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University-Based Community Service, Foreign Debt Relief and Sustainable Development

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SUMMARY

This chapter argues that there is a need to transform the payment of foreign debt of poor and developing countries in such a manner as to create the conditions for sustainable development, and that universities have a role to play in the design and implementation of development programmes from a community service perspective. This is shown through the example of the project SUSTENTA designed by the Universidad Veracruzana.

Voluntary community service has proven to be an effective tool to build the social awareness and solidarity that are the bases of civic behaviour. Community service has also demonstrated its capacity to create effective social

infrastructure, taking costs into account, to enhance and diversify local capacities, and to strengthen communities' self-reliance and cohesion.

Universities are among the institutions capable of providing fundamental structures for voluntary community service with an innovative approach, adequate provision of technical assistance, and constructive co-ordination between higher education institutions and communities. Many academic institutions are in a position to implement specific projects, such as SUSTENTA, because they can provide human and technological infrastructure as well as the operational organisation that allows for the social distribution of knowledge.

The success of universities' involvement in development projects depends on their capacity to attract the participation of the professoriate and the student body, as well as on their access to financial resources. The participation of students and academics might be guaranteed by assigning academic credits to students' participation in these programmes and seeing teachers' involvement as part of their job.

Introduction

The world today faces an acute developmental paradox. Never before has the human race attained such prodigious economic development and scientific and technological advances. Yet this has neither bridged the widening gap between the 'haves' and the 'have nots' nor has it stopped environmental degradation. Representatives of multilateral global institutions, advocacy groups and NGOs have raised public awareness of this issue at different international forums. The broad consensus is that new strategies are urgently needed to fund development.

Until recently, most negotiations and proposals to fund development were focused on turning the payment of the foreign debt into a part of public expenditure without looking at other options that might also help to accelerate development. Most initiatives were unable to guarantee:

- internal consistency in the strategies for distributive growth;
- adequate capacity development processes, technology transfers and locally-based organisation to achieve sustainability;
- appropriate monitoring and evaluation systems;
- a clear accountability focus in the efficient and transparent management of projects;
- structural reforms at national as well as at local level; and
- bottom-up implementation strategies based on community consensus (United Nations 2002).

The United Nations Financing for Development conference, that took place in 2002 in Monterrey, Mexico, identified a series of interrelated factors necessary to achieve sustainable development. These included greater mobilisation of national resources, an increase in the flow of private capital, and a positive balance of trade; a new long-term international legal framework; and an increase in financial resources.

Taking as its point of departure the need for a holistic and decisive approach to development, this chapter argues two main points. On the one hand, it proposes the implementation of a multilateral policy of converting the debt of poor and developing countries into development funds that would allocate resources to local communities. These development funds, in turn, would increase the local capacities and physical assets of communities. On the other hand, this chapter argues that the most effective

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implementation of community-based programmes for sustainable development is the utilisation of volunteer community service structures. Among these community service structures, university-based projects are particularly useful. This chapter uses the case of SUSTENTA, a programme based at the Universidad Veracruzana (University of Veracruz) in Mexico, to show that when public and private sectors and NGOs plan their initiatives jointly and co-ordinate them adequately, university-based community service becomes an effective tool for the distribution of social knowledge and the strengthening of local capacity to achieve sustainable development.

The rest of the chapter is organised into four sections. The first describes how international financial institutions have changed their approach to the relief of foreign debt and discusses the role of local communities in a new approach to debt relief. The second deals with the limitations of external interventions in development programmes and advances community service as a feasible alternative. The third explores the role of universities as development mediators, converting foreign debt into economic resources through community service programmes. The last section takes the case of the Universidad Veracruzana to explore the potential benefits of this approach to the implementation of development programmes.

Foreign debt relief: Changing perspectives and methodologies

Foreign debt has a strangling effect on the economies of poor and developing countries. In 1999, for every dollar in fresh loans that they received, these countries paid 83 cents towards old debts. In Sub-Saharan Africa the servicing of debt takes up more than 250 per cent of annual goods and services exports. And actual payments of debt take up on average a quarter of the income derived from exports in all indebted countries (African Policy Information Centre 1999).

In this context, and at the dawn of the new millennium, influential voices have pointed out the need for different approaches. New approaches recommend reducing the debt and bringing about economic relief to poor, developing and highly indebted countries, and helping them invest their efforts more productively than in simply paying the debt (IMF 1989, Administrative Board of the United States Catholic Conference 1999). These views, together with the work of advocacy groups, have brought about a paradigm shift in the understanding of foreign debt and funding for development. The shift implied a halt to seeing debt as a problem of debtors only. On the contrary, debt has to be understood as a problem that affects international financial institutions, governments, private banks and debtors equally.

Other important changes followed this paradigm shift. These were the possibility of transforming relief mechanisms into development funds devoted to poverty reduction, community development, strengthening of local capacity and adequate use of environmental resources.

Nevertheless, the real economic impact of this paradigm change, as well as the strategies that should accompany it, are still unclear. Simply reducing the debt in

order to free resources for public expenditure does not seem enough to create development. Debt reduction needs to be combined with action on other interrelated elements already identified by multilateral organisations. The UN Financing for Development conference agreed on the necessary conditions to encourage equitable and sustainable development. These conditions are:

- The implementation of sound internal policies, appropriate public and private finances; an adequate fiscal system; and responsible social expenditure in order to achieve a greater mobilisation of internal resources.
- The improvement of the norms for accounting and auditing, the improvement of business management, the development of adequate services and infrastructure to attract greater foreign investment and flow of private capital.
- Greater international trade and the lifting of protectionist barriers and tariffs, including the simplification of customs systems.
- Greater multilateral co-operation to initiate development, face the humanitarian crisis, maintain the provision of global public goods, and to afford an accelerated recovery from financial emergencies.
- The establishment of a political-economic, financial and commercial long-term framework to promote development.
- The availability of major financial resources through industrialised countries' donations to the Official Assistance for Development; revenue from an international taxation mechanism; establishment of alternative mechanisms of debt relief; implementation of a more effective policy to support development (United Nations, 2000 and 2002).

More and better planning, the co-ordination of initiatives and effective operational mechanisms, which avoid repeating mistakes and guarantee the cost-effectiveness of development programmes, are among the necessary conditions to effectively fight poverty. A key issue in this regard is how to increase the number of goods and the actual capacities distributed in local communities (Sherraden 2001). In other words, increased financial resources, including those provided by debt relief mechanisms, will only augment the chances of sustainable development if they go hand in hand with structural reforms, and if they are based on permanent and systematic actions geared to promote bottom-up community self-reliance and increase communities' sense of themselves, their capabilities and local resources.

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Voluntary community service: An alternative for sustainable development

Externally funded government development programmes have not produced profound economic changes or significantly lasting successes. Reasons for the apparent failure are that neither governments nor multilateral organisations have focused on the development of local capacity. They have provided neither materials nor temporary resources, nor have they established systems to monitor and evaluate programme progress.

A way to correct these past mistakes was to seek help from external intermediate agencies that took over the responsibility for development programmes. However, the results of these experiences were varied. An analysis of outcomes points to two areas of weakness in the programme implementation of external agencies: lack of local mediation and an inability to extrapolate strategies.

In terms of mediation, it has become clear that only those organisations that focused on enhancement and development of local capacity for action, and which have solved the issue of the resistance of communities to external or foreign participation in their lives, achieved promising results (Arredondo 1996). Taking this into account, it is possible to argue that the success of development programmes depends on the readiness of external agencies to mediate and facilitate situations at local level. The second area of weakness in the work of external agencies is that they cannot extrapolate or transfer their strategies to other communities without incurring major costs in international assistance.

An alternative model in which the work of the communities is supported by local facilitators seems more successful. The effectiveness of this model derives from the permanent presence of teams of facilitators made up of community members and well-trained local or regional volunteers. This model has two advantages. On the one hand, it keeps the community's sense of itself, and on the other, it has a multiplier effect in relation to neighbouring communities.

Volunteer community service is the free involvement of regional or local facilitators in a development project. This methodology not only produces important results for community development, but it can also be a learning experience for its participants and a way to stimulate awareness of and solidarity with social progress, environmental issues and self-reliance (Ford Foundation 1999, McBride Benitez & Sherraden 2003).

The physical closeness of local volunteers to the areas where these projects take place is an added advantage of their involvement, since there is no need to make large investments in infrastructure. Most community services require well-trained practitioners settled in remote areas. They require the use of specialised equipment and quality materials, plus well-trained personnel responsible for the preparation, implementation and oversight of the programme. The kind of personnel required in both the actual working areas and the administrative

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sites implies investment in infrastructure and project management costs. These characteristics make the implementation of programmes with external personnel in remote areas financially non-viable in most countries. Thus economic viability is an added advantage of the programmes based on volunteer community service.

To sum up, the participation of local or regional youth and adult volunteers is crucial to improve the effectiveness of programmes, to increase the possibility of transference to neighbouring communities, and to improve cost-effectiveness. Volunteer work not only diminishes project management costs, but can also increase distributed and sustainable economic growth as well as citizenship awareness, and communities' sense of themselves and self-reliance.

Universities as development mediators

Higher education institutions are in a strategic position to take responsibility for development programmes at a local level. They are able to transfer relevant knowledge and effective technologies for community development. Academic institutions can act as 'links and intelligent mediators' in the cultural and social adaptation of proven international solutions for development.

Universities in developing countries, through close co-operation with other agencies and institutions, may become responsible for the co-ordination and putting into operation of successful community service programmes. Contemporary universities have research, links and distributed capacity as well as a significant number of potential volunteer workers. Some institutions also have computing and telecommunications infrastructure, as well as external relations departments that can co-ordinate technology transfer programmes, communities' access to knowledge, and training modules for volunteer workers that are supported by leading agencies and world expertise (Universidad Veracruzana 2002).

The success of universities' involvement in development projects depends on their capacity to attract the participation of the professoriate and the student body as well as on their access to financial resources. The participation of students and academics might be guaranteed by assigning academic credits to students' participation in these programmes and seeing the involvement of teachers as part of their job. Finally, the actual learning that takes place in these programmes as well as the desire to make a social contribution, are important factors in attracting the participation of the academic community.

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Besides participation, these programmes mainly need financial resources that allow for increasing operations and the improvement of both equipment and logistics at community level. Thus, allocating the additional funds to these programmes, whether they be private, public, non-government, bilateral or multilateral, make the universities of developing countries good partners to operate poverty reduction programmes, to strengthen locally distributed capacity, and to improve the quality of life in deprived communities in their areas.

Universities should have to meet a series of conditions to be eligible for funds from foreign debt relief mechanisms. Amongst others, these should be demonstrable experience of external services, the adoption of cost-effectiveness analysis and the implementation of feasibility studies and impact evaluation.

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The potential of university participation in development programmes suggests the need to adopt a series of policies to regulate this participation at an international level. The implementation of a multilateral conversion of foreign debt into economic resources would increase the number of community service programmes, and therefore would open up opportunities for the participation of universities in these programmes at international level. Universities in developing countries could be encouraged into collaborative ventures with leading international academic institutions, philanthropic and multilateral projects, to act as interfaces in technology transfer, as providers of training, and as local facilitators and intermediaries, with their work having a multiplier effect in the expansion of these programmes (Arredondo 1999, 2001a).

The conversion of bilateral debt (swaps) can be implemented through the following methodology:

- Development of a programme to get approval of debt swap;
- Identification of hard currency resources to buy debt via donors;
- Purchase or donation of debt;
- Confirmation of the eligibility of the debt by the commercial and central banks;
- Conversion of the external debts into internal debts payable in local currency; and
- Provision of funds to finance the local development costs (Kaiser & Lambert 1996).

Previous experience of conversion of bilateral debt for development gives rise to some recommendations. Firstly, NGO involvement with both the debtor and the

creditor is necessary from the beginning of the programme. Secondly, once a package of specific university-based community service projects is defined, one NGO or its representative has to submit a Debt Conversion Application to the creditor agency with the support of the respective government office and of an international professional consultant, such as New York Bay. Thirdly, as the number of university-based community services increases, a more specialised international structure and procedure may have to be implemented to support these initiatives. Finally, financial resources should preferably be used to support travel and subsistence expenses of volunteers and personnel, as well as for scholarships, instruction packages and equipment.

University-based community service for sustainable development: A case study

The Universidad Veracruzana is one of the six largest public universities in Mexico. It is a state university system with a population of 48 000 students distributed among 13 cities throughout the state of Veracruz. Five years ago, the university started a process of reform of its traditional academic paradigm, based upon teaching, to one focused on experiential learning. As part of this process it has been adapting the newest technologies in telecommunications and computing as tools to incorporate new learning environments and increase educational opportunities. In 2001 the university redefined its mission as becoming an 'agency for social distribution of knowledge'.

This alternative institutional paradigm implies offering flexible educational opportunities for non-traditional students, i.e. those outside the formal university curricula. In other words, the university aims to provide access to individuals from rural and deprived urban areas, as well as to students enrolling for municipal self-management purposes.

The Universidad Veracruzana makes intensive use of communication technologies and several pedagogical models, such as placement programmes and multi-service community centres, in order to achieve its new goals. Apart from formal projects in basic and applied research conducted in laboratories and in the field, the university also carries out research for small and medium-sized entrepreneurs with special emphasis on farmers, family businesses and collective productive systems in small communities, as well as on environmentally sound management initiatives. Certain labour-intensive industries, such as sugar and coffee, other cash crops and cattle farming, are subject to special institutional attention in collaboration with the state and federal government.

In the past four years the Universidad Veracruzana has received national and international awards each year for its work in extension services (from, among others, the Ford Foundation, the Kellogg Foundation, Mexico's National Association of Universities, and Mexico's Ministry of Social Development). The figures clearly reflect the range of the university's experience in this area. In the past few years the

institution has been involved in 660 successful extension projects which involved 1 535 faculty members and the participation of 17 766 volunteer students organised in the Student Community Service Brigades. In 2002, the total annual university budget allocated to community services amounted to US\$850 000.

These initiatives are subject to monitoring and evaluation, and the university has put particular effort into the design and implementation of tools for systematic evaluation. The indicators used in formative and summative evaluations are: demographic composition and migration flows; health and nutrition indices; degrees of environmental deterioration and restoration; amount, type and percentage of the population's access to basic public infrastructure and services; women's participation and leadership in community service programmes; family distribution according to infrastructure and assets; social mobility of community leaders and youth; percentages of types of employment, self-employment and community-related jobs; and types and level of community self-governance and self-reliance.

Evaluation research has shown various beneficial effects of the university's extension work. However, the most significant evidence of success is the acceptance of and trust in the university presence that local communities show. In several

villages the university is the only organisation with which local communities are prepared to collaborate, through the provision of land, materials and labour to build extension centres for staff and students. Nevertheless, the Universidad Veracruzana is aware of the need for more sophisticated and systematic cost-effectiveness analysis for each type of extension service, as well as more precise short- and long-term impact indicators.

A further consideration in relation to the implementation of these programmes is the securing of funds to guarantee the permanent operation of the community extension services centres. One way to deal with this is to enter into different types of collaborative ventures.

All the experience gathered by the Universidad Veracruzana in the field of community service has crystallised in an ambitious and innovative pilot initiative,

SUSTENTA, being launched during 2003 in 54 municipalities and communities of the State of Veracruz. In order to guarantee the allocation of technical assistance resources for this programme, the university entered into negotiation with the Inter-American Development Bank (IDB) earlier in 2003. In addition, it has signed co-ordination and financing agreements with several federal and state government offices, and it is constantly applying for funds from private capital as well as from national and international donors.

The financial resources allocated to SUSTENTA include the costs of the long-term support of university staff and volunteer students to the communities. Among

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the projects that constitute SUSTENTA are the provision of technical assistance for feasible productive projects and new small community businesses, the enhancement of municipal self-management, the transfer and appropriation of new technologies for lifelong learning, and direct access to and networking within regional and global markets. For both the implementation and sustainability of these projects, it is necessary to identify alternative sources of funding in order to build up basic services infrastructure, and to guarantee access to private investment and micro-lending to promote environmentally sound, productive and entrepreneurial ventures.

The design and implementation of SUSTENTA is the responsibility of a Multidisciplinary Institutional Task Force composed of top university-based researchers in regional and local development, programme validation and impact evaluation, and of experts in sustainable community development, municipal self-management, telecommunications, databases, computer technology, virtual education and instructional design. The actual presence of university personnel and students in the programme can be dramatically expanded, depending on available resources and the arrival of funding from foreign debt relief mechanisms and other sources.

The expected outcome of this programme is that municipalities and small communities – through a comprehensive process of consensus, local organisation, training and technological transfer – develop their own local capabilities and strengths for sustainable development.

Conclusion

This chapter has argued that there is a need to transform the payment of the foreign debt of poor and developing countries in such a manner as to create the conditions for sustainable development, and that universities have a role to play in the design and implementation of development programmes from a community service perspective.

Intermediate and local agencies can make a substantial contribution to the implementation of development programmes. Voluntary community service has proven to be an effective tool to build the social awareness and solidarity that are the bases of civic behaviour. Community service has also demonstrated its capacity to create effective social infrastructure, taking costs into account, to enhance and diversify local capacities, and to strengthen communities' self-reliance and cohesion.

Universities are among the institutions capable of providing fundamental structures for voluntary community service with an innovative approach, adequate provision of technical assistance and constructive co-ordination between institution and communities. Many academic institutions are in a position to implement specific projects, such as SUSTENTA at the Universidad Veracruzana, because they can provide human and technological infrastructure as well as operational organisation that allow for the social distribution of knowledge.

What characterised this alternative approach to debt relief and development is the permanent presence of volunteers in the communities, its focus on the transference of relevant technology and knowledge, as well as the role of facilitation in the development of skills for self-reliance at an individual and collective level

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International experience suggests that this type of community service can unleash local capabilities for social progress as well as provide a learning experience for the youth which can broaden their education, quicken their social awareness and show the value of civic solidarity in relation to sustainability and environmental issues.

Solid and innovative projects developed by universities such as Universidad Veracruzana require similar actions by multilateral agencies for development, NGOs and governments. It is necessary to co-ordinate the design and implementation of innovative mechanisms to convert foreign debt into development funds. This process requires partnerships and strategic alliances with leading international institutions and expert agencies. However, the most important pre-condition to make any of this possible is to accept a shift in the paradigm of debt relief.

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