A Collaborative-Systemic Strategy Addressing the Dynamics of Poverty in Guatemala: Converting Seeming Impossibilities into Strategic Probabilities

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by

James L. Ritchie-Dunham

Managing Partner, Growing Edge Partners

Chief Strategist, Institute for Strategic Clarity

Associate, Harvard University

540 Abbot Hill Road

Wilton, NH 03086

(603) 620-4472 c

(603) 654-5334 f

jimrd@growingedgepartners.com

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Abstract

A multi-year, on-going project, sponsored by CARE and the Institute for Strategic Clarity, brought together Guatemalan leaders from 26 conflicting groups in business, civil society, and government, developing their first shared understanding of what causes their poverty and how to collectively address these causes. This strategy-level project incorporated collaborative appreciative inquiry and resource-based systems thinking processes. Project findings are now being implemented by Guatemalan leaders. This chapter shows the power of multi-stakeholder business strategy frameworks for developing and implementing collaborative strategy in complex societal settings.

Article

Business strategy practice and scholarship have developed frameworks and processes for understanding and acting within complex social systems that are proving valuable for multi-stakeholder, intersectoral, societal issues such as poverty. These frameworks and processes have evolved over the last fifty years to incorporate the assessment of: (1) economic efficiency within and across organizations, industries, sectors, and nations; (2) power structures within and across networks; and (3) compliance-driven rule structures that promote or restrict equitable and market-driven incentives within and across these boundaries.

We are stronger now at knowing who controls what and how to get them to compete more freely or equitably: until we reach the seemingly "intractable" – issue domains where the conflict is so high and the trust so low that: (1) divergent stakeholders will not come together; (2) will not share the same understanding of the issue domain; and (3) will not act together to address the issue. These three observations are arising as core assumptions facing strategists looking at many intractable issues, such as corruption, biodiversity loss, global warming, and terrorism Poverty in Guatemala is another such issue, and this chapter describes an exploration through collaborative-systemic frameworks and processes that were able to bring together 26 conflicted stakeholder groups, reaching a shared understanding of the dynamics of poverty, and initiating a collective action plan towards addressing poverty. From the shoulders of the giants who incorporated economics and sociology into business strategy frameworks and processes, we can now begin to ask the next level of questions around intractable issues like poverty, learning from exploratory work in collaborative-systemic business strategy.

Situation 2004

The highlighted case study starts in Guatemala with CARE, the international aid agency, as it was assessing its capacity to end poverty. In 2004 CARE envisions a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security.[1] On most key "developmental" indicators, CARE had excelled for 50 years. Through its projects in over seventy countries since 1945, CARE had reached millions of people every year, supporting thousands of communities.[2] A mark of CARE's success was its growth to $515 million in annual donations and its continued, very high level of operational efficiency.[3] But, the percentage of the world population in extreme poverty, earning less than US$1/day, was increasing[4] – 20% worldwide and 23% in Guatemala, a country of 12 million inhabitants.[5]

To address this increase, as part of a large, collective effort that culminated in the United Nation Millennium Development Goals, CARE shifted its vision in 1999 from poverty alleviation to poverty eradication – halving the world's population in extreme poverty by 2015.[6] While CARE and the global community took on this vision in 1999, it was clear in 2004, that Guatemala was no closer.[7]

In Guatemala, the CARE staff noticed that many other groups were asking similar questions, "how can we be doing well, from our organizational perspective, yet the overall situation of the very problem we are fighting is getting worse?" Assessing the growing percentage of people in extreme poverty in Guatemala, it seemed impossible to fix, yet it was clear to the CARE team that they had to try.

Structuring the Approach

Sitting with this situation, CARE's leadership began an exploration of people, frameworks, and processes that might shed light on the seeming intractability they faced. In this exploration, they found earlier work that CARE sponsored around urban planning in Tegucigalpa,[8] which pulled together multiple stakeholders into a systemic strategy process for re-imagining after Hurricane Mitch. This led to an invitation to the Institute for Strategic Clarity to assist in the design and implementation of process for understanding the "underlying dynamics of poverty." This section explores core assumptions surfaced, criteria for shifting these assumptions, expected outcomes of the process, the multi-stakeholder, intersectoral, strategic framework that was used, criteria for selection of the participants, and the Institute's research questions that guided the process.

Core Assumptions

Initial conversations about multi-stakeholder processes with CARE's leadership team in Latin America and stakeholders with extensive experience in the Guatemala context surfaced many core assumptions about what was possible and what was not. Essentially, it is not possible to get all of the major stakeholders together, they cannot understand each other, they cannot arrive at a shared understanding of the context, and they cannot act together.

They will not come together. Guatemala has a rich history of conflict, across many sectors and societal dimensions, peaking in the 20th century in a decades-long civil war that ended officially with the 1996 Peace Accords. While the civil war was over, the complete lack of trust and accompanying social tensions continued. Many attempts to gather stakeholders either failed outright or were short lived.[9]

They will not come to a shared understanding. Guatemala is uniquely multiethnic in Latin America, being composed of over 24 linguistic communities and cultures dating back thousands of years. Additionally it has one of the world's largest gaps between the wealthy and the poor. Adding to these differences in cosmovisions and economic perspectives, differences among perspectives on poverty from government, civil society and business are extreme. Thus, the common experience was that these differences in worldview proved too strong to overcome for a group to achieve a shared understanding of the drivers and underlying dynamics of poverty. Even if they came together, they could not understand each other and could not arrive at a shared understanding.

They will not act together. While hundreds of organizations actively address dimensions of poverty in Guatemala, bringing billions of dollars in resources into the country, there is scarce cooperation among them, with each organization working on its piece, often in different areas. For example, while one organization constructs school buildings in the central part of the country, another organization works on getting families to send their daughters to school in the north, and yet another works on getting multi-cultural education developed in the western region. While each has its own logic, the lack of the efforts often leads to failure, and in the best cases, any possible synergies are completely missed. Further evidence of this independence in action is the newness of coordinating groups such as CORNASAM, working to integrate efforts of twenty NGOs and government with fifty communities around micro-watersheds in San Marcos. Due to the often-extreme difficulties in getting conflicted stakeholders together and arriving at a shared understanding, almost no work is done to get them to work together.

Criteria for Shifting Assumptions

If valid, these core assumptions would lead to conflict-avoiding poverty studies based on third-person, observable data and behaviors, such as census data and expert investigation of the socio-political-economic forces that drive poverty in Guatemala. This focus represents most of the national-level studies done.[10] While these descriptive and normative studies based on objective data and expert interpretation contribute to the understanding of the character, state, and distribution of poverty in Guatemala, they remain fragmented in their prescriptions of where to focus resources and unsupported by the vast majority of organizations working on poverty-related issues in Guatemala. This project sought to integrate these fragmented studies and to incorporate the voice of the stakeholders leading the efforts and of the affected communities, something rarely done.[11]

To understand the society-level dynamics of poverty required a multi-stakeholder, intersectoral approach. Freeman describes a stakeholder as any group or individual that influences or is influenced by the achievement of the social system's objectives.[12] Waddell describes intersectoral as integrating the economic, social, and political systems through business, civil society, and government.[13] These three sectors unite to promote, respectively, growth, social cohesion, and societal health.[14]

For a multi-stakeholder, intersectoral process to work, the three core assumptions were turned upside-down, to highlight new core assumptions. To incorporate the multiple voices, so they might come together, required a highly participatory process. In participatory processes stakeholders co-design and co-implement. In initial meetings, Guatemalan leaders emphasized the importance of transparency in the process, so they might understand each other and achieve a shared understanding, as trust among the stakeholders was very low, at best. Transparency International defines transparency as "a principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably.[15]" Additionally, individual, organizational, and inter-organizational accountability were critical for them to be able to act together. Thus, to incorporate the voices of highly conflicted and differentiated stakeholders, shifting the core assumptions, this project focused on a highly participatory, transparent, and accountable process.

Expected Outcomes

The expected outcomes of this project focused on: (1) learning about the core society-level dynamics of poverty in Guatemala; (2) learning about the utility of highly collaborative-systemic strategic processes in low-trust, high-conflict situations; (3) determining collective strategies for intervening in these poverty dynamics; and (4) shifting CARE's existing organization from its historical role of "project manager providing social services to local populations" to its new role as a catalytic facilitator of change.[16]

Research Questions

This research asks whether a collaborative-systemic strategy process might provide insight into: (1) understanding the core dynamics of poverty in Guatemala; (2) characterizing complex social systems to inform mental models; and (3) developing an intersectoral systems understanding collaboratively.

- Understanding the core dynamics of poverty in Guatemala
  - *What are the core dynamics of poverty in Guatemala?* While many groups have studied poverty dynamics in general, as well as specifically in Guatemala, the groups directly working with the poor in Guatemala report that these previous studies have had little impact on their work.

- o *Does a systems thinking approach provide a more relevant understanding?* The lack of shared framework and understanding among the many stakeholders studying and working in poverty led the CARE Latin America regional management unit to believe that a systemic approach to understanding poverty dynamics might shed new light.

- Characterizing complex social systems to inform mental models

  - o *Can a systems mapping of poverty dynamics improve the understanding of how different efforts combine to generate poverty?* Much anecdotal data supports the claim that systems thinking improves individual and collective understanding of complex social systems.[17]

- Developing an intersectoral systems understanding collaboratively

  - o *Does exploring and integrating the perspectives of stakeholders from different sectors provide an understanding that promotes a collaborative understanding?* While seemingly obvious, we found no evidence of this being done in Guatemala.

  - o *Does it provide a more complete understanding, simply by asking them?* Can a group of conflicted stakeholders with very low trust, overcome this lack and arrive at mutual understanding? What processes achieve this collaboration most quickly, efficiently, and effectively?

Methods and Validation

This systems analysis was informed by primary and secondary data sources.[18]

Primary data. Focused on individual interviews, group reflection, and group exercises with representatives of multiple sectors working in and around poverty.

Secondary data. Included literature reviews in different prominent perspectives on poverty, including economic, social, psychological, developmental, and spiritual, which are included in the bibliography.

The frameworks developed were validated with the interviewees, CARE employees, and a wider group of stakeholders addressing poverty.

Multi-stakeholder, Intersectoral Strategic Framework

To orient the integration of the strategic processes in this project, five criteria were used to gauge the degree to which the integration bridged the rigorous characterization of social systems and the rigorous characterization of the individual and collective intentional mental models of those social systems.[19] The CRISP criteria ask whether the process is sufficiently comprehensive, rigorous, integrative, simple, and purposeful (see Table 1).[20]

This section presents the criteria for building the framework that integrates the strategic processes of systems thinking, resource-based view, collaborative appreciative inquiry, across multiple sectors with multiple stakeholders, highlighting the related strategy literature.

Systems thinking, as popularized by Senge, Stacey, and Oshry, suggests how different parts of a system relate over time, providing a language for making these systems understandings explicit, so they can be shared and improved.[21] The systems thinking dimension of the process uses system dynamics modeling to make explicit the intentional mental models of each individual stakeholder and integrate them into a single map.[22] A wide variety of systems and decision analysis tools were used to discover the micro, meso, and macro-level dynamics in the integrated map.[23]

CRISP Elements	Brief Explanation	Process Assessment	Description
Comprehensiveness	What elements are included	High	While the process dos not include all stakeholders in Guatemala society, the collective of 26 stakeholders felt it was sufficient for a rich conversation, about the system dynamics of self-determination.
Rigor	How the stakeholder understandings and analysis are tested	Medium	All maps of individual interviews were validated individually and the maps integrating them were validated collectively. Analysis added to the rigor of relationships. Nonetheless, the process is based on qualitative data.
Integrative	How the process relates the individual elements	High	The process shows how all the individual maps fit together, through the integrated map, according to many collective conversations.
Simple	How the elements in the process are understood	Medium	While very complex, in integrating many perspectives, everyone was able to engage it fully within two hours of conversations and then present it to others.
Purposeful	Why the process was created	High	Purpose focused the collective (self-determination). Each interviewed individual's purpose was made explicit and this drove the process.

The resource-based view of strategy provides an integrating, dynamic perspective on the accumulation dynamics of the resources that enable the developing and sustaining of those resources that drive value for the organization's stakeholders.[24] Essentially, a system's health can be determined by the strength of the tangible and intangible resources it brings to bare on satisfying its purpose. These resources accumulate over time, thus they erode over time and require investment to grow and be sustained. The level of these resources influences the accumulation of other resources. For example, a utility's infrastructure of pipelines has to be built up over time and it erodes over time, so to keep this resource's capacity at the same level over time, the utility has to continuously invest. This applies as well to intangibles like a firm's reputation, an individual's ability to self-determine, or a culture's support of education.

To the dynamic systems perspective, collaborative appreciative inquiry provides guidelines for creating a high trust environment within which conflictive stakeholders can reflect on their own intentional mental models and those of others.[25] The intersectoral perspective highlights the importance of including the perspectives of the economic, social, and political sectors from the beginning.[26]

Taking a CRISP view of societal strategy processes, many stakeholders influence the flow of resources into and within the systems we lead, live in, and depend on. Not including their perspective in our understanding does not mean their influence is zero. Understanding the perspective they espouse leads to greater correspondence between our understanding and what is actually happening.
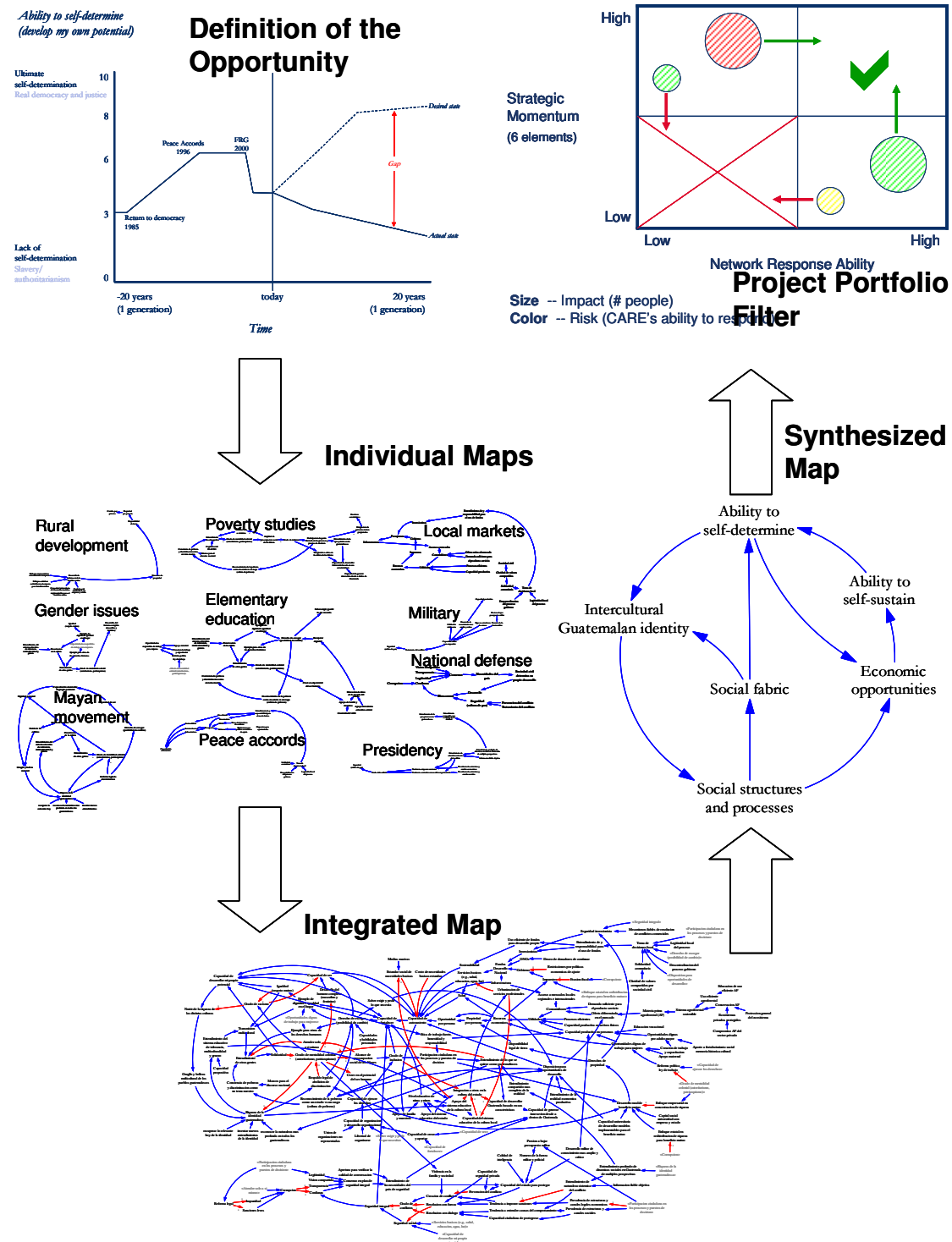
Participant Criteria

In a consultative process with a large, diverse group of stakeholders, we developed the criteria for the selection and invitation for the stakeholders in the process: (1) that they represent one of the many perspectives that exist within the Guatemala context from civil society, business, and government; (2) with a high level of credibility and trust, among their peers and among other stakeholders. While this group represents many sectors with vast experience and networks of relationships in these sectors, they were individuals open to participating in this exploratory process.

To shift the three core assumptions that we could not get the stakeholders to come together, they would not arrive at a shared understanding, nor act together, this project pulled on well established business strategy frameworks for designing a highly participatory, transparent, and accountable process that integrated multiple stakeholders, collaborative appreciative inquiry, systems thinking, and the resource-based view of the firm into a simple, four-stage process.

The Process

Having highlighted above the criteria and elements used for the design phase, this section focuses on the process and what resulted from it over six visits. The process and its products are described in the chronological order of the six visits. The products are presented graphically, in chronological order, in Figure 1.

Figure 1: Products from the Process

Definition of the Opportunity

Ability to self-determine (develop my own potential)

Ultimate self-determination
Real democracy and justice

Peace Accords 1996

FRG 2000

Return to democracy 1985

Lack of self-determination
Slavery/ authoritarianism

Desired state

Gap

Actual state

−20 years (1 generation)   today   20 years (1 generation)

Time

Project Portfolio Filter

High

Strategic Momentum (6 elements)

Low

Low   High

Network Response Ability

Size -- Impact (# people)
Color -- Risk (CARE's ability to respond)

Individual Maps

Rural development

Poverty studies

Local markets

Gender issues

Elementary education

Military

National defense

Mayan movement

Peace accords

Presidency

Synthesized Map

Ability to self-determine

Ability to self-sustain

Intercultural Guatemalan identity

Social fabric

Economic opportunities

Social structures and processes

Integrated Map

Visit #1: Definition of the Opportunity **(February 2004)**

The first visit started with individual interviews of ten of the CARE Guatemala staff, including a cross-section of the organizational functions, processes, and hierarchical levels. The interviews explored the individual's deeper intentions in their work, the organization's ability to achieve that, and what would need to change in the individuals and the collective to achieve success. This 45- to 60-minute interview served multiple purposes: (1) creating rapport between the process facilitators and the individuals, which would be critical during the group process; and (2) providing a space for deeper reflection about their experience in addressing poverty and what needed to change, in others and in themselves.

These interviews served as input for a 2-day exercise with ten CARE Guatemala staff. This exercise culminated in a collective, synthesized definition of what they were working to create collectively. This was an important shift in CARE's conversation and that of other stakeholders, whose organizations' missions focused on what they were ridding the world of, rather than what they were collectively creating in the world.

In the synthesis process, the terms of freedom, mutual respect, solidarity, and self-determination emerged. The alignment of these terms became clear, with freedom focusing on my ability to be myself, mutual respect focusing on how we see each other, and solidarity focusing on our relationship to the whole, as we participate in the collective. With agreement on the ability to self-determine as the element that synthesized the group's responses, we then looked at how Guatemala had fared.

As seen in Figure 1, the y-axis was set with a high "ability to self-determine" as being a state of real democracy and justice, and with a low "ability to self-determine" as being a state of slavery and authoritarianism. On the x-axis, the group chose a time horizon of one generation going back and going forward as the time over which one could see an impact on this overall indicator of the system's health. The group agreed that one generation ago the average Guatemalan's "ability to self-determine" was very low, and that up to the Peace Accords it improved. With the signing of the accords it leveled off and then dropped precipitously with the entering of the FRG into political power, returning to levels of "ability to self-determine" just above civil war levels. Looking forward they all agreed that if things remained as they were, given all of their hard work, things would most probably continue to deteriorate–given the current way decisions were made and resources allocated among all of the stakeholders in Guatemala, it was only going to continue to worsen, quickly to below civil war levels. Nonetheless, everyone agreed this was unacceptable and that it had to improve drastically, within the next decade to levels higher than after the Peace Accords, and then it had to sustain at these levels.

Once this was drawn out, incorporating in a simple graphic their reality and their deepest intentions, the gap between the two futures shocked them. Many reported months later that this image was the motivating force for their subsequent decision to change–themselves and their work–as continuing the same was not improving the situation.

> We were all very involved emotionally—it was not just about work—and I remember one of my team members was crying. We do not usually share things. The way we were asked to think of something personal, we were asked to think about the first time that we decided to dedicate part of our life to address poverty. It was so clear that everyone came with these strong emotional moments in our life. I had not spoken before about that. It was very revealing, and I found out it was a long time ago when I was a kid and that was a discovery for me. After this exercise…it put everyone on the same page, really willing to talk deeply.
>
> • Luis Paiz, Assistant Country Director, CARE Guatemala (Waddell 2005).

> This exercise helped us shift our focus, as a team. This framework reflects our understanding better than $/day. It is also clear now that we need to bring in more diverse points of view.
>
> • CARE Guatemala staff, 2-day offsite, February 2004.

Visit #2: They Come Together (June 2004)

This synthetic re-definition of poverty, focusing on what was being collectively created in the world – the ability to self-determine – was validated with a large group of stakeholders during a 2-day workshop in the second visit. The group of stakeholders and CARE Guatemala staff as this time defined the criteria for who would be included in the subsequent stakeholder interviews, with credibility, trust, and accountability being very important to be able to continue the process.[27]

Visit #3: They Arrive at a Shared Understanding (October 2004)

The third visit started with individual interviews of ten stakeholders, responsible for a wide range of activities related to "the ability to self-determine"–from education of young girls to military officers, from land reform to localized capitalism, from the indigenous poor to the presidency and the peace accords. In a 90-minute interview, these stakeholders were each asked: (1) what is your personal vision for Guatemala as a country and for your community?; (2) speaking in your present role as a leader, what is the goal of your organization?; (3) what are the top three to five things that you must be able to do to achieve this goal?; and (4) what are the core resources required to achieve those?[28] We mapped the response of each interview individually and into an integrated map (see Figure 1).

In the first day of a two-day offsite with the CARE Guatemala team, the maps of the individual stakeholders were presented, demonstrating the intention that person brought, their story about their work and contribution to self-determination in Guatemala, and how it was mapped. This process was important in helping the CARE team to be able to see and believe the story told by stakeholders they normally mistrusted. Each participant was then asked to tell the stakeholder's story, in a way that would convince the stakeholder they had been heard. Thus, the CARE participant shared the stakeholder's intention and story, using the map to guide their logic. Going through the individual maps, one by one, also accelerated everyone's ability to identify with each and all of the stakeholders.

The second day was dedicated to exercises to understand the map that integrated all of the stakeholder individual maps (see Figure 1). The CARE team then led the same exercise in a 1-day workshop with an invited group of stakeholders.

> In this process, we saw a huge shift in our CARE Guatemala staff from presenting our CARE point of view and asking others to comment, the traditional process, which is a defensive posture, to a process of inquiry into what they have heard in the integration of many stories of others.
>
> • Colen Beckwith, Country Director, CARE Guatemala, CARE LAC meeting in Ecuador, June 22, 2005.

Visit #4: They Arrive at an Understanding of How to Act Together (February 2005)

In the fourth visit, in a two-day workshop, the CARE Guatemala worked through a series of conversations to determine collectively which variables in the map:

1. indicated the overall health of the system, along with "the ability to self-determine" (outcome variables)

2. if shifted would change the behavior of the whole system, as reflected in the outcome variables (instrumental variables)

3. if addressed collectively would shift the instrumental variables (intervention variables)

The CARE team repeated the same exercise the next day with an invited group of stakeholders, arriving at very similar results. A combination of the two was synthesized in Figure 1.

The synthesized map shows the key dynamics of the "ability to self-determine." As Guatemala's intercultural identity increases, its social structures and processes strengthen, which in turn strengthen the social fabric and economic opportunities. As the economic opportunities increase, one's ability to self-sustain increases. With a higher ability to self-sustain and a stronger supporting social fabric, one's ability to self-determine increases. Coupled with the stronger social fabric, an increase in the ability to self-determine leads to a stronger intercultural Guatemalan identity, thus re-enforcing the original behavior. This is the positive spin through the dynamics of increasing the ability to self-determine in Guatemala.

These dynamics likewise provide a story for the dynamics that keep Guatemala poor. Given a weak Guatemalan intercultural identity, as it is deeply fractured and conflictive, the social structures and processes are unsupported by a clear identity, leading to a weak social fabric and few economic opportunities for much of the nation. With few economic opportunities, many struggle to self-sustain. Coupled with a weak social fabric that does not support them, high vulnerability, from the inability to self-sustain, leads to a weak ability to self-determine, which further exacerbates the potential richness intercultural Guatemalan identity.

This approach to using systems mapping, reflection, and conversation to tap into the collective wisdom of the multiple voices present provided many insights, which were rigorously validated through analysis and subsequent exercises with a wide group of stakeholders.[29]

Visit #5: They Define How to Act from This Understanding (October 2006)

The CARE Guatemala had now lived with the map for 18 months, shared and validated it with their staff nation-wide and engaged many stakeholders around it. In a 2-day workshop, they began to design strategic metrics and project portfolio filters from their systemic understanding of the dynamics of self-determination in Guatemala.

Pulling from the original definition of "the ability to self-determine" as the ability to relate to oneself, to another, and to the whole, the CARE team collectively designed strategic metrics for each of the six elements of the synthesized map, which reflected the level of: (1) the freedom of the individual to achieve high levels of that element; (2) the level of equality for everyone in achieving high levels of that element; and (3) the level to which the whole community benefited from high levels of that element.[30]

Key Findings

This approach to incorporating and integrating voices from across sectors and levels that would never come together provided both unique insights into the dynamics of poverty and self-determination in Guatemala, as well as providing a common platform for deep dialog about how these voices and their organizations and communities might start working together towards these shared goals and understandings. This section summarizes these insights, the roles for the different sectors, and business opportunities and obstacles.

From this exercise, the involved stakeholders came to a shared understanding that the path they are on will not get them out of poverty–it reinforces poverty. Looking at poverty through the lens of the elements of self-determination highlights where they might be failing. The gap between the current path and the desired path is large and growing. There are a series of historic structures that limit the growth of the system away from poverty and self-determination. These structures indicate how they

might be able to act to address these limits, together in harmony, strengthening the system's ability to pull itself out of poverty, focusing on the whole of each level in sequence.

Additionally, blaming each other and advocating solely for their own interests is not helping, after all it seems that they are each right, when you look at each situation. And, everyone sees that the desired direction is vastly different than today. By shifting how they work, together, they can harmonize efforts on some interventions in the system that significantly boost the system with other efforts that support the new levels of development further down the road.

These three perspectives point to two high-leverage points, focusing on a collective agreement of the integral nature of poverty (self-determination) dynamics and who is providing leadership in rural communities.

Role of Sectors

This inter-sectoral view of societal dynamics highlights two perspectives on the roles each sector can play: intra-sectorally and inter-sectorally.

Intra-sectorally, each sector focuses on those areas with which it is most accustomed. In the synthesized map, this means that:

- business focuses on growth in the economic sector, providing: resources for the nation's social structures (i.e., infrastructure, energy, schools, hospitals); dignified economic opportunities for women and men across linguistic communities; and resources for people to be able to self-sustain.

- civil society focuses on social cohesion in the social sector, strengthening institutions that support processes for an intercultural Guatemalan identity, developing and supporting social processes, and strengthening the social fabric, all in support of increasing everyone's ability to self-determine.

- government focuses on societal health in the political sector, ensuring the social processes and structures that support equal individual and collective access to basic services and rights.

Inter-sectorally, each sector has the opportunity to integrate its key strengths with those of the other sectors, providing a uniquely strong and sustainable future for Guatemala. In the synthesized map, this means that:

- business contributes its deep understanding and experience in creating, managing, and leading for-growth engines to the efforts required to strengthen and scale-up organizational capacities for developing intercultural Guatemalan identity and ramping up the required social structures required for a higher level of co-existence.[31]

- civil society contributes its wealth of experience in motivating and inspiring sustainable social cohesion to the creation of sustainable economic opportunities that best meet the talents and skills of each individual, as well as helping individuals to develop those gifts into marketable skills, and building communities that help each other self-sustain during difficult times.

- government contributes its capacity to promote societal health, by providing equal access to markets, economic opportunities, and self-sustenance during particularly vulnerable times (i.e., hurricanes, mud slides).

Business Opportunities/Obstacles

In addition to the aforementioned for-growth roles of business, this project identified specific opportunities and obstacles for business in strengthening every Guatemalan's ability to self-determine.

Various civil society and government-led initiatives provide potential for-growth **opportunities for business**. There are many projects where an understanding of actual market forces and structuring incentive-based, for-growth contracts would significantly increase the amount of investment and opportunity available within Guatemala. One striking case of this is the work of Rodolfo Paiz, presidential commissioner for local development, where the commission works with local communities throughout Guatemala: to identify their "local treasures," which abound in this very fertile, scenic, and creative country; to create demand for their treasure; to create market access for the treasures; and to administer these resources according to world-class standards of sustainability. Another business opportunity that is having a major impact on the poorest communities is micro-financing, whereby microcredit, as little as $100, is provided to the very poorest. Payback rates are proving to be much higher than traditional banking.[32] Another great resource for business is the entrepreneurial spirit of Guatemalans, especially the youth. Broad campaigns, such as the Youth Employment Summit and Junior Achievement are active in Guatemala – enterprising businesses might be able to support that entrepreneurship and develop unique offerings out of this bountiful land. To all of these projects, business contributes a solid basis for identifying and managing sustainable growth, typically a weakness for civil society and government.

There are equally many **obstacles to business** in making significant contributions to eradicating poverty and radically increasing the ability to self-determine. Principal among these obstacles are: business's inability to see the value of organizations that focus on social cohesion (civil society) and on societal health (government); their inability to see how to integrate with these organizations, both existing and from the beginning. Businesses working in conjunction with civil society and government, towards increasing self-determination, must be able to:

- integrate their for-growth and for-efficiency point of view with the for-social-cohesion and for-societal-health perspectives, instead of imposing it on them

- be highly transparent and accountable in highly participatory processes

While this integration from the beginning seems antithetical to most business practices, indeed there are many business organizations that are now understanding the value of this integration.[33]

In summary, the integration of collaborative-systemic strategy processes in this project led to increasing levels of clarity in relationships and understanding capable of overcoming the three core assumptions, allowing for the first incorporation of stakeholder voices across sectors not integrated before. This produced a shared understanding and conversation for action quite different from previous poverty studies and fully owned and internalized by the participants.

Situation 2006

The achievement of the project's goals by no way means that Guatemala's problems are now resolved, two years later. In fact, from one perspective, the situation is worse – crime is up and hurricanes and general strikes have weakened the poorest. And, CARE Guatemala and the stakeholder groups involved are completely different.[34] Not only in their understanding, but also in their relationships and ability to develop and communicate probably pathways out of poverty, towards self-determination for every Guatemalan, which previously most thought was impossible. This section highlights what we found worked best, what did not, and we revisit the core assumptions and take a look forward.

What Does/Doesn't Work

In the process of this project, we have learned much along the way about what works and what does not work in bringing together a wide-group of conflictive stakeholders towards shared understanding

and shared action. Many process and technical assumptions we brought with us were either severely challenged or outright turned upside-down.

While our processes lean heavily towards inquiry, we were immediately and continuously reminded of implicit imposition assumed by bringing any "expert" lens to issues with which we had no personal experience, such as poverty and discrimination in Guatemalan when we were three white men from the USA and Canada. This led to using our "expert analysis" as just another voice in the room – we used it to inform our own offerings into the group discussion, but gave it no more weight than other voices, which worked very well, as we developed solid rapport with the stakeholders. This also pushed the process much more to discovery through reflection and dialog than presentation of our findings, which ended up providing much greater ownership, individually and collectively, and wonderfully surprising to us, they came up with many of the same insights.

We also faced many challenges in convening the diverse group of stakeholders in a timely manner. The initial sponsoring organizations, including CARE, did not initially have formal relationships with many of the stakeholder groups, so we had to find them and develop them through other colleagues. As we advanced, the work we did with the stakeholders who participated engaged them enough so that they helped us engage additional stakeholders. Many of these relationships are now strong across all of the participants, as evidenced by the bi-lateral and multi-lateral conversations and projects that have emerged.

The most challenging processes were developmental, both individually and collectively. Due to their long history of deep conflict, there was a very strong us-them viewpoint in the participants, as well as a deep focus on one's own interests. Over the year, most of the stakeholders, especially the CARE team, were able to shift developmentally from seeing "me-and-you" to seeing "we," from just one's own interests to holding one's own contribution, another's contributions, and the needs of the whole. In interviews one year later, in March 2006, many reported significant developmental breakthroughs along these lines, and that they had been permanent, which we subsequently experienced in the fifth visit.

Finally, working in a challenging environment like Guatemala requires greater flexibility than we originally designed for in our project. National strikes, massive hurricanes, and general unrest forced us to shift meetings, once when we were already in Guatemala, and delay meetings by months.

Revisiting Core Assumptions

Revisiting the three core assumptions that we had uncovered in the beginning of the project, in 2004, by 2006 we saw that:

- **They did get together.** We were able to bring together stakeholders from across all three sectors and all levels of society, from often very conflictive groups.

- **They did arrive at a shared understanding.** By shared understanding we mean that: (1) the stakeholders were able to agree on the overall goal they were all trying to create, the ability to self-determine; (2) they were able to see how they and all of the others contributed to that goal; (3) they were able to see how their actions influenced each other and the goal, often generating the very dynamics they were fighting; and (4) what they each needed to contribute to shift the whole system.

- **They are acting together.** From the first meetings, bi-lateral and muti-lateral conversations emerged within the group. By the end of the year, projects had emerged. With greater clarity, CARE Guatemala has now drastically shifted its focus.

The final assumption we added at the end of the first year. Most skeptics suggested that even if we were able to do all of the above, it would take many years. The stakeholders involved dedicated

seven days over one year and the CARE Guatemala team dedicated an additional eight days over that first year.

Scenario

So, as of February 2007, is Guatemala out of its difficulties? No. Has the downward in the "ability to self-determine" trend turned up? No. Since 2005 Guatemala has faced Hurricane Stan and lost, has faced a strong increase in gang warfare from the Maras from El Salvador and is losing that battle as is the United States, and has faced continuing drug trafficking from Colombia to the United States and widespread corruption. Does this mean the project was not a success? That depends. When we interviewed participants in March 2006 and then again in the fall of 2006, we heard the following messages:

- **Power of imagination.** In February 2005 all of the stakeholders, while wanting a better Guatemala, thought it was impossible, given their situation. Today, even though the situation is possibly worse, these same leaders know it is possible. While nobody suggests that this will fix all ills, it seems clear that when we leaders know the situation is impossible, it is. And when we know it is possible, something else happens. Margaret Mead reminds us of the power of imagination when she tells us that a small group of people who can see a new possibility where others see impossibility is the only force that has ever changed the world.

- **Multi-sectoral integration.** It is entirely possible to see that what has been perceived for decades as deep conflict and competition for scarce resources, even when all of the organizations involved purport to working on the same goals (i.e., a better Guatemala), that indeed most of the stakeholders across these sectors are in fact working on different dimensions of the same system, and that if their intentions, understanding, and actions can be integrated, they might actually support each other versus fight with each other.

Going into 2007, the initial efforts of this project have expanded in various directions. For example, at the national level, many conversations and projects have been initiated across sectors and stakeholder groups. At the community level, CARE and GAN-Net have initiated a project to bring a dozen global action networks and local government together with the leadership of fifty communities around micro-watersheds in San Marcos, devastated by Hurricane Stan, to apply the framework and process to community-level issues.

Thus, we have attempted in this project to building on the long history in business strategy scholarship on economic markets, power structures, compliance, with different core assumptions about who is involved and how they are involved.

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Endnotes

[1] For CARE's vision, see (CARE 2004, 2). CARE's mission is to serve individuals and families in the poorest communities in the world. Drawing strength from its global diversity, resources and experience, CARE promotes innovative solutions and is an advocate for global responsibility. CARE facilitates lasting change by: strengthening capacity for self-help; providing economic opportunity; delivering relief in emergencies; influencing policy decisions at all levels; and addressing discrimination in all its forms. Guided by the aspirations of local communities, CARE pursues its mission with both excellence and compassion because the people whom CARE serves deserve nothing less.

[2] For CARE's history and impact, see http://www.careusa.org/.

[3] For CARE's level of funding, see (CARE 2004,3). CARE has been listed in the top 100 charities in the following rankings (Barrett 2004; Charity Navigator 2005; Yaqub 2002).

[4] See (Sachs 2005). For a critique of the $1/day poverty measure, see (Vandemoortele 2002). For debate on the trend of population in extreme poverty, see (World Bank 2005).

[5] For worldwide data, see (UN Secretary-General 2002). For Guatemala data, see (Gobierno de Guatemala 2003).

[6] For the UN Millennium Development Goals, see (UN 2002). For CARE's vision, see (CARE 2002).

[7] This is from a CARE internal communication from Colen Beckwith and Rafael Callejas. This is also seen in (Sachs 2005).

[8] Documentation on this work (Puente and Forrest 1999) is available through the Institute for Strategic Clarity (http://www.instituteforstrategicclarity.org.

[9] For a hopeful multi-stakeholder gathering in 1998 that initiated a set of commonly developed scenarios for the future of Guatemala, see (Kahane 2004) or http://www.democraticdialoguenetwork.org/experiences/process/files.pl?process_id=4;type=4;files_id=304.

[10] For examples of national-level studies based on third-person observation and expert analysis, see (LCSHD 2003; UNDP 2001; Gobierno de Guatemala 2003)

[11] Robert Chambers and C.K. Prahalad document the general absence of these voices in recommendations about their future, as well as providing brilliant examples of the integration of these voices (Narayan et al. 2000; Prahalad 2005).

[12] For definitions and characterizations of stakeholders for strategy, see (Freeman 1984).

[13] For Waddell's intersectoral approach, see (Waddell 2005).

[14] For more on an intentional framework that describes business as for-growth, civil society as for-social-cohesion, and government as for-societal-health, see (Ritchie-Dunham forthcoming).

[15] For Transparency International's definition and work on transparency and corruption, see (TI 2007).

[16] For a learning history of the project that describes the process in detail, as well as participant reflections on the process, see (Waddell 2005).

[17] For studies on the influence of systems thinking on an individual's understanding of system dynamics, see (Brehmer 1992; Sterman 2000; Ritchie-Dunham 2002, forthcoming), and for the influence on a collective understanding, see (Vennix 1996).

[18] For detailed explanation of the data sources and their validation, see (Ritchie-Dunham, Spann, and Waddell forthcoming).

[19] For a survey of the research on individual and collective mental models, as they apply to strategic understanding of complex social systems, see (Ritchie-Dunham 2002).

[20] For more on the CRISP criteria, see (Ritchie-Dunham 2004, forthcoming).

[21] For more on systems thinking, see (Senge 1990; Stacey 1996; Oshry 1996).

[22] For more on system dynamics, see Sterman's encyclopedic (Sterman 2000).

[23] For a description of the many systems and decision analysis tools used, see (Ritchie-Dunham and Rabbino 2001).

[24] For the seminal research on the resource-based view of the firm, see (Foss 1997). For a framework that integrates systems thinking, system dynamics, and the resource-based view of the firm, see (Ritchie-Dunham and Rabbino 2001; Ritchie-Dunham forthcoming).

[25] For more on appreciative inquiry, see (Cooperrider and Whitney 2005) and for more on collaborative appreciative inquiry, see R. Scott Spann's work (Ritchie-Dunham, Spann, and Waddell forthcoming).

[26] For more on the intersectoral view, see (Waddell 2005).

[27] For a list of the stakeholders who validated this, see (Ritchie-Dunham, Spann, and Waddell forthcoming).

[28] For a list of who was interviewed and the details of each interview, see (Ritchie-Dunham, Spann, and Waddell forthcoming).

[29] For more on the validation through analyses and stakeholder engagement, see (Ritchie-Dunham, Spann, and Waddell forthcoming).

[30] For the detailed strategic measures ate each level for each element, see (Ritchie-Dunham, Spann, and Waddell forthcoming).

[31] For recent examples of massive scaling up of investment in basic infrastructure in developing countries, see the New York Times reports on China and India (Giridharadas 2007).

[32] For more on the impact of the world-wide microcredit movement on poverty, see the Microcredit Summit Campaign (http://www.microcreditsummit.org/).

[33] For many examples around the globe of organizations developing the capacity to initiate partnerships and global networks from an integrated business-civil society-government perspective, see (Waddell 2005).

[34] For in-depth interviews with the multiple stakeholders, during and after the process, see (Waddell 2005).