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*Social Funds and local agency:
lessons from central-west Argentina*

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Abstract

The structural adjustment programmes that characterized Latin America during the past two decades were accompanied by a shift in the orientation of the social policy schemes, clearly expressed in the emergence of Social Funds. 'Social Funds' is a broad term that refers to a variety of programmes that gradually evolved during the 1980s and 1990s in Latin America and Africa, constituting the dominant approach to development and accompanying the multilateral agencies' approach of adjustment focusing on rapid macroeconomic stabilization and price reform. These schemes took a variety of forms and have been referred as 'emergency social funds', 'social investment funds', 'social recovery funds' and 'special employment schemes'.

This paper analyses the case of the Agricultural Social Programme (PSA), a Social Fund implemented in Argentina since ten years ago. The PSA is a clear example of the shift in Social Policy from one approach where the State was visualized as responsible for redistribute mechanisms and social services affecting all citizens, to another that targets only specific groups and projects. The empirical material is based in ethnographic research developed in a rural region in Central West Argentina, where the PSA has been implemented with various results. The paper makes intensive use of an actor-oriented approach as a useful way of depicting issues of power, knowledge and agency at the interface between small farmers and state officials. It is argued that such approach is capable of revealing the many realities linked with the local shaping of interventions, and can give valuable insights in order to understand processes of development and their appropriation, resistance or transformation by local participants.

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Introduction

At the beginning of the 1980s in Latin America, it was clear that the dominant paradigm in social and economic policy was changing. For forty years the role of the State had been central to the creation of the institutional, social and physical infrastructure for development through significant public investment in education, health, social protection and housing policies. However, 'development' began increasingly to be seen as little more than narrowly defined economic growth, the main objective of policies referred to as the 'Washington Consensus'.¹ New measures were elaborated to support growth, basically, measures of macroeconomic stabilization - reducing inflation and the fiscal deficit - and structural reform policies - trade liberalization, financial deregulation, privatisation and a shift to a smaller state- (Calcagno, 2001).

Ten year later, concern about the social costs of structural adjustment measures was increasing. In the World Development Report of 1990, the World Bank acknowledged the necessity for special Social Funds to accompany its adjustment approach (Abbott and Covey, 1996; Hanmer, 1996; Cornia, 2001).² Structural adjustment programmes began to include policies aimed at reducing or countering the adverse economic shocks that affected the poor and vulnerable during the process of adjustment.

'Social Funds' is a broad term that refers to a variety of programmes that gradually evolved during the 1980s and 1990s in Latin America and Africa with the support of the World Bank, the Inter-American Development Bank and other donor agencies³ (Beneria and Mendoza, 1995: 56). By the end of the 1990s, over seventy Social Funds had been introduced to offset the surge in poverty spurred by adjustment, and Latin America was 'saturated' with them (Glaessner *et al.*, 1994; Abbott and Covey, 1996: 2-3). In the Latin American experience Social Funds with target mechanisms have been oriented towards a plurality of activities.⁴ Those oriented to rural development have usually offered training, credit, and technical assistance to small farmers. Although some of the Social Funds have been run by NGOs, the majority of them have been government programmes with the common characteristic that a component of income transfer should be directed to the poor (Grosh, 1994: 2).

The programme analysed in this paper, the Agricultural Social Programme (PSA), was a state sponsored social programme created in 1993 in Argentina. The PSA operated in twenty-one provinces in the country, markedly different from previous projects with regional foci, some run by NGOs. While the number of small farmers in Argentina is around 180,000, more than 45,000 families participated in the PSA throughout the country since 1993 (PSA, 2001). Basically, the programme offered access to credit, training, technical assistance, and marketing support to groups of small farmers or 'micro enterprises'. The PROINDER, a programme partly financed by the World Bank, began in 1998 closely linked with the PSA. Members of the PSA National Unit were involved in the creation and later implementation of the PROINDER, especially its major activity of giving subsidies to groups of small farmers and rural poor so that they could gain access to investments (tractors, tools, animals, etc.). The proposals farmers made to the PROINDER were supported by the PSA extension workers and approved by the PSA Provincial Units. This close articulation with the PROINDER reinforced the PSA as a Social Fund, characterised by a move away from universal programs to a more targeted strategy, decentralisation, demand-driven or participatory schemes, and well-qualified and professional staff (Tapella, 2001: 32).

The PSA key intervention strategies were to offer soft credit and establish groups. While PSA officials considered participation in the groups as an empowering process that enhanced the

capacity of the individual/group to improve their lives and as a means of achieving better outcomes (Nelson and Wright, 1995), groups were also seen as the first step in the process of social change and the seeds for the development of wider farmers' organizations. The concept of 'the group' was so strong in the discourse and practice of the PSA that during my research in the rural communities of Tampico (a rural region in central western Argentina) I was identified as the one who was interested on talking 'about the groups', and in the context of these rural communities, that meant, without doubt, the PSA groups.

The centrality of 'groups' can be easily linked to the issue of participation, a buzzword in the world of development aid and the implementation of Social Funds in Latin America. This paper explores how the PSA constituted a 'model of the group' through its strategy of intervention. I argue that this model of the group was not homogeneously imposed, but differently appropriated and interpreted by diverse actors linked with the programme's implementation.

Besides this introduction, the paper is organized in three sections. The first section discusses the concept and practice of 'participation' in development interventions. The second section introduces the ethnographic material, mainly based in the analysis of some groups' experiences in order to show the way 'groups' were central to the PSA strategy.⁵ Particular attention is paid to the history of one group that was first considered as a 'star' group and later as a 'failed' one. The third section closes the paper by picking up the different threads previously discussed.

1. Discussing participation

The practice of 'participation' in development projects has had an incredible growth and popularity since the mid-1970s onwards (Cornwall, 2000). More recently, at the same time that 'participation' lost the radical connotations it once had (mainly in popular movements), it has gained a new respectability and legitimacy, becoming a new orthodoxy in development and social policy (Stirrat, 1996). International financial institutions (and consequently diverse State agencies as well) have made the claims for 'participation' a *sine qua non* of their discourses and policies, many times translated into a managerial exercise based on toolboxes of procedures and techniques (Clever, 2000: 53).

'Participation' has also had an important role in the discourse and practice of the Social Funds, characterized by a demand-driven style and the search for the 'empowerment' of beneficiaries through their active role in the selection, implementation and operation of projects (Bonfiglioli, 2003). In this way, Social Funds have functioned as a space for the convergence of mainstream neoliberalism and participatory development (Mohan and Stokke, 2000: 255), where 'beneficiaries' are regarded as having a more active role to play as consumers of development projects and policies (Cornwall, 2000). Bascones (1998) argues that the real reason for emphasising participation in Social Funds is concerned with ensuring better project performance and reducing general costs by involving beneficiaries, as well as emphasizing the micro level of intervention as a way of obscuring broader macro-level inequalities and injustice.

The popularity of 'participation' has ethical and instrumental origins, expressed in the ideological shift away from supposedly undemocratic and top-down planning, and the belief that the lack of participation by intended beneficiaries has often been responsible for project failure (Foell *et al.*, 2000; Eversole, 2003). The advocates of this shift towards participation have stressed its potential for generating information at the grass-roots level by involving

members of the community in projects intended for their benefit, transforming them into active subjects rather than passive objects of their own development. The information gathered by participation techniques is usually considered more reliable and relevant to the interest of the participants than that generated by more traditional research methods (Chambers, 1983, 1991).⁶

Until the mid 1990s, 'participation' was understood to be good by definition (Uphoff and Cohen, 1980), and critiques of its theoretical foundations were few. However, a heterogeneous movement began to express varied strands of a critique of participatory approaches (Mosse, 1995; Stirrat, 1996; Cooke and Kothari, 2001) that situated itself 'outside' the internal critique that the supporters of participation used (Nelson and Wright, 1995; Guijt and Shah, 1998). The neo-populist character of most extended practices of participation was examined (Olivier de Sardan, 1990), doubts were expressed over whether development institutions can be 'participatory' (Cleaver, 2000), and the language of participation and 'empowerment' were regarded as alternative 'inventions' of the 'development discourse' (Sellamna, 1999). Other critics have shown how there were unresolved contradictions between sustainable development and participatory development (Jackson, 1997; Foell *et al.*, 2000), the inconsistency between participation and centralization (Biggs and Smith, 1998; Mooij, 2003), and the subordination of questions of power and authority to individual values and attitudes (Brown, 1999).

One possible way of analysing 'participation' in a development project or a social programme such as the one I am studying here, consists in paying attention to the level of attendance at group meetings or participatory workshops. However, this would not go beyond an 'audit culture' (Roberts, 2001) and does not provide in depth knowledge of the processes involved. In order to understand issues linked to the discourse and practice of participation in the PSA I have chosen to look at the processes involved in the history of group establishment and development. This illustrates the striking discrepancies between the principles of participatory development and the realities of the social interactions involved. To explore the quality as well as the quantity of participation, in the next section I concentrate on the analysis of group processes, as the starting point for the analysis of participation and associated work in the PSA milieu.

2. Stories of group constitution, failure and re-constitution

This section recounts some stories of farmers' groups formed in Tampico to highlight different dimensions of farmers' involvement, resistance or accommodation to PSA intervention. To disentangle the concept of the group sustained by the programme I begin by introducing the history of the San Roque group. Its history is interesting because after some years of being considered a 'model group' and one of the best in the region, it turned into a 'failed group', and eventually one not eligible for the PROINDER subsidy.

The centrality of group formation for the PSA was widely expressed in documents and brochures. It was through the establishment and participation in groups that farmers could formulate their production proposals and receive financial support (as credit), technical assistance and training (PSA, 1998). It was clearly expected that the formulation of the proposal would be done through a participative methodology, as a way of increasing farmers' ownership of the proposal and the consequent motives for its development.

Extension workers had frequently reminded farmers during meetings to draw up their proposal that it was necessary for them to have activities in common to justify being called 'a

group'. On each occasion, they stressed that the programme catered for groups and not single farmers. In the case of San Roque group, this requirement had been demonstrably met. One of the most important elements in San Roque during their first years as a group was the experience of working together, cultivating some hectares in collaboration with each other. Whilst this implied saving labour resources, it was also considered a very good indicator of group cohesion and identity. San Roque farmers also initially jointly bought their agricultural inputs, thus receiving better prices for them. They also showed a high degree of internal solidarity when some of the farmers (those who were eligible under the programme criteria) applied for a subsidy in an emergency labour scheme and later share it with the rest of the group.

The group had also invested their loan in a tractor, thus having common capital, which the programme's officials considered better than using the loan for inputs. Loans used to buy inputs had to be returned just after the harvest, while credit given for a capital investment (like a tractor, tools, animals) could be paid back over many years. This made the group less vulnerable to price oscillations or natural risks (hailstorms, rotting, fungus, etc.). The PSA officials used to insist that it would be very desirable for farmers to capitalize themselves through buying a tractor or agricultural tools.

'Farmers' meetings' were an important element of the programme's conception of 'the group'. The meetings to form groups and make a production proposal, and the subsequent meetings once the proposal had been approved, were, for officials and extension workers, the *sine qua non* requirements of 'being a group'. The use by San Roque farmers of a book of minutes to formalise their different production and commercial procedures was clearly in tune with the style of work that the PSA wished to promote. Another aspect of being considered a good group by the PSA officials and extension workers was farmers' participation in the activities offered or suggested by the programme, like Farmers' Congresses, training activities, and trips to other provinces. San Roque had sent at least one of its members to all these activities, whilst their deep involvement in one training experiment in onion planting organized by PSA was further proof of their commitment to the programme's activities.

The group had also been deeply involved in PSA development in the area, and displayed the benefits of being part of the programme. They were recognised in their community by their group name, something that was seen by PSA officials and extension workers as an indicator of group solidarity, identity, and also 'existence'. There were rumours (and evidence) that some groups were formed only to receive a loan, and that after each member had received his or her share of the money, it was not used for the original purpose. These were called 'ghost groups'. Not surprisingly 'good groups' like San Roque were interviewed for documentaries made by the PSA, and invited to talk about their successes as a way of demonstrating what good work had been done. The sense of trust the extension workers had developed with San Roque, and especially with Don López as its group leader, was expressed when extension workers establishing groups in the nearby area used to ask Don López's opinion about people interested in becoming programme beneficiaries.

Summarizing, during its early years San Roque displayed various indicators which allowed it to be considered a 'good group'. But in later years, the group was not receiving any more technical assistance and the farmers were not working together any more. The group's history was then a mirror image of its previous successes, with the result that it gained a reputation as a 'failed group'.

While four groups in the neighbourhood had been beneficiaries of the PROINDER subsidies, San Roque had not received any assistance. As they were heavily in debt to the PSA, the programme's officials used one of the most degrading terms - *especuladores*⁷ – to describe them. PSA officials usually applied this term to farmers they thought could repay credit but were not doing so until they were sure they would receive at least a further similar loan from the programme. The PSA officials considered that *especuladores* farmers were not fulfilling their part of the bargain with the programme, as well as giving a bad example to their neighbours, who might do the same.

One of the credit officers of the PSA had visited Tampico one year before with the hope of receiving some money from the farmers as partial repayment of the loan. On this occasion, she had arguments with many farmers because she suspected they were not paying at least part of their loans because they did not want to. Some farmers went to talk to the Mayor, who told them that he would go personally to Buenos Aires (the capital of the country) and get the farmers' debts to the PSA written off. The Mayor (as well as the leaders of the local Farmers' Association) had also told farmers they did not have to repay their debt to the PSA because the money had been a subsidy, not a loan. Although Don López denied it, it was common knowledge among many of his neighbours that he had a close relationship with the Mayor. Don López's house was also a centre of food disbursement from welfare programmes managed by the Council, and many people believed that the Mayor had advised him not to repay the credit from the PSA. This version was also central to the explanation that their extension worker and PSA officials gave about the San Roque failure.

During the process of group establishment and the construction of the production proposal, it was very common for farmers (and also their extension workers) to stress the internal homogeneity of the group to increase the possibility of the proposal being approved. Farmers often tried to give then an impression of internal homogeneity among themselves, showing how all the members were similar in their production characteristics (type of production, possession of land, capital available). What was also interesting was that the extension workers stressed the homogeneity of farmers during group formation and proposal elaboration stages, and would stress heterogeneity when trying to explain the 'failure' or fragmentation of groups. They would usually distinguish between 'real' farmers and 'occasional' farmers, those who were not really committed to a 'farmers life style'. Usually these 'occasional' farmers cultivated small areas and often had to abandon cultivation for odd jobs or to migrate. This situation also happened in the case of San Roque.

On the other hand, the 'failure' of a group also had a different meaning for the PSA institutional actors. For the credit officers was an administrative problem that had to be dealt with through the credit software, and also implied extra work and visits to farmers for them in order to recover loans. For other members of the local bureaucracy, it also implied additional difficulties in credit recovery as well as an increase in the rate of arrears. It also meant that members of the national bureaucracy could identify and criticise the failure to maintain groups in the region, which, as PSA support to farmers was always on a 'group' basis, and not to 'single farmers', meant extension workers would face a salary reduction, sometimes almost immediately, if groups broke up.

Extension workers' worries about a salary reduction if groups collapsed was evident in the case of groups receiving the PROINDER subsidy. Extension workers were involved in all these cases, promoting the creation of proposals, and sometimes involving themselves in attempts to reconstitute failed groups. This was pretty clear in many cases where extension workers united failed groups in a new production proposal, and also pushed for the

‘reconstitution’ of others. Interestingly, when the extension workers approached these groups, they could have been seen as failed groups, with few members, arrears in the repayment of loans and a lack of meetings. Farmers belief that partly repaying their loans would make them eligible for the PROINDER subsidy was based upon their trust in the information they received from PSA officials and extension workers.

And here, perhaps, lies the key *sin* of the farmers in San Roque: they trusted the Mayor and the leaders of the Farmers’ Association who advised small farmers not to repay their loans to the PSA. The starting up of PROINDER had been frequently announced over the previous two years, and some farmers had made loan repayments in the hope of being included in it. Farmers at San Roque failed to receive the subsidy not just because they were members of a ‘failed group’ and had not repaid of their loans to the PSA but also because they depended on a political network -the Mayor and the leaders of the local Farmers Association- that were criticising and threatening the core of the programme (its credit policy) and also opposed the PSA officials and extension workers at Tampico.⁸ Finally, those farmers who trusted the PSA officials and extension workers were awarded subsidies when PROINDER was finally implemented. My view is that most groups constituted by the PSA in Tampico functioned as ‘good groups’ as long as they saw the possibility of gaining access to new financial resources through the programme (i.e. new credit, a subsidy from PROINDER). When that possibility disappeared or was seen by farmers as very improbable, groups began to display the characteristics of ‘failed groups’.

Complementing this idea, close attention to the contextual circumstances of PSA implementation can give extra clues to understanding the group’s shift from ‘success’ to ‘failure’. During the first years of the PSA, farmers had received various benefits (like subsidies from emergency labour schemes, trips, credit, and technical assistance). Later on, when very bad crop prices made loan repayment difficult and the stability and continuity of the programme was uncertain, most farmers chose to fulfil their obligations to their traditional intermediaries repaying these debts first. This is linked with the situation of farmers being labelled *especuladores* (as was the case with the San Roque group). I would argue that this behaviour functioned as a survival strategy, especially in years when crop prices were very low. If farmers had repaid the loan without receiving a new one, they would not have been able to cultivate the following year. Farmers usually said that their income from crops was divided into three shares: one for the family (to eat and to live), one for production (to grow their crops), and one to repay credit. In years of very low prices, the last was not available and, if even it were, farmers would not easily give it without evaluating the possibility of receiving a new loan. The increasing uncertainty concerning the future and stability of the PSA, threatened as it was with budget problems and political interventions, also influenced farmers’ decisions. They had to carefully consider whether or not a returned loan would lead to a new one.

Another issue is linked to the family character of many groups. In the case of San Roque, its constitution allowed Don López to work with his sons, acquire the dreamed-of tractor, and even begin to think of buying a farm. In his case, as happened with others groups that eventually received PROINDER subsidies, he needed to add non-family members to form the group. This situation led in most cases to much instability and fragility in groups that acquired a common good (mainly a tractor), where one of the families would appropriate the jointly acquired good(s). The situation was quite common, with the exception of a couple of groups. In these cases, PSA intervention had simply strengthened the production strategies of an existing family group where the collaboration between the members of these groups

existed prior to their link to the PSA. In this way, when the groups were established to submit a proposal to the PSA, it was just a partial formalization of previous kinship groups, so they had a better chance of maintaining a reputation as a ‘good group’.

During my research I had the opportunity to participate in many meetings between the PSA officials and farmers’ beneficiary of the programme. It was quite obvious in these meetings the clear distinction in the way the bureaucracy of the programme interviewed the groups according to their reputation, showing a more friendly and open relationship with the ‘good’ groups, and a more rigid and distant one with the ‘bad’ ones. Accordingly, the attitude farmers showed in these meetings was heavily influenced by the view the PSA officials had of them. Those farmers who were considered members of good groups made a great effort to show how much ‘solidarity’ there was amongst them, which was considered very important by PSA officials when evaluating new projects for PSA or PROINDER. Those farmers who were clearly labelled as ‘problematic’, ‘troublesome’, or members of ‘failed’ groups had to negotiate with the programme’s officials to postpone the repayment of loans, while exploring the possibilities of receiving a new one.

The meeting agenda that the officials used in these meetings was an example of their interest in evaluating ‘group development’. Groups that could plan common activities and have some form of division of labour were highly regarded. This was found quite bizarre by farmers in groups who had turned to the PSA to receive financial help but had maintained their former livelihood strategies: working with relatives as partners, selling to their intermediaries, and buying their agricultural inputs when they had enough money. When the PSA officials commented them about groups that were selling crops jointly, members of these ‘failed groups’ told them these other groups *had always done that*. In saying this they explained why some farmers’ production and/or commercial strategies easily matched those demanded by the programme. This was also a statement about the modest impact of the PSA intervention: only those farmers who had been cooperating in groups prior to the PSA implementation were well regarded by programme officials during and after the intervention.

But behaviour has complex sets of meanings, and it would not be fair to understand small farmers only as bearers of a narrowly defined economic rationality. I witnessed how some farmers were slowly repaying loans even though there were no possibilities of receiving new loans in the short run, and their groups were dissolving. In most of these cases, farmers felt that the PSA ‘had given them a hand’ in the past, so it was important to return the favour. The close links and friendships between these farmers and their extension workers were not marginal to their role as ‘good payers’.

Another issue that arose in the visits made to groups was the importance PSA officials gave to formalizing certain procedures. Although they appreciated and congratulated the joint activities of group members, they insisted that this was not enough. Farmers had to make progress in formalizing their operations, sharing out different tasks, reaching consensus in their decisions and –very importantly- taking minutes and communicating by letter to the PSA. The programme officials held that group formation should not be understood as an end in itself but as the initial seed for wider farmers’ organizations and micro-enterprises.

I have tried to show in this section that the discourse and practice of the programme built up an ideal-type model of the group that functioned as a baseline against which to evaluate group performances. This model was widely communicated to the small farmers both through the formal regulations of the PSA that obliged them to constitute groups in order to become

programme beneficiaries, and through their subsequent encounters with extension workers and PSA officials in meetings, trainings days and farmers' congresses.

3. Conclusions

The PSA officials understood the life cycle of a group in terms of a simple model. A group begins its life with the initial meeting of its members and the development of a production proposal. Once this is approved, the early part of the group's life is characterized by a time of illusion and strength in the development of its project. At some point, inevitably, a period of crisis arrives. If the group cannot overcome this crisis it will break up. If it can surmount the crisis, it will begin a period of consolidation. Based on this conceptualisation of the group's life, particular stress was put on the role of the extension workers in supporting groups during their initial stages as a way of strengthening them for the time of crisis. Extension workers received special training in participatory diagnostics and techniques to solve groups crises produced by internal disagreements.

My point is that, in reality, the almost complete disappearance of PSA groups in Tampico by the time of my research cannot be explained simply by asserting that the huge majority of the groups could not overcome the crises produced by internal disagreements. Instead of using the framework of the 'group's life', a more appropriate approach is through an interface analysis that pays attention to the discontinuous process of knowledge acquisition, utilisation and transformation and the role that actors play in these processes.

A central issue was the requirement for farmers to constitute groups in order to receive PSA benefits. Group members had to be small farmers in terms of the PSA target profile, and farmers were thus compelled to associate, something that was not free of tension. The easiest cases were those where the group members were close relatives who had been working together before, or were members of already constituted co-operatives. In these cases, the support given by the programme could easily meld with their previous livelihood and production strategies, and the conditions for success were already laid and their consideration as good groups increased.

In most other cases, the programme initiated new groups, usually consisting of relatives, neighbours and acquaintances who had not worked together before. Officials and extension workers were not naïve about farmers' intentions in forming groups, acknowledging (as farmers did) that they had only been willing to form groups in order to gain access to the credit and subsidies offered by the PSA. This view was reinforced by groups that suspended their constitution when budget constraints prevented the possibility of new proposals being financed, and groups that dissolved when they could not receive further loans from the programme.

The PSA model of the life-cycle of groups gave particular stress to the stage at which proposals for loans were worked out once the group had been formed. PSA officials justified this usually length process as a way of educating farmers in making their own proposals so that they could do it by themselves in the future, free of any dependence on the PSA. The PSA also saw this time as an opportunity to increase farmers' participation in the group, writing up the minutes, discussing group rules. Most of these educational objectives were easily forgotten when the same extension workers needed to establish groups quickly in order to improve (or maintain) their salaries and programme officials' need to disburse their budgets quickly.

Once groups began to develop their projects, it was expected that with the support of their extension workers, they would move from an initial stage of disorganization to a more organised (modern) state. Some of the key components –as well as indicators of progress– were the holding of meetings, the taking of minutes, the development of a division of labour, and the formal assignment of responsibilities. If we add to this the requirement of internal solidarity, a picture of the organisational model of the group projected by the PSA becomes clear, characterized by a strong emphasis on ‘rational’ and efficient ways of dealing with administrative and organizational problems. As groups were systematically considered to be oriented towards fulfilling collective goals (that is, the joint objectives of their members), it was expected that this new collective form of organization would improve small farmers’ lives through exercising internal democracy and a strengthening rural civil society.

The idea that new forms of organization can make a dramatic change in the lives of the poor is based on the notion of social and legal engineering as well as in an instrumental view of organizational change: the belief that society can be changed by modifying rules or introducing new forms of organization (Nuijten, 2001: 140). This view has at least two important problems: it avoids acknowledging the existence of power relations in society (here, in the rural communities) and ignores or disqualifies the existing forms of organization.

The existence of power relations in rural communities was partially recognised by PSA officials and extension workers when they tried to form ‘homogenous’ groups, taking account of the multidimensional patterns of differentiation in rural communities. The PSA agents tried to foster groups where there were no significant economic differences between members. However, this was not always possible, and the impact of differences in age, status and livelihoods were unacknowledged by the PSA officials and extension workers. Farmers themselves were faced with another constraint: in order to arrive at the minimum number of people required to constitute a group, farmers had to select not whom they would have preferred but who was available.

The stress ‘the model of the group’ laid on the development of modern forms of organization allowed little attention to be paid to the existing forms which, if they were recognised and measured against this model, were considered as ‘backward’, ‘corrupt’ or disorganized (Nuijten, 2001: 141). This had the effect that all forms of organization that did not fit into the ‘modern’ model encouraged by the PSA were not taken into account. For instance, when farmers were asked about the ‘lack’ of joint work, they had to justify themselves by saying they had another production partner outside the group, or their own intermediary to buy their production, or that group members had different ways of selling their produce. But the attention officials paid to these forms of organization were quite marginal, and not integrated or articulated within the programme’s strategy of intervention. The schedule that officials used in their visits to the farmers’ groups was an illustration of the functionalist way in which the ‘groups’ were evaluated. No space was left to acknowledge and integrate their activities and livelihood strategies outside the group. If these occasionally appeared they were never ‘followed up’ or investigated. As Barth (1993: 157; cited in Nuijten, 2001: 147) puts it ‘I am in no way arguing that formal organization is irrelevant to what is happening –only that formal organisation is not *what* is happening’.

The principle that underlies the efforts of the PSA to apply its ‘model of the group’ is that external intervention can empower the (poor) small farmers by helping them to develop new forms of organization (Nuijten, 2001: 139), and inaugurate new forms of relationships. But given the required character of PSA groups,⁹ many farmers defended their personal autonomy

by continuing to follow more individualistic strategies and relying on their loose personal networks.

I have shown that, in most cases, group formation was understood as a way of gaining access to the various services the PSA offered (mainly credit). The required profile of the group gives a clear indication that relations between the beneficiaries and the officials were not equal. If they wanted to gain 'access', the former had to do what the latter asked. On many occasions, this implied some farmers dominating others through the expression of consensus or what Bourdieu (1977; cited in Mosse, 1995) calls 'officialising strategies'. This means that particular interests (of one farmer or a family) became identified with the general interest (of the whole group). Examples of this were when farmers invited others to form a group, which could then acquire a tractor. Later on and in different ways, the farmer who pushed for the group's establishment and the orientation of the project towards purchasing a tractor, would appropriate it for his family.

It is also possible to depict the stage of the proposal development as a 'public social event' (Mosse, 1995), that is, face-to-face interaction between a group of people in participatory development that implies a particular construction of 'local knowledge' strongly influenced by existing social relationships and structured by the planning situation.¹⁰ The participatory discussion and proposal planning not only concealed processes of domination but also reinforced them.

At the same time, the knowledge produced in the participatory discussions of group proposals was constrained by extension workers and officials informing the farmers of the kind of proposals that would be approved, and imposing ideas of 'relevance' on the particular knowledge produced (Mosse, 1995). This does not mean that farmers were passive facilitators of local knowledge production and planning. For writing up proposals, the PSA provided the forms farmers had to fill in, the technical support of extension workers to do the projects, and 'advice' about what types of projects would be approved. This issue can also raise further questions about the demand-driven character of the Social Funds Farmers, on their side, accepted these procedures and, in a sense, constructed their needs (Pottier, 1992: 4) according to their increasing knowledge of what would be approved. Following Goffman's (1959) conceptualisation, the proposal planning functioned as a 'front-stage' performance sponsored by the programme. But in the 'back-stage', farmers usually found space to use the credit and to behave among themselves outside the specific way demanded by the programme, thus exercising a kind of subversion (Sibley, 1995; cited in Kothari, 2001).

Participation is not a panacea. It has the potential to challenge patterns of dominance as well as entrench and reproduce existing power relations (White, 1996). Different inherent inequalities within group-based relations have to be recognised as well as the ways in which power is articulated by and embedded within social practices. This recognition can be facilitated by conceptualising knowledge as a product of social relationships and not as a fixed commodity (Long and Villareal, 1994: 49) and considering groups as negotiated orders or structures of power and domination instead of as unified systems oriented to shared collective goals (Nuijten, 2001). This type of conceptualisation makes it more difficult to conceal power relations behind the mask of participation.

A central premise of an actor-oriented approach of development interventions has to recognise that it is the complex interaction between actors' 'projects' and practices, their intended and unintended outcomes, that creates both the constraining and enabling framework of social action (Long, 2001: 4). The human agency of actors and their

interactions -full of meaning, purpose, and power- shape the outcomes of emergent social forms.

Notes:

¹ John Williamson, who coined the term, summarized its core concept (with particular reference to policy reform in Latin America), as ‘the conventional wisdom of the day among the economically influential bits of Washington, meaning US government and the international financial institutions’ (Williamson, 1993: 1329).

² This movement has been identified as the shift from the Washington Consensus to a post-Washington Consensus (Fine, 2003: 586-587), as well as the retreat of fundamentalist neoliberalism to a ‘revisionist neoliberalism’ (Mohan and Stokke, 2000: 255).

³ It is commonly accepted that the history of the Social Funds had its antecedent in Latin America in 1986, when the Bolivian government decided to protect the most vulnerable during the implementation of a macroeconomic stabilization and adjustment programme, for which it had the support of the World Bank and other multilateral agencies. These schemes had various forms, referred to as ‘emergency social funds’ (Bolivia), ‘social investment funds’ (Honduras), ‘social recovery funds’ (Zambia) and/or ‘special employment schemes’ (Chile and South Asia) (Cornia, 2001: 7-8).

⁴ For instance, food commodities or subsidies, school lunches, food stamps, free or reduced-cost health services or health insurance, student loans or free waivers, cash, jobs, day-care, mortgage, support to small-scale projects that directly benefit the poor, including the social and economic infrastructure, as well as productive activities and micro finance, etc.

⁵ My treatment of participation in this paper is closely linked to the analysis of the model of the group that the PSA developed. For a treatment of issues of participation at the level of the PSA provincial and national level see Manzanal (2000), Martinez Nogueira (1996) and Tapella (2003).

⁶ One of the central reasons generally cited to justify the use of a participatory approach in programme planning is that people’s knowledge is easily incorporated, and the consequent actions will provide a solid basis for development. The usual way of accessing this knowledge is through participative diagnostics in meetings or workshops led by external agents with a variety of methods: small group discussions, self-diagnostics, use of diagrams, and so on. This method of work, frequently identified as RRA (Rapid Rural Appraisal) or PRA (Participatory Rural Appraisal), has been widely used and is usually guided by two principles: the principles of ‘optimum ignorance’ (find out as much as you need to know now) and ‘appropriate imprecision’ (there’s no need to know everything precisely) (Cornwall, 2000: 43).

⁷ The term *especuladores* can be translated as calculating people, meaning in this context people not willing to take risks without certain returns.

⁸ I have no space to explain in length this point of the opposition of the local extension workers in one hand and the Mayor and leaders of the Farmers’ Association in the other.

⁹ I am using here the *emic* and widely extended way that officials and extension workers used in referring to groups’ and farmers’ linked with the programme, something that some of them would criticize for use of the possessive, implying that (especially) farmers’ where the property of the PSA.

¹⁰ Arce and Fisher (2003) acknowledge how Mosses work contributes to critiques on participatory approaches, but say that his analysis fails to place emphasis on how peoples’ life experiences are critical for an understanding of knowledge issues.

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