

# Development Projects Observed and the Influence of Albert Hirschman on Planning Thought

(Draft)

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In an article that appeared in the *New Yorker* of June, 2013, Malcolm Gladwell wrote,

“Hirschman was a planner who saw virtue in the fact that nothing went as planned”.

I believe this is a truly appropriate definition. As a planner, Hirschman really did attack the most naïve and ideological convictions of the dominant thought on planning in order to construct a planning capacity that was more aware of complexity, more open to new discovery, and better able to support innovation.

## 1. Development Projects Observed

*Development Projects Observed (DPO)* was one of the first books I read. It was translated into Italian by Pierluigi Crosta, the planning professor with whom I studied, and the supervisor of my Master's and PhD theses.

At a time when the dominant planning was inspired by models of classical rationality, and in which it was believed that urban planning in particular, if well structured, would be able to address not only problems related to the organization of space, but also societal reform, Hirschman's work was a stimulating antidote to that ideology, and an extraordinary anticipation of many of the topics that would arise in the planning debate of subsequent years. In these notes, I would like to discuss some of those topics, particularly those which I consider relevant and which have directly or indirectly influenced the most interesting and mature thought regarding planning.

*DPO* is the report on a study of 11 cases from development projects financed by the World Bank in various developing countries. The study was originally commissioned by the World Bank, but subsequently discontinued under criticism and assumed by the Brookings Institution. The book uses case studies to discuss major themes related to the difficulties and successes of the development projects. Its chapters construct a theory of planning practice through the discussion of some of its fundamental dimensions:

1. The Principle of the Hiding Hand
2. Uncertainties
3. Latitude and Disciplines
4. Project Design
5. Project Appraisal: the Centrality of Side Effects

Interpreting *DPO* in that cultural context (the book was published in 1967 but the Italian translation was released in 1975), we discovered a series of questions of method and merit that appeared at the time as unexplored horizons.

## **2. Questions of method: attention to implementation**

On the methodological level, *DPO* demonstrated the efficacy of the use of case studies as an instrument for evaluating and understanding planning processes.

In that phase, and as many authors subsequently observed (Secchi, 1984; Reade, 1987; Balducci, 1991), the focus in specialised spheres was placed exclusively on plan making, the discovery of new recipes for rendering plans better able to produce the desired results, and new laws that could impose their success (Crosta, 1986): general and specific plans, higher-level plans for vast areas, regional plans, socio-economic plans, and sectoral plans. The assessment of the previous concrete implementation of plans and projects was always cursory and served only to support a new proposal, or a new paradigm, to use the parlance of the time.

In *DPO*, Hirschman demonstrates how important it is to look at plans and projects over the long term of their implementation and, especially, to not be limited to an evaluation of outputs, but to broaden the view to the complex implementation process that always constitutes “a long voyage of discovery in the most varied domains, from technology to politics” (Hirschman, 1967). Not only do the sought-after effects and the results often fail to correspond, the unexpected results can be more interesting than the expected ones. Even before implementation research studies were developed, initiated by Aaron Wildavsky and Jeffery Pressman (1973) and by Eugene Bardach (1975), Hirschman explains how important it is to reconstruct the implementation process not only from the top down but also from the bottom up in order to understand how to improve planning activities. Hirschman is not interested, however, in the description of why “great expectations in Washington are dashed in Oakland”, as stated in the subtitle of *Implementation* (Pressman and Wildavsky, 1973), but in discovering the reasons for partial success in situations of extreme difficulty.

In fact, the first version of Pressman and Wildavsky's work seems to lead to opposite conclusions to those drawn by Hirschman: after reconstructing in detail the intricate decision-making chains that begin with the launch of a policy (to reduce unemployment of racial minorities in this specific case), they draw the conclusion that as much attention must be paid to the design of implementation processes as is paid to the design of policies, and that in order to design feasible policies, the number of actors involved must be reduced and the necessary decision-making processes must be simplified as much as possible (Pressman and Wildavsky, 1973).

Here it's clear that the vision is not that of effective action, but of efficient programming, i.e. that the project be implemented exactly as it was planned, and not that it address and effectively resolve the problem for which it was proposed, possibly through means that are different from those planned, as Hirschman proposes.

Opening the field of study to implementation, Pressman and Wildavsky therefore concentrate on implementation in the strict sense, and their argument contains no trace of the considerations offered by Hirschman in *DPO*.

Later, however, in an essay written together with Giandomenico Majone entitled *Implementation as Evolution* (1978), Wildavsky reflects on what the relevant program dimensions are that stand the test of implementation.

The two authors maintain that plans and programs exist only as potential, and their implementation depends on intrinsic qualities and external circumstances. It is dispositions that can produce results in specific circumstances.

Based on the observation that, for all the failures that may have occurred, the cases are rare of "implementation monsters" with results that have no connection to the original intention, Majone and Wildavsky reflect on what policy and program elements influence implementation, and conclude that the substantive content and underlying theory of a program must be included among the factors that explain the outcomes of a process. The content of a policy conditions the implementation through: a) the definition of the arena in which the process occurs; b) the identification and allocation of roles to main actors; c) the definition of the spectrum of possible means of action; and d) the availability of resources. These, the authors warn, are dispositions, and do not imply any form of automatism. Rather, they are simply the first step in a process of evolution.

We see, therefore, that even in the case of implementation research, which had a significant influence on the development of planning thought, despite the fact that it began from a

starting point quite distant from Hirschman's position, full of hope, they end up very close together.

In those years, case studies on planning processes were extremely rare, the most famous being *The City Planning Process* by Alan Altshuler (1965), who analysed the urban planning vicissitudes of two cities in the United States and not surprisingly was forced to reconsider many of the assumptions of planning culture.

Years later, the case study method would become the preferred research tool, including in urban studies, and Hirschman's work would constitute a fundamental methodological reference for generations of researchers, even in the planning field.

### **3. Questions of merit: traces of Hirschman's influence in planning**

As regards content, Hirschman introduced several concepts that challenged consolidated theory. The most notable is "the principle of the hiding hand": not only is it impossible, it may even be undesirable to predict all the obstacles and problems that a plan or project may encounter. Because if we really knew all the difficulties that would arise during the course of a project, we might abandon the whole thing, thereby precluding the possibility of discovering the creativity and the ability to react that are normally generated to address difficulty.

In measured language and based on the evidence of his case studies, Hirschman questions one of the pillars of planning: the development of expert knowledge and predictive ability that aspire to eliminate obstacles to the implementation of a plan or a project and to minimize the unexpected.

The principle of the hiding hand, both the difficulties themselves and the capacity of actors to address them, suggests that one should not expect to control all aspects of a project or plan, but rather should be aware that this is not materially possible, and that in the end it constitutes a disincentive to the development of creativity.

Based on this important reversal of position, Hirschman specifies that the existence of a hand that hides difficulties and capacities to react does not render the drafting of plans and programs useless or vain, rather it should motivate a reduction of the expectation of absolute control of processes, and to regard obstacles and problems that inevitably arise as opportunities, to view in a new light what are normally considered mistakes to be avoided in the planning process. Thus, "pseudo-imitation" programs or "pseudo-comprehensive programs" can be considered the "procurers" of the hiding hand principle; the collateral effects of projects, normally considered irrelevant, can become central; and much depends on

the dissemination of an open-minded attitude that in every situation, even the most difficult, pushes actors to seek out new solutions and to mobilize resources that haven't been considered or actors who hadn't been involved.

The dialectic tension between plans and improvisation explains the impossibility of planning creativity and innovation.

“Creativity always comes as a surprise to us; therefore, we can never count on it and we dare not believe in it until it has happened. In other words, we would not consciously engage upon tasks whose success clearly requires that creativity be forthcoming. Hence, the only way in which we can bring our creative resources into play is by misjudging the nature of the task, by presenting it to ourselves as more routine, simple, undemanding of genuine creativity than it will turn out to be” (Hirschman, 1967).

These are the years of heated debate on the limits of the rational model and on the synoptic and comprehensive planning that derived therefrom, and Hirschman's contribution, although it was based on a different interest, arrives at similar conclusions. Many authors emphasize that the rational model expects too much from actors (visioning and forecasting capacity, ability to evaluate the consequences of each action, capacity to compare alternatives) and concedes too little, not considering the capacity of actors to address the unexpected and the difficulties of implementing projects and plans (Bobbio, 1996).

Charles Lindblom, a researcher with whom Hirschman was always in contact (and whom he thanks for his observations on the manuscript of *DPO*), maintains that the pretence of controlling a complex process is illusory, due to the structural limits of the human intellect, which is unable to move towards optimal solutions in the face of the countless variables that intervene in any socio-economic process. This pretence is only a source of failure, while it's “the intelligence of democracy” (Lindblom, 1965) that can compensate for the limits of those who seek to centrally control the entire process. Lindblom therefore suggests seeking efficacy in decision-making processes through the confrontation between antagonistic positions that, however limited and partial they may be, compete in their interaction (through disjointed incrementalism and partisan mutual adjustment) in order to provide greater rationality to decision-making processes than what can be offered by those who control them centrally. Hirschman and Lindblom wrote an essay together, published in April, 1962, in issue no. 7 of *Behavioural Science*, in which they compare their positions and identify their convergences and divergences.

The former include:

- the rationality and utility of certain processes commonly considered irrational;
- the attack on basic values such as order, balance, and detailed programming;
- the conviction that one step leads to another without specifying objectives in too much detail;
- the conviction that, in a problem-solving process, the objectives will change in the course of the experience, giving rise to a succession of means-end and end-means adjustments;
- the conviction that objectives adapt to concrete possibilities;
- the conviction that seeking to extend and broaden the view in order to avoid problems can be costly and less effective than facing the problems and trying to address them.

The most important point of divergence, on the other hand, is Lindblom's belief in the structural limits of the human ability to understand phenomena by planning them, while for Hirschman, the ability to understand and guide processes is not impeded by structural limits, but by the fact that there is always an unused capacity that can be activated through a series of mechanisms of induction.

Via different paths, Hirschman and Lindblom (1962) recognise in the article that they arrive nevertheless at the same conclusions.

Some years later, Lindblom wrote an essay on planning that was very close to Hirschman's approach, not negating the utility of planning, but situating it in a strategic perspective, aware of the limits within which the processes that govern change occur.

Lindblom suggests that strategic planning "is a method that treats the competence to plan as a scarce resource that must be carefully allocated, not overcommitted [...] It is planning that picks its assignments with discrimination, that employs a variety of devices to simplify its intellectual demands, that makes much of interaction and adapts analysis to interaction" (Lindblom, 1975). Furthermore, "strategic planning is then systematically adapted in several specific strategic ways to interaction processes that take the place of analytical settlements of problems of organisation and change [...] Strategic planning plans the participation of the planners (or of the government for which they plan) in interaction processes, rather than replacing the processes [...] Strategic planning tries to make systematic use of the intelligence with which individuals and groups in society pursue their own preferences by moulding their pursuit, rather than substituting the planners' intelligence wholly for individuals or groups

[...] Strategic planning attempts to develop and plan, in the light of a rationale for deciding which effects are to be achieved through decision and which only as epiphenomena” (ibidem).

We can note in this definition of a strategic concept of planning a series of Hirschmanian themes: the search for present and unused resources, the modest attitude of the planner, and the attention to collateral effects.

Charles Lindblom, an influential author in the planning world thanks to the interest garnered by his positions on the incremental model, constitutes to some extent an important connection between Hirschman’s positions and the field of theoretical reflexion on planning.

Jumping forward in time and space, we can observe that the theme of discovering unused resources, a fundamental aspect in Hirschman’s theory, would have a decisive influence on the development theories that characterised the revision of European place-based cohesion policies from 2000 on. In this case, a fundamental role was played by Italian economist-planner Fabrizio Barca, an attentive reader of Hirschman’s work who, in a series of reports (Barca, 2009) and experiences that he guided directly at the national and OECD level, would build his own place-based approach to developing weak areas on the basis of the discovery and mobilization of unused resources (Barca et al., 2012). In the strictly urban planning field, that model would be the foundation of the experiences of integrated and participatory interventions in neighbourhoods in crisis of the periphery of inner cities, promoted by the European Commission.

An even more direct connection with the urban planning environment was developed in Italy by Pier Luigi Crosta, the aforementioned translator of *DPO*. Crosta worked on Hirschman’s thought in the open and innovative context of a group of unorthodox urban planners who referred to the ILSES research team lead by Alessandro Pizzorno, the Journal *Archivio di Studi Urbani e Regionali*, and the cultural, professional, and editorial activities of Giancarlo De Carlo.

All of Pier Luigi Crosta’s theoretical work is strongly rooted in Hirschman’s thought. Beginning in the 70s, Crosta constructed through his writing, in particular the doctorate that he coordinated in Venice in “Territorial public policies”, a specific line of thinking within the panorama of Italian urban planning culture: the approach to urban planning that views the planning process from a perspective based on the analysis of real planning practices. The

topic of unintended consequences was very important for Crosta, who built on Hirschman's concept in *DPO*: unexpected consequences are interwoven with intentional planning actions, producing unprecedented combinations that are not undesirable merely by virtue of their unexpected nature. Viewing planning activities in this way leads to a natural reallocation of the activities of the planner within a perspective that is considerably different from that of directing the urban transformation process, and a rethinking of the relationship between intended effects and outcomes as a crucial place in planning (Crosta, 1998).

Returning to the United States, an important direct connection between the cultural environment of planning and Hirschmanian thought is offered by one of the most influential authors in the field of American planning theory: Melvin Webber, a professor at Berkeley University.

As an attentive reader of Hirschman, Webber suggests moving the focus of the planner from the plan to the implementation process, from the past to the future, asking those involved in planning to abandon their engineering and architecture roots, which concentrate on defined technical problems, and to construct instead a specific approach to planning that he defines as "permissive planning": an approach oriented towards the future and social change, that intervenes in social transformation processes in a discrete way, targeting incentives rather than rules and prohibitions, that explicitly declares its political nature by endeavouring to understand the impacts of each action of various social groups.

Webber's permissive planning, shocking to mainstreaming planners in the late 60s, is very close to Hirschman's theory of possibilism (Meldolesi, 1994).

As Nicoletta Stame observes, Hirschman's theory of possibilism promotes, on one hand, the analysis of what has happened, appreciating the fact that many more things were possible than what was expected, while on the other, a view to the future, cultivating the illusion of predicting what could happen, in order to then cause it to occur. Hirschman describes this as "widening the limits of what is, or is perceived to be, possible, thus widening the discretionary margins of the process of change" (Meldolesi, 1994).

A few years later, Melvin Webber together with Horst Rittel wrote one of the fundamental texts of planning literature, which is still used widely today in theoretical debate. It is, in my opinion, a deeply Hirschmanian text.

In the article entitled "Dilemmas in a General Theory of Planning", Rittel and Webber (1973) discuss the intrinsically "wicked" social problems that constitute the object of planning. Unlike the problems of natural science or engineering, which are "tame", planned problems are

wicked, poorly defined; their resolution is entrusted to political judgement, they are never solved, only repeatedly attacked. The problem, according to the authors, is that the dominant planning ideology seeks to address wicked problems as though they were the tame problems of natural sciences and engineering, thus failing to realise that the approaches constructed are inadequate for the complexity, uniqueness, and ambiguity of the nature of planning problems. John Forester, another central figure in American planning theory, established a direct relationship with Hirschman's positions on planning, particularly with his *A Bias for Hope* (Hirschman, 1971). Forester maintains that "[t]he most evocative definition of planning that I know simply puts it this way: 'Planning is the organization of hope'. Planning is the organization of hope - and so planning well done enhances our abilities to imagine our communities as we might yet really live in them, and planning poorly done diminishes our imaginations of what we can do, weakens our hope and discourages our action" (Forester, 2004).

Forester's entire body of work reflecting on planning practice tends to demonstrate the planner's role as an "attention shaper", directing attention towards disadvantaged groups or unused resources that could play an important active role in the social transformation processes of the region (Forester, 1989).

Lastly, a formal inclusion of Hirschman's work can be found in the most systematic attempt to construct a history of planning thought by John Friedman, in his monumental work *Planning in the Public Domain*: in the part dedicated to the tradition of "Planning as Social Reform", Friedman briefly outlines Hirschman's position on questions of unbalanced development and creativity, with a brief discussion of the principle of the hiding hand.

In conclusion, it seems to be that, beyond the relationships that I have been able to identify, Hirschman exercises a profound influence that originates in *DPO*, but which extends to *Exit, Voice and Loyalty*, *The Passions and the Interests*, *Essays in Trespassing*, and *Shifting Involvements*. A precious body of work that has continued to encourage planners to trespass, to construct a critical attitude, maturity, and awareness, confident in their ability to address whatever problems and difficulties may arise, using uncertainty as a compass and hope as a guide, mobilizing hidden resources, leaning from failure, paying attention to unexpected effects, and using the intelligence of society.

I believe that Hirschman, beginning with *DPO*, continued to offer a fundamental contribution to the construction of a planning "posture" that is capable of addressing the growing complexity of the problems facing contemporary society.

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