhat less ideally situated.

Obtaining governmental authorizations was one of the most frustrating tasks in the process of opening the business. It was necessary to allow plenty of time for this because no central source of information existed on what is required for opening a business in the area.

There was a reason, Kombate and Hughes found out, for this lack of information: Some bureaucrats capitalize on the prevalent confusion to profit through petty corruption. While there was no way around the traps the officials set, Hughes and Kombate obtained what approvals they could. They received written authorization from the prefect, notified the regional planning service, picked up forms at the tax office, and left a "gift" with the customs officials. In addition, they had the site surveyed, to insure that Kombate would be compensated for the structure they planned to build if the government ever claimed eminent domain to, for instance, run electric lines through the village.

Unfortunately, government corruption is a fact of life in much of the developing world. Later, once Kombate's business was open, a number of newly discovered "fees" popped up. They had to be paid or the business would have been closed. In some cases, these "fees" might cripple fledgling businesses, severely retarding economic development. In order to circumvent this problem, Kombate attempted to win the support of the most powerful functionaries in the region before their minions had time to impose their "fees." While there is nothing foreign aid workers can do to alleviate this problem, they should assess the extent of local corruption and discuss with the principals how to deal with it before selecting an income-generating project.

Kombate obtained the chief's permission to open a business through the traditional method of supplication over a period of time-and buying him beer. He then assured village support by throwing a groundbreaking party with plenty of food and drink, and where the village elders were the honored guests. A separate party had to be held for the carpenters' guild, whose goodwill Kombate needed to retain. Though informal, these concurrences were as important as the Governmental ones.

Once the site was assured, construction of the building started. The completed cinderblock building would have three rooms. The center room would extend further back than the other two, giving space enough for stacks of five-meter planks. One of the other rooms would be an office while the third would be empty, awaiting expansion into other construction materials. An awning extending off of the building would provide a formal work space for the carpentry cooperative (a concession to insure its support), encouraging customers to buy wood and commission carpenters at the same time. A circular drive from the paved road would allow entry to large trucks for deliveries.

When organizing his building schedule, Kombate took seasonal work patterns into consideration, something Hughes might not have thought to do, confirming for her that not only initiative, but supervision really needed to be local. In the Barkoissi area, the year is divided into two parts. For the first half, when it rains, everyone works in the fields on subsistence agriculture and some cash crops. During the other half, the dry season, people construct new buildings and repair damage wrought by the rains. Kombate wanted to open his business by the end of the harvest and the beginning of the construction season in order to maximize first-year sales. But this meant he would have to put up his own building during the most labor-intensive phase of the growing season. While this would put a strain on Kombate, the members of the cooperative who had agreed to assist him, and their families, everyone saw the business as worth the effort.

Hughes' role during construction of the building was limited by her own design. She did nothing more than write the checks for building materials and visit the site to encourage those working. Hughes merely watched as Kombate and the team finished the building in a record three months. The fact that she did not even have to be on site was further indication that initiative was independent of the aid worker and likely to continue after her departure.

Hughes had not anticipated one enormous construction expense when she estimated costs for the building. Her understanding was that Kombate and the cooperative would work without wages because the project was ultimately in their own interests. However, she did not understand the cultural imperative of supplying lunch, millet beer, and cigarettes at the site. Because the estimate had not covered this expense, the responsibility fell on Kombate as the one who stood to benefit most directly from the labor. Just as cement and tin were factored into the budget, these costs should have been seen as legitimate and included in the estimate.

Once the building was standing, a miniature crisis arose over paint. Though they had what the team thought was enough whitewash to cover the building twice, the whitewash in fact covered only one inside wall, the porous cement absorbing it like a sponge. The only paint remaining to cover the naked building was intended for bottom trim, as protection against termites. More could not be afforded within the established budget. On Hughes' suggestion, Kombate agreed to a creative solution. He would use the trim paint for a modernistic design of five crooked stripes, one by each door and window. The purpose of each room would be advertised in writing on the stripes. The idea was to circumvent the paint-shortage problem by making the bareness of the building look intentional and it would incidentally promote the business. The result is a memorable landmark.

Two lumber operations were interested in supplying wood to the business. The first supplier was close by, just across the border in the neighboring country of Ghana, but of questionable legality. The other operation was four-hundred kilometers away, in Togo, and apparently legal. Though the first supplier's proximity could cut down costs, the initial stock had to come from a legal source because it would be bought with development-agency funds. In addition, Kombate proposed to negotiate primarily with the second supplier because the supplier's brother lived next door to him and taught in the local middle school, providing another important connection.

The negotiations for the wood took place at Kombate's house over a period of five days. The supplier came up from the south of the country specifically to work out a deal. Three issues were on the table: Cost and quantity of wood, cost of transport (or who would pay), and date of delivery. When agreement was finally reached, a copy of the contract was prepared for each party. Kombate's negotiating team included Hughes and the two most important literate people in the village, while the supplier also had three witnesses, including his brother, the teacher. Both copies of the document were signed by all eight present. Half the money was paid then and there because the supplier needed funds in advance to hire loggers and transportation; the other half would be paid on reorder. Everyone expected this to be the beginning of a long and lucrative relationship.

The building was completed on schedule, just prior to the wood-delivery date. Villagers had money from the sale of their cotton harvest and were ready to begin construction projects. But, on the night before the contracted delivery date, the supplier's brother received word that the government had just put a freeze on all transport of wood. He did not know why or how long it would be before the wood arrived.

Hughes and Kombate were forced to travel the four-hundred kilometers to the supplier's operation to find out what had happened to their money. They had no other way of believing that a freeze actually existed or knowing if the wood had even been cut. As the story unfolded, they learned the extent to which business plans can be thwarted by unforeseen events, especially in developing countries where neither government nor infrastructure are particularly secure.

During their trip to see the supplier, Kombate and Hughes found out that, a week before the wood-delivery date, a child from a village in the logging area had been murdered and dismembered for a fetish ceremony. As the police were in the woods investigating, they stumbled across a number of illegal logging operations. Having no way of knowing whose already-cut wood was legal, the government put a freeze on movement of all wood in the country until the loggers collectively paid a huge fine. It would be four months before the fine was paid and the freeze lifted. Despite all their efforts to complete the buildings on time, Kombate and the cooperative were again too often sitting idle as the construction months passed, a condition encountered with frequency in developing countries.

Once wood was legally free to move at last, the sudden demand for transport caused further delays. Because only one month remained before the rains, Hughes reluctantly arranged to have a truck from Peace Corps deliver the stock. Since transport was now paid for directly by the development agency, it was

necessary to rework the terms of the contract. The overall effect of the change in delivery on the deal was to reduce the amount Kombate owed the supplier.

The wood crisis generated an important lesson for small-enterprise development: The ability to enforce terms must be built into any contract. When the wood did not arrive, Kombate and Hughes realized, among other things, that the contract they had exchanged for a great deal of money was a worthless piece of paper.

Hughes and Kombate had approached the wood agreement from their respective cultural orientations. From Hughes' perspective, a contract should specify the exact terms of agreement in writing and be signed by witnesses, giving it power in law. From Kombate's perspective, the agreement may be oral, but it should only take place between two people who know each other's family and background. Hughes expected the supplier to answer to a legal system, while Kombate expected the supplier to fear family shame. In fact, neither approach secured more than good intentions.

The best way to create an effective contract in an unknown milieu is to work at it "backwards." To imagine that the money has been stolen and then decide what document or oral contract it would be best to have. If Kombate and Hughes had been thinking in this manner, they would have realized the futility of their respective notions of contract in this situation. They would have seen that they could have no effective control over the supplier because he was too far away for the weak arm of local law to reach and even too far away to be touched by family "shame." They would have realized it would only be the brother's salary as a local teacher that could be used for leverage. Arrangements could be made to dock it in the event of supplier default. The contract, then, should have been drawn up at the prefecture, where the power to withhold wages lies.

Three days after the arrival of the wood, Kombate inaugurated the business with another party for the village notables. Even though much of the building season was now over, half of the first stock of wood was sold in the following weeks. The cooperative, now fully employed, accounted for about one-half of the sales, even though it had lost the contract for school tables and chairs. Clearly, demand from villagers for wood was even greater than anticipated. Over the month before the rains, Hughes taught Kombate to use a simple accounting system for the business. The system included daily transaction records, inventory control, use of a bank book, and monthly income statements. Kombate began to plan for expansion into other construction materials.

When the rains arrived, sales came to an abrupt halt, as was expected. Kombate now started the reforestation project he had committed to, buying and planting in the village one-thousand saplings. In the months before the next construction season, everyone's energy would be directed towards agriculture and the business would rest nearly dormant.

When Hughes had designed the project, she had planned, as part of her follow-up, to observe the business in operation for an entire construction season in order to evaluate its performance. Though this season was reduced to a month, the wood crisis itself provided a valuable learning experience for Kombate and for the development organization in terms of that skill-transfer circle. Follow-up,

then, involved an analysis of the wood crisis and the project's implementation in addition to the evaluation of the status of the pre-selected viability standards.

The first formal business to open in an area attracts customers for all sorts of goods beyond those it advertises. People walked for miles to ask Kombate if he were selling everything from nails to negligees. From these requests, Kombate was able to gain a good sense of the community's wants. Soon after the inauguration of the business, Kombate realized it would be to his advantage to sell cement immediately, even at no profit, just to satisfy the overwhelming demand for it. Next year he would be able to make a bulk deal and profit from the wholesaler's discount. But, in the meantime, he established his business as the only local source of a second village necessity.

For Hughes, project assessment was based on the four viability standards previously selected as a threshold for success. Once the business was up and running. These standards, again, were:

- The initial stock of wood is sold and the balance paid in the first season.
- The second load has been ordered, delivered, and paid in full.
- An accounting system is in place and running smoothly.
- The reforestation project is complete.

The first standard, she decided, was not met. The wood crisis delayed the opening of the business, leaving insufficient time in the construction season to sell the initial stock. Because transport was provided by the funding agency, the terms of the contract were changed and the credit balance reduced.

The second standard was not met. It depended entirely on the successful meeting of the first standard. It remained to be seen if a wood delivery could occur at all without the help of the funding organization. In the second year, it was met, but Hughes had finished her Peace Corps tour by then, so was not able to incorporate that into her assessment.

The third standard was met. Kombate maintained the accounts while Hughes was on site to supervise. However, this standard served to block the goal of only assisting local initiative, as Kombate never asked for the training in or showed dedication to accounting. Hughes' western concept of business management led her to impose financial accounting as a skill transfer to Kombate. The result was that when the aid worker left, so did the benefits of an accounting system—at least temporarily. As years passed and the business grew, Kombate, who had moved his center of operations to the regional capital (though continuing operations in Barkoissi as well), did find he needed bookkeeping skills.

The fourth standard was met. The trees were planted on schedule.

Was this project a success or a failure? The fact that the business is thriving does not contradict the fact: the project as initially envisioned was a failure. Project success was defined to be the reaching of four viability standards. Because two of these standards were not met, the project failed.

A primary reason for the project's failure was aid-worker interference in the course of the business experiment. As a result, all that was proven that first

year, was that the funding agency (Peace Corps) could buy wood and transport it to the village, and that people would then buy it. In no way did this in itself constitute small-enterprise development.

In a wider sense, of course, the project was a success. For over a decade, now, Barkoissi has had a reliable source of building supplies, increasing the wealth of the village. In addition, Kombate has used the base established there to expand into a number of other businesses, eventually becoming one of the most successful entrepreneurs in the region. All he needed was a leg up, and Peace Corps was able to provide it.

If aid workers would spend the time exploring the localities where they are working on an intimate level and getting to know the people living there, they can define and support projects that, even if they do not fulfill their immediate goals, can have positive impacts on the communities. Better that than continuing the pattern of projects that die as soon as the impetus -- the aid worker -- leaves.

