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**PROJECT ON MANAGING
DECENTRALIZATION**

LINKAGES
TO DECENTRALIZED UNITS

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CHAPTER I

INTRODUCTION

by

David Leonard

Rural development has never been easy. Like the agriculture to which it is tied, rural growth has always taken hard work and intelligent implementation in the face of local variability and an unpredictable environment. And now development is even more difficult. The current challenge is to provide for the world's poor majority--the marginal farmers and landless who make up the bulk of the developing countries' village communities. The farmer who begins to cultivate on rich bottom land must eventually extend operations to the rocky slopes if the enterprise is to reach its full productive potential. Even more so must development be brought to the world's poor majority, for not only production but life itself depends on the expansion. Still, growth is harder to achieve with poor resources, whether it be the soil or the cultivator that is poor. The environment is harsher; the fragility is greater; the margins for error are narrower. Rural development today is more challenging than it has ever been before.

Julius Nyerere once remarked that while the United States was trying to reach the moon, Tanzania was striving to reach its villages. It appears that Tanzania had the harder task and one more critical for development. In their review of the rural development experience of sixteen Asian states, Norman Uphoff and Milton Esman concluded that rural development occurs more rapidly where there are strong local farmer organizations together with effective links between them and national agencies which can support them (1974: xi-xii). Rural development cannot be delivered to a passive population. Whether the improvements sought be in agriculture, health, education or public works, the active involvement and assistance of the rural poor must be obtained if the proffered change is to be effective, permanent, and wide-spread. Local organizations are essential to that involvement.

At the same time the rural poor cannot create a satisfactory rate of development by themselves. They are poor, with all the shortages of resources, expertise and protection which that implies. Supportive national policies, assistance and guidance are needed. Such linkages are critical to rural development. They provide for a new type of decentralization, one in which both the locality and the center are strong. Such a phenomenon doesn't fit our classical definitions of decentralization, where power at the local level is purchased at the expense of the center. It does fit the interdependence of contemporary rural development. It requires new roles and new types of strength for both the center and the locality.

Rural development depends on decentralization in the minimal sense that the resources and authority necessary for quick and adaptive decision-making be physically present in the field, not in the capital. Decentralization is a negative concept; it is "not centralization." There are a variety

of contradictory ways in which one can administer without centralization. They range from devolution--autonomous local government--through deconcentration--the grant of authority to centrally appointed field staff. Sometimes the power of the nation-state is actually strengthened by a form of decentralization such as deconcentration (see Cohen et al.). What is important for rural development is the field discretion which is common to all types of decentralization.

A recent U. S. Agency for International Development report struck a theme that is frequently reiterated in project evaluation. "Most development programs attempt to stimulate local initiative and participation but fail because they cannot respond quickly and appropriately to the needs and ideas of local leaders" (Heiby et al., 1979: 7). There are two components of the problem addressed here that make decentralization a necessary solution. The first is the need to respond to local leaders. Even if this implies nothing more than consultation and negotiation from a position of national agency strength (and it usually does), discretion is needed at the field level to institute the bargain that is appropriate to each locale.

The second component of the rural development problem is that our knowledge of how to achieve it is incomplete. Project implementation constantly produces unexpected consequences. Rural development requires major doses of incrementalism; one learns as one proceeds what works and what doesn't. Those managing the project must be able to adapt to the lessons of its experience (Johnston and Clark: Chapter 1). An organization operating in an environment characterized by change and incomplete knowledge must have decentralized management in order to cope (Thompson, 1967: 72-3, 86-7); otherwise, adaptation will be too little, too late, or inappropriate. We require, then, a form of decentralized national support for rural development which has the capacity to adapt and to

bargain with local organizations.

This book is devoted to the inter-organizational linkages that are vital to rural development. It is concerned with the transactions between local participatory organizations, the national government, and the sub-national governments and field offices which mediate between them. Linkages are the mechanisms by which one organization is tied to or attempts to influence another. Those linkages might be financial aid or controls or political pressure. All of these can be found in decentralized national efforts to sustain the changes and local organizations that will benefit the poor. These mechanisms cannot be explored adequately unless attention is also given to: (1) the organizations being linked and their commitment to rural development, and (2) the kinds of programs which will benefit the rural poor. Thus our analysis of linkages includes a focus on program content and the types of local and national organizations most likely to be congenial to those programs. Our major concern is to give a more systematic treatment of the problems of linkage than is currently available in the development literature.

Why linkages? Are they more important than appropriate national policies? No; they are shaped by those policies. Do they matter more than congenial national or local organizations? Again, no; these are the units they work with. But appropriate policies made in a national ministry have to be implemented. And congenial local organizations have to be provided with resources; indeed they often have to be created. Implementation entails linkages. As perplexing as the policy issues of development have been, those of implementation have been even more frustrating. At this very basic level, development practitioners have had very limited guidance in how to deal with local organizations. They have created schemes of local

technical assistance, training, financial aid, regulation, and representation with little more than instinct to guide them. The results have varied among dangerous dependence, throttling control, reckless discretion, and so on.

It is time that we began to answer questions such as: "Just what is it that a national or international agency can do to create or sustain a cooperative which services the poor?" "What kinds of services and regulation should the outside agency provide for a community-based health care system?" "What kinds of representative structures do the rural poor need in order to obtain from the center the minimal resources they need to maintain their health or roads or agricultural production?" The issue is not just what the desirable end result is, but what actions should be taken toward that end. These are linkage questions.

Methods of Inquiry

To explore the problems and prospects of linkages we have combined an extensive literature review with the insight gleaned from our collective experiences. The material on linkages in developing countries, both published and ephemeral, is limited. Only a few studies address them explicitly and even then do so as a side issue (e.g., Uphoff and Esman, 1974; United Nations Research Institute for Social Development, 1975). We have been able to compensate for the limitations of this literature, however, with the very extensive studies of linkages in the American poverty programs. Although the United States is not a developing country, the problems of providing benefits to the poor are sufficiently universal to make its experience highly suggestive. To these two very different bodies of knowledge--American and developmental--we have brought the common sense that comes from experience. One of us has devoted nine years to work in five African countries. The

other has spent over ten years in research on inter-governmental relations in the U. S. poverty programs. Together we feel that we can draw inferences that go beyond the published literature and at the same time sense the limits on the possibility of generalization.

Clearly there are limits imposed by our methodology. We cannot prove anything that has not been proven before. We can and do organize materials around the theme of linkage that have not been examined in that way before. In so doing, a number of lessons are suggested about the tasks of relating national and local efforts. We emerge with a number of working hypotheses which may be useful in guiding the work of development practitioners for the present and providing an agenda for future applied research in this area.

We have chosen to tie our examination of linkages very closely to development programs. Linkages traditionally have been studied in the U. S. as general issues in inter-governmental relations. We began in this way but quickly discovered two limitations to that approach. The first is that a general inter-governmental relations approach tends to focus on distributions of power and resources as ends in themselves rather than upon the benefits they are supposed to create. Particular linkages are then seen as enhancing or hindering local democracy and the issue of whether or not services are getting to the poor gets lost in the shuffle. The second problem with a general inter-governmental relations approach is that it tends to downplay critical functions such as agriculture and health, which are not handled by local governments in the U. S. The linkage problems of various functional areas differ somewhat from one another. Thus we present an analysis of linkages in agriculture, health and public works before we attempt to draw more general lessons. We have chosen these three areas because they feature most prominently in the current development efforts aimed at improving the welfare of the rural

poor. We precede these functional analyses with an exploration of the general linkage lessons of the U. S. War on Poverty.

The Design of Implementation and Program Context

Once a policy or program objective has been conceived that requires work with local units, it has still to be implemented. This involves very important questions of design. The program must be given specificity; national agencies and local organizations must be selected as the implementors; and linkages must be created between them. It is important to give careful and wide consideration to the available alternatives, for the success or failure of the program will depend on the choices made. Occasionally the analyst will be in a local organization and be looking for assistance from the optimal national agency. More often, he or she will be in a government bureau trying to find the best type of local group to work through. Both of these analysts have to take as given one of the implementing organizations-- their own. Policy analysts also look out from the offices of presidents, planning ministries, and international donors, however, and these have a much greater degree of choice in designing the structures of implementation. It is vital that they use the choice fully and wisely. The selection of the wrong type of agency or organization spells failure for a project. Frequently the analyst takes a narrow, short-term view and considers the performance of the agency or organization only so long as it is closely linked to and monitored by a donor or the president's office. The project functions well for a time and then begins to malfunction in ways that should have been foreseeable. Our analysis is directed at averting such failures.

The choice of an organizational strategy for the implementation of a program depends both on the nature of the program and on the social character

of the environment in which it is to be placed. The distribution of benefits to the rural, poor majority is difficult to achieve. In the normal working of social structures, the poor rarely receive even an equal portion of the benefits society creates. The most effective strategy for overcoming this handicap and providing the poor with needed services depends on the interaction of the program and social structure. Some types of programs are harder to administer or lend themselves more readily than others to the appropriation of benefits by a minority. Similarly some social structures are more likely than others to permit local elites to take advantage of programs for themselves.

The success of program implementation depends on the following contextual variables: (i) the program's vulnerability to inequality; (ii) the nature of local elites and their interests; (iii) the nature and variability of interests among national agencies; and (iv) the distribution between national and local organizations of the capacity to meet the program's technical and administrative requirements. In the following sections we will analyze each of these factors in turn. We then will indicate how they interact with one another to suggest the decentralization strategy and the type of inter-organizational linkages that are most appropriate for programs for the poor majority in a particular context.

Program Vulnerability to Inequality

The first step to take in devising an implementation strategy for a program is to analyze its vulnerability to inequality. (Our thinking in this section is influenced by our interactions with Judith Tandler.) A wide distribution of benefits is inherent in some types of programs, while elite advantage is extremely easy in others. Inequality is an endemic social condition and develops readily in most settings. Perfect equality is

unobtainable, if the experience of existing social systems--socialist as well as capitalist--is any guide. Nonetheless there are significant differences among programs in the degree to which inequity is likely to develop. Table 1 provides a listing of those programs which seem to us to be more and less susceptible to serious inequalities in the distribution of their benefits.

As a rule programs are more vulnerable to inequality to the degree that they have one or more of the following attributes:

- (i) The individual or family, rather than the community, is the unit of consumption. For example, it is much easier for local elites to gain disproportionate benefit from a water system piped to individual dwellings than from one piped to communal-use points. Most services are consumed on a non-communal basis, however. Individual consumption units take on their greatest significance when combined with one of the other following attributes.
- (ii) Demand far exceeds supply. For example, the numbers wanting to attend highly selective education institutions or to receive subsidized credit will always exceed supply. It is possible to assure equal or even preferential access for the disadvantaged to such goods, but it is always difficult. Elite efforts to obtain such scarce services make them perennially vulnerable to inequality.
- (iii) Service quality can be improved at the expense of quantity. Because elites are the ones most likely to obtain scarce services they have no motive to lower service standards in order to assure wide access to them. Instead their interests are best served by pressing for higher quality and letting the clientele reached shrink. Curative veterinary and human medicine illustrate this type of vulnerability to inequality particularly well. It is common to find expensive treatments being

TABLE 1. THE VULNERABILITY OF SELECTED PROGRAMS TO LOCAL ELITE
MONOPOLIZATION OF THEIR BENEFITS

<u>Less Vulnerable</u>	<u>More Vulnerable</u>
AGRICULTURE:	
Land reform of very large or absentee landlord estates	-Land reform of medium-large or resident owner holdings
Water abundant irrigation	-Water short or tightly managed irrigation
Unsubsidized, competitive credit	-Subsidized credit
Competitive input or marketing facilities	-Monopolized input or marketing facilities
Group extension for crops for which inputs are abundant	-Extension to individual farmers Extension for input-scarce crops
Programs that will bring profitable new crops or production technologies to all farmers in a defined area	-Programs that will bring profitable new crops or production technologies to a portion of the farmers in a wide area
Mass, preventative veterinary medicine	-Restricted, preventative veterinary medicine Curative veterinary medicine
EDUCATION:	
Mass primary education	-Restricted or streamed primary education
Mass secondary education	-Restricted or streamed secondary education
Adult education	
Vocational training for low status occupations	-Vocational training for high status occupations

Table 1, continued...

HEALTH:

Public sanitation and most other forms of promotive medicine	
Mass inoculations and other types of active preventative medicine	-Passive preventative medicine (i.e., provided on consumer demand only)
Active but voluntary family planning assistance	-Passive or involuntary family planning programs
Nutritional additives (e.g., iodine in salt)	
Mass feeding (subsidized food, famine relief, mass child feeding)	-Selected target-group feeding
Simple curative medicine for villages in a low mobility society	-Curative medicine for villages in a high mobility society
	-High quality, curative medicine

PUBLIC WORKS:

Communal water points	-Water piped to individual consumers
Road construction and maintenance when all residents are involved directly or indirectly in the market economy	-Road construction or maintenance when only a minority will be engaged in marketed production
Labor-intensive public works projects with local labor recruitment	-Capital-intensive or externally contracted public works projects

available for a few, while funds run out for inexpensive, basic treatments for the many.

- (iv) Other, scarce inputs are necessary in order to utilize the service effectively. Roads or agricultural extension in an area in which the available market crops require inputs beyond the means of the majority of farmers will serve to benefit and strengthen the better-off. Another example of high vulnerability to inequality is free university education accompanied by fee-paying primary and secondary systems.

Programs which are less vulnerable to inequality in the distribution of benefits have one or more of the following characteristics:

- (i) Indivisible, wide-spread benefits. Many services are public goods-- once they are provided in a community all who reside there can utilize them. Some of these public goods will improve the welfare of all segments of the community. The best example of such a public good is village sanitation. Everyone in a village is vulnerable to disease until all have and use proper sanitation facilities. Once they are in place the rich and the poor alike will experience less disease. Another example of this type of public good is a road to a community in which all residents already participate significantly in the external market economy. All then will spend less time getting to the market and/or will receive higher profits for their goods from middlemen who find it easier to reach them. On the other hand, if most families were engaged in subsistence agriculture only, the few who were engaged in the market would reap a disproportionate benefit which might even have a negative impact on the village's poor. This would occur if the increased profits for the better-off enabled them to put pressure on the less-advantaged

to sell off their land. It is striking how many public goods offered in the development process are not inherently beneficial to the poor.

- (ii) Supply exceeds demand. If the market is flooded with a commodity, the poor then will be able to get it. This effect can be achieved in two, complementary ways. The first is if there is a natural, upward limit on demand. A woman needs only one contraceptive at a time; a child must be provided with primary education only once; small-pox vaccinations are required but once in three years; etc. The second method of creating surplus supply is for a non-profit organization (usually a government) to subsidize the production and distribution of the good or service to the point of saturation. The two methods interact. The saturation point usually is not reached without subsidy and it cannot be reached unless there is some kind of natural point at which demand drops off sharply.
- (iii) Units of service provision significantly exceed the demands of local elites. The earliest units of service to a community are usually "lumpy." If the service is to be provided to one person then it can be provided to a goodly number for very little additional cost. A primary school teacher for ten elite children will be able to instruct twenty non-elites as well. A clinic for the half-dozen well-off families can easily provide care for large numbers of poor ones. Especially in the early stages of development, local elites may be instrumental in acquiring services that can accommodate the demands of many more than themselves. These service increments will benefit at least some of the poor. Elite demand, however, will be concentrated on the first unit of service. If that unit does not accommodate the needs of all, local elites are less likely to press for the additional units required.

These guidelines for what makes a program or project more or less vulnerable to inequality in the distribution of benefits are not exhaustive. They are meant to illustrate the kind of analysis which a program designer must make to increase the likelihood of reaching the rural poor. Just because a program is vulnerable to benefit monopolization by local elites does not mean that inequality will inevitably result. The character of the local social structure, of the national, local and intermediate organizations involved, and of the linkages between them will determine the outcome. Vulnerability is a sign of danger; as it increases, the other elements of implementation design must be more carefully crafted. Conversely, as vulnerability declines, weaknesses can be tolerated elsewhere in the implementation structure.

The Responsiveness of Local Leaders

Will the leaders of local organizations press for the distribution of benefits to their rural poor or will they seek to divert them to local elites? Just how responsive are local leaders to the needs of the poor? If local leaders have a weak commitment to the poor, programs that are vulnerable to inequality will tend to become welfare for the better-off. If there is a high degree of responsiveness to the less-advantaged, those same programs will provide a wide spread of benefits with few outside controls. Such a congenial local leadership structure can be achieved in three different ways: (1) the leaders share the interest of the poor themselves; (2) there is significant competition for leadership positions from those who represent non-elite interests; or (3) organizations are used which limit their membership to non-elites.

The responsiveness of leaders to the interests of the poor is assured

most easily (but all too infrequently) when they share those interests. This need not mean that they are identical to their constituents. Leaders are atypical. All organizations are led by individuals who differ in significant ways from their followers. Leaders generally are more educated, wealthier, and so on than the average member of their organizations. If the most advantaged members of a community are excluded from leadership, then the next most advantaged group will be disproportionately represented among those who run things (Harik: 76-77; Schurmann: 445-51). Those guiding the affairs of a community's organizations thus most frequently are local elites in some degree--and not just because they are leaders. This inequality is a near universal and as such need not concern us. The issue is not necessarily whether organizations are run by local elites but whether those leaders share the interests of their followers.

An elite may differ from others only in degree, rather than in kind. The existence of stratification in a community or group does not establish that there necessarily are class differences. The greater the extent to which the members of a community share a common mode of existence, the greater the similarity in elite and non-elite interests.

The distinction between differences in degree and differences in kind is most clearly demonstrated by the interests surrounding agricultural production. Bruce Johnston (Johnston and Kilby; Johnston and Clark) is one of many who argue the crucial advantages of unimodal over bimodal patterns of agricultural development. In a unimodal system farmers have broadly similar amounts of land, produce much the same crops and are equal in their integration into the market. A bimodal pattern is characterized by two distinct modes of agricultural production. In the first, farms are large and geared toward the production of market crops, generally for export.

The second mode has small farms producing different, subsistence-oriented crops and frequently provides labor for the export producers.

The local elites in a bimodal agricultural system have quite dissimilar agricultural interests from the landless, near-landless and small farmers in their communities. They have a qualitatively different resource base, produce different crops, are involved in a different market and have an employer relationship with the rest of the community. Although these local elites most often lead their communities (either openly or indirectly), they do not share the agricultural interests of their poor majority.

A local elite is most likely to have common interests with the poor when they have a broadly similar set of circumstances in common. On agricultural matters Uphoff and Esman have suggested that this occurs when the richest 20% of the rural population have no more than six times the income of the poorest 20% (1974: xvii). Within this range of difference, producers are able to profit from similar cropping patterns, marketing arrangements, production technologies and so forth. (The Uphoff and Esman method of determining the 6:1 ratio was not precise and it is possible that an even smaller ratio--but certainly not perfect equality--would be needed to produce commonality of interest in some settings. It is very unlikely, however, that a larger ratio would be associated with similar production conditions.)

It is hard to overestimate the importance for development of commonality of interest among rural dwellers. Where it exists, local leadership structures can be used relatively easily and supported fairly freely. Where it does not exist, there will always be the danger that the direction of benefits toward the poor will be subverted and that their lot may be made even worse with development.

Nonetheless, it does not follow that local elites who differ in interests from the majority of their communities in one area will differ in all. A local landlord might have deeply conflictual interests with the area's poor majority on agricultural matters and yet share with them a need for a health clinic. An agency oriented toward the poor would eschew his leadership in the first area but welcome it for the second.

The degree of inequality in a community's social structure interacts with the character of a program to determine the compatibility of local elite and poor interests. Where either local inequality or the vulnerability of a program to inequality are low, local elite leadership is suitable for poverty alleviating projects. Where both are high, programs oriented toward the poor majority can be carried out only with organization of the poor majority.

The second and third strategies for achieving congenial local leadership apply to those arenas where the interests of the local elite conflict with those of the poor majority. In such situations the former's dominance must be challenged if significant benefits are to reach the latter. There are two, frequently complementary, ways in which this can be done. One (i.e., the second strategy) is the existence of significant competition for leadership positions from those who represent non-elite interests. Then, even if local elites continue to be over-represented among the community's influentials, they will have to be more responsive to the interests of the poor majority in order to maintain their positions. Such competition usually depends on organization of the less-advantaged, however, and that leads us to the third strategy.

The national government has to link its efforts to those of local organizations if it is to promote development effectively. But the links need not be to community-wide groups like local governments, because they tend

to be elite dominated. The alternative is to link with (and perhaps assist in forming) limited groups which are more homogeneous in their membership and which exclude those elites and others who have dissimilar interests. The leaders who emerge in these groups may be among the more advantaged of their members--and thus different in degree. If relative homogeneity is attained, however, the interests of these leaders will not differ in kind from those of their followers.

Limited organizations representing the interests of disadvantaged groups are generally necessary if local elite dominance of inclusive local governments and organizations is to be challenged effectively. Thus the third method of dealing with local elites with distinct interests really is a prerequisite to the second, competitive, alternative.

Limited interest organizations need not directly enter the wider local arena as competitors, however. They can and very often should exist solely to service the needs of their own members and constituents. They then will be seen as "non-political" and less threatening by local elites.

Still, limited organizations of the poor and powerless are likely to come under indirect dominance by local elites if they do not have supporting linkages with some outside body (Adams, 1980; Schurmann: 494, 498). The less-advantaged are far more difficult to organize in a rural environment than in an urban one. They live further apart from one another, work alone or in small groups, reside closer to the elite, and have much more social interaction with them. The ties of the less-advantaged to rural elites are more personal. Furthermore, the rural poor can aspire to upward mobility through land ownership, a condition similar to, if smaller than, that of the local elite. The urban poor, on the other hand, rarely find upward mobility through businesses that even remotely resemble those of the elite. For all

these reasons, solidarity and organization of the less-advantaged is more difficult to achieve in the country-side. (Several of these points are drawn from conversations with Judith Tendler.)

Because of the difficulties they face, local limited organizations of the rural poor generally need outside support if they are to survive. The sustenance to survive under pressure might come from a trade union, a church, a political party, or a government agency. In many cases central linkages with limited organizations are not just a convenient channel for the distribution of national services, they are essential to the protection of the groups from local elite dominance.

In our analysis of the linkage lessons of development programs we have found the interaction between program content and local elite interests to be very important. The nature of the interaction is one of the major influences on what types of decentralization are to be preferred and what types of linkage are to be developed with them. Where local leaders are responsive to the interests of the poor, then inclusive, relatively autonomous forms of local organization and government are to be preferred. Where such responsiveness is missing, limited local organizations of the rural poor are needed with strong external support.

Support from the Center

The needs of the rural poor will not be met if local organizations are left to their own, separate devices. Development strives to be catalytic--to produce forces that are more than the sum of the combined parts. But development is not alchemy--it cannot create something out of nothing. If the pace of change is to be at all adequate, linkages must be forged between base-level organizations and supra-local entities which have resources and

power. Such support for progressive action by localities might be found in a state or national government agency, an international donor or a non-governmental organization (e.g., a union or a foundation). Obviously the potential support is larger the greater the resources and power of the organization. For this reason we focus on linkages to the nation-state; typically it controls the largest quantity of resources and has the greatest power to alter the conditions that stifle progressive change. This is the "center" which most often structures decentralization. The "center" providing linkages need not be and often is not national or political, however. The World Bank, the Ford Foundation, an Indian state government, a cooperative federation or even a revolutionary party can be a "center" too. Furthermore, even the nation-state offers a plurality of agencies with which a local government or organization might be linked. The dynamics of the local linkages to these multiple "centers" have many similarities.

All of these "centers" can vary in their resources, power and commitment to the rural poor. Obviously the greater the resources and power committed to their cause the better for the poor majority. Commitment is the most important and problematic variable. We focus our analysis of this dimension on national government agencies. The national political system provides the basic context within which rural development policies are formulated, but there will probably be differences in the progressiveness of agencies within that framework. For any particular proposed program activity it is important to ask, "Can a national agency be found to administer the program which has a positive commitment to these particular benefits' reaching the rural poor?" If not, can such an agency or subordinate unit be created? Simple willingness that the poor benefit is not enough; firm purpose is needed. Problems or resistance are almost always encountered in attempts to

improve the lot of the poor, and these obstacles will not be overcome without the resolution to spend energy and resources on them.

Whether and where one will find an agency with a positive commitment to the poor in a program area depends very much on the particularities of national politics and institutional development in the country concerned. It is neither possible nor necessary to provide here all the tools that are needed to make that analysis. We can suggest, by way of illustration, some of the factors which we have observed to be most important in the cases we have studied.

A national political commitment to the welfare of the rural poor is more likely to the extent that the following conditions, among others, are met:

- (i) The national leadership does not depend on the political support of a rural elite whose interests are in conflict with those of the rural poor. Precisely such a political dependence in much of India and parts of Latin America explains the difficulties that their governments have experienced with equitable rural development. Nonetheless, as we stressed earlier, not all elites are in conflict with their poor in all program areas. The very rooting of the Kenyan political structure in rural patron-client networks has provided a powerful spur for the expansion of primary health care and education. The level of development in rural Kenya is low enough that elites and poor still have common interests in these service areas.
- (ii) The interests of the main groups supporting the regime depend directly or indirectly on improved welfare for the rural poor. For example, the current government in India's West Bengal is dependent on a radical, mass rural base. On the other hand, the Tanzanian peasantry is not particularly powerful but the general legitimacy of the governing socialist party

depends on service improvements for average rural dwellers. In a different vein, the industrialist interests which controlled Japanese politics after World War II needed rural prosperity to provide a domestic market for their products. On the negative side, the fact that the economic elites in many developing countries are oriented toward narrow export and urban markets and not toward broad rural ones is one of the reasons why the welfare of those in the countryside is neglected.

- (iii) The leadership is threatened by a counter-elite, the ultimate success of which depends on its ability to obtain support among the rural poor. Precisely such a threat energized the impressive rural development efforts of Taiwan and Korea over the last thirty years.

Within the context of a national political system, whether supportive of the poor or not, particular agencies may be more or less progressive. The major factors determining agency stance are its external alliances and its professional and institutional patterns of socialization. Over time, agencies acquire customary clienteles, upon which they rely in the ubiquitous battles for budgetary resources and for assistance in doing their work. If a particular program evokes opposition among an agency's historical clientele, its administrators are unlikely to pursue it vigorously, even if the activity has support in the larger political system. Thus when the Ministry of Health in Guatemala encountered opposition from the national medical association to its plan for paraprofessional rural health care, it simply dropped the idea (see Chapter V). Similarly, agricultural extension services which have developed strong symbiotic relations with well-to-do progressive farmers in the promotion of export agriculture have real difficulty in creating new networks oriented toward less-advantaged, subsistence production (Thoden van Velzen).

Equally powerful are the internal patterns of recruitment and institutionalization which determine the professional orientation of an agency's decision-makers. Professional training and organizational experience tend to instill a commitment to the value of certain types of activities, methods of doing them, and ways for analyzing when and where to do them. These technologies, methodologies and decision-making modes often have significant implications for benefit distribution. For example, most contemporary Western medical practice is oriented toward and attaches high prestige to high technology, hospital-based, curative medicine. Agencies dominated by these types of doctors will find it difficult to give priority to the types of promotive, preventative, and paramedical medicine which mean the most to the health of the rural poor. This is the case with ministries of health in many developing countries, where agencies have been deeply involved with hospital and medical school administration. On the other hand, health practitioners trained in public health have a different orientation from the rest of the medical profession and value precisely the types of service which the disadvantaged most need. Where an agency has traditionally had its dominant functions in public health and has had relatively little to do with mainstream medical practice, its recruitment patterns and organizational socialization are likely to produce an orientation which effectively helps the poor. This is what has occurred with the Public Health Service in the United States.

A similar illustration is provided by the engineering profession. A civil engineer's training is best used and his prestige is most enhanced by large, capital-intensive projects. The labor-intensive road building projects which best benefit the poor are technically undemanding, are professionally unrewarding, and may even involve specifications that are "substandard" in the

industrialized countries toward which engineering education is oriented. Agencies dominated by engineers who have not been resocialized will tend to upgrade and recapitalize labor-intensive public works projects (Tendler, 1979).

These examples demonstrate that the national political context, although very influential, is an insufficient predictor of the extent to which an agency will give real energy to getting program benefits to the rural poor. Depending on the way in which a program fits into the professional and institutional orientation of an agency, the response may be more or less progressive than the national "average." The particular character of the program in question and the way in which it relates to the national political framework and the institutional character of the agency all come together to determine whether or not a national organization can be found with the necessary commitments to deliver benefits to the rural poor in this program instance.

The foregoing discussion has focused on agencies of a national government. Other "centers" may be subjected to a similar form of analysis. We wish to call attention at this point, however, to the danger of treating international aid agencies as interchangeable with domestic organizations for the purposes of providing supporting linkages to local governments and organizations. A major attribute of the donors is that their commitments to a program area are usually relatively brief (5-10 years). To the extent that local organizations and governments develop strong links to and dependency on an international donor, the continuity of the program is highly vulnerable. A link to a domestic "center" is needed as well if the program and its benefits are to be institutionalized. We argue that the types of links which should be constructed depend on the characteristics of the central and local organizations being linked. If the eventual domestic agency at the center and the international aid agency have different linkage attributes and if those which fit the donor

prevail, an inappropriate set of links will have been institutionalized. The local organization may have become dependent on a set of financial or technical supporting links that cannot be sustained by the domestic "central" organization when the donor leaves. Or the local unit may have been forced to accept a set of well-intentioned controls from the international agency which become destructive when an unsympathetic national agency takes them over. Precisely because the linkage to the donor will be temporary, it may easily be inappropriate for the long run. Hence our insistence on focusing our analysis on national agencies in the linkage relationship. Eventually their character, not that of the donor, will determine the nature of the working relationship with local governments and organizations.

The nature of the implementing agency at the national center thus is another critical variable in determining the type of decentralization and the nature of the linkages to be favored for a program. Where a supportive "central" organization exists, the structure of implementation should build on it. Where it is missing, local autonomy is necessary.

Technical and Administrative Requirements and the Distribution of Capacity

To implement a program effectively an organization must be more than well-intentioned; it must also have the capacity to translate those intentions into reality. Administrative capacity, be it at the center or in a local organization, is an elusive concept, for it involves more than the presence of skilled personnel. True, the organization has to be able to recognize the existence of problems and opportunities that affect it and to identify the solutions that will be appropriate to them. It also must have the ability to manage the personnel and materials required for implementing the solutions. These abilities do involve technical and managerial skills.

In addition, however, the organization has to produce a decision to act, to sustain the legitimacy of that decision against internal and external challenges, and to mobilize the human and material resources needed to execute the program decided upon. These attributes are "political." As we noted in our discussion of support from the center, they derive from the interaction of leadership and institutional history. Leadership is the art of using and manipulating the organization's institutional heritage to make decisions, legitimate them and mobilize resources for their execution. Poor leadership may have difficulty acting even within the confines of its institution's history; good leadership is able to expand on it creatively. In either case, an organization will lack the capacity for certain types of actions and have adequate capacity for others.

Organizational effectiveness, then, is based on a number of capacities: (i) problem and opportunity identification, (ii) solution identification, (iii) decision-making and conflict resolution, (iv) decision legitimation, (v) resource mobilization, and (vi) implementation management. (These criteria are largely derived from Powelson, 1972). These involve technical, managerial and leadership skills as well as a favorable institutional heritage. All three types of skills will be appropriate for some types of programs or actions and inappropriate for others.

Programs or program components have a number of critical features which must be matched with the capacities of an organization if effective implementation is to be achieved. The first is technical. If a program is based in a particular technology the organization will need to have personnel with that technical skill, be able to obtain them, or be assured of access to them through technical assistance. This attribute is important and obvious. Consequently it frequently dominates consideration of appropriate organizations

for program implementation. Sometimes this emphasis is unfortunate, for if the skill is generally available in the society it is one of the easier capacities to add to an organization. The attention given to it then may preclude attention to other attributes which are harder to provide.

The second attribute is that of scale. For reasons of efficiency or technology a program unit may need to be operated with a certain size of unit. An irrigation system built around a hydro-electric dam has a vast scale of operation compared to one using a tube well and pump. A hospital requires a much larger clientele to be efficient than does a clinic. The organizations constructing macadam arterial roads must be much larger than those providing maintenance or building dirt feeder roads. The implementing organization must be able to operate effectively at the particular levels of scale required, be they large or small. Many organizations are simply too small or limited in geographical scope to undertake projects with large-scale requirements; others lack the capacity to operate at the village level required by some technologies. Frequently a program has some components that have large economies of scale and others that are best managed by small or local units. Then one needs to find a single organization with both capacities or to share the components between small organizations and a large one, with linkages between them.

The third attribute is the complexity of the administrative process required. Programs that call for a single set of tasks to be executed by a group of workers under the immediate supervision of a single superior are simple administratively. Those that involve several work units that are independent and uncoordinated with one another are somewhat more difficult, but still fairly simple. Those which require the closely coordinated action of several different operations, either in sequence or simultaneously, are

administratively complex. A much higher level of managerial expertise and experience is needed for the latter than for the former types of programs. (For more on the complexity of coordination and its organizational implications, see Thompson, 1967: 54-61).

The fourth program attribute is the contributions that it requires from extra-organizational actors. A small-holder tea program will need to have feeder roads built and maintained in order to get the leaf to the factories promptly. If the implementing organization is an agricultural one, will it obtain the necessary services from a public works department? A promotive health program would need the cooperation of villagers to have latrines built and used. Note that the tea program depends on the use of influence over a government agency, while the second relies upon standing with the village community. The ability of the organization to elicit the appropriate forms of cooperation is a part of its administrative capacity.

The fifth attribute is related to the preceding and might even be seen as an extension of it. This is the magnitude of resources, largely financial, needed for the program. The more money needed to run a program, the greater the ability of the organization to raise uncommitted funds must be. Despite the obviousness of the point, important aspects of it are easily overlooked. If the program is managed by a national agency with international donor financing, will that agency successfully fight for an increased share of the national budget when the overseas aid ends? If the program is a pilot one, does the organization have potential access to funds, not just for the first stage but for the expansion as well? If the program is to be run by a local organization but financed by a central agency of some kind, is there the possibility of a meaningful local matching contribution? As we will argue later, either local commitment or independence tend to be lost if there are no

matching funds.

There are further attributes of specific programs which draw upon administrative capacity. The preceding list covers the most important ones, however, and is sufficient to illustrate the kind of analysis that is needed in assessing administrative requirements.

Administrative capacity virtually always falls below the ideal--in all parts of the world and at all levels of the political system. The issue therefore must be capacity as measured by minimal and relative standards, not absolute ones. If an organization cannot be found with the minimal capacity to administer the program acceptably or to absorb the technical assistance necessary for it to do so, then the program should simply not be implemented and another less demanding one should be found.

If two or more minimally adequate organizations exist, the question then will be which one to use. Since, as we will argue later, administrative weakness is the easier (but not necessarily easy) organizational deficit to repair, the decision will usually be made on the basis of the other criteria advanced in this introduction. Once the decision about the local recipient has been made, the issue of the distribution of responsibilities between the central and local organizations will arise. Relative administrative capacity for the various specific facets of the program would then play a major role in determining the allocation of tasks. (Just because a local organization or government has administrative problems does not prove that a central one is any better, although national governments tend to behave as if it were so.) The relative administrative strength of the central and local organizations will also influence the kinds of linkages that should be built between them.

The structure of decentralization depends in part on the distribution of administrative capacity. Nonetheless, this factor is somewhat less important

than the others we have examined and weaknesses in it are often compensated by linkages. When an administratively weak local organization is attractive by other criteria as a program implementor and where a supportive "central" organization is administratively strong, the deficiency might be overcome with supportive linkages. If even these requisites are missing or if the local organization is too weak to absorb such technical assistance, another less demanding program must be found or governmental action abandoned in this area.

Modes of Decentralization

In the preceding comments several factors have been analyzed in a preliminary fashion which have implications both for the structures of decentralization adopted and the types of inter-organizational linkages that are developed to serve them. Before we begin to discuss these implications, we need to lay out the major structural alternatives.

The forms of decentralization available to a polity are more numerous than the formal typologies on the subject imply. These suggest that decentralization involves the definition of the relationship between only two actors--central and local government, with the private sector sometimes advanced as an alternative to the latter. With the growth in the size and developmental responsibility of the modern state, however, the structure of local governance now usually involves at least three actors--the central government, intermediate representative structures, and local participatory organizations. The last include village councils, neighborhood self-help groups and local action organizations. These units serve up to 1000 families, usually in the range of 100. The intermediate representative structures are the town and county councils, which used to be thought of as the base of the structure of government. The decline of traditional face-to-face groups, their

replacement with more flexible and formalized participatory organizations, and our awareness of their importance for development have all contributed to a new interest in the way these truly base-level units interact with the rest of the system.

Furthermore, in order to do justice to poverty-oriented programs we must be interested in dimensions of decentralized organization, even at the classic levels of local government, which did not seem as important previously. We differentiate between structures of local participation and governance which are inclusive (and thus potentially open to the whole population in an area) and those which are limited, serving the poor part of it. (For present purposes we are interested in only those organizations limited to the poor, but the United States, for example, has ones limited to doctors, to farmers of a particular type, etc.) We also think a distinction between those local organizations which are generalist (multi-functional) and those which are specialized (restricted range of related functions) is useful.

The full range of possibilities is presented in Table 2, although a few of the combinations may not exist in practice. It would be a tiresome exercise in taxonomy to try to name all the cells of the table. Let us review it only briefly instead, relating it to the existing terminology on decentralization.

The inclusive generalist representative bodies are the classic form of local government, with a full electorate and a wide range of functions. When they are promoted, it is called devolution. Beneath them and relating to them may be inclusive or limited community groups or perhaps neither. (The form of local participation depends on the history of political and social organization in the area.)

Decentralization to inclusive, specialized intermediate organizations we

TABLE 2. A TYPOLOGY OF FORMS OF DECENTRALIZATION

<u>Intermediate Representative Organizations</u>		<u>Local Organizations</u>			
		Inclusive	Limited	None	
Inclusive:	Generalist	Devolution with	X	X	X
	Specialized	Functional Devolution with	X	X	X
Limited:	Generalist	Interest Organization with	X	X	X
	Specialized		X	X	X
None, by center itself:	Generalist	Deconcentration with	X	X	X
	Specialized	Delegation with	X	X	X
None, by private:	Generalist	(Philanthropy with)	X	X	X
	Specialized	Debureaucratization	Philanthropy with X	Philanthropy with X	Privatization

can call functional devolution. In the United States, school boards are such units. Beneath them have grown limited, poverty-oriented participatory groups working in the schools and pressuring the elected boards. They now supplement the traditional, inclusive Parent-Teacher Associations. Another example of functional devolution is the cooperative union. In many developing countries such unions service the more face-to-face primary societies and are governed by indirectly elected committees.

Intermediate bodies that limit their services to just the poor are a form of interest organization. An example of such a body with multiple functions (generalist) and relating to limited local organizations is India's new Organization of the Rural Poor (International Confederation of Free Trade Unions, 1977). A specialized, limited example would be a trade union of agricultural laborers, tied to village-level locals. Intermediate organizations limited to the poor would serve whole communities only in quite poor, undeveloped areas, so cases in the intermediate/limited-local/inclusive boxes may be infrequent empirically.

If the center is to reach the villages and if it does not use other bodies, it must serve as its own intermediary, relating to the various types of village organizations or to the poor themselves directly. When this is done at all effectively some degree of decentralization is involved. The variability of the conditions in the rural areas and the need for flexible response to them makes centralization, with no discretion for field staff, impracticable if any positive impact is to be achieved.

When villagers or their organizations are reached by generalist national government machinery, we use the term deconcentration. A prefectorial system is the most common form of such multi-functional organization. In it a préfet or district commissioner heads a team of ministerial field officers and

exercises general control and coordination of government operations in his area. A variant of the prefectorial system is found in disciplined one-party states where the party secretary serves as the de jure or de facto head of government in his jurisdiction. A multi-functional district development corporation might be a form of devolution or of deconcentration, depending on whether its controlling board represents the locality or the center.

Delegation refers to decentralized, functionally specialized national government operations. The agencies concerned may be parastatals (e.g., the Kenya Tea Development Authority) or standard government departments. They are distinguished from deconcentrated organizations by their narrow range of functions and their independence of any coordinating, generalist authority other than the national government itself. (Rondinelli, 1979, reserves the term delegation for parastatals but this seems to us to concentrate overly much on the legal form rather than the substantive freedom from local coordination.)

Where neither the national government nor intermediate representative bodies extend their reach into the villages, the role may be played by business or voluntary organizations. The resulting coverage provided usually is uneven but the results actually achieved frequently are superior to those of governments. The generic name for this form of decentralization is debureaucratization. When services are provided directly to villagers by businesses (with their own networks of intermediary supply, wholesale, and service firms), the term privatization is used. Philanthropy provides the alternate non-governmental linkage organization for inclusive and limited local groups---and sometimes villagers themselves. Churches, foundations and secular private voluntary organizations all operate to provide services to the poor.

These many forms of decentralization provide a significant range of

alternatives for the program designer. The appropriate choice depends on the program and its context.

Choosing Between Forms of Decentralization

The four factors which affect the choice of linkages and the successful implementation of rural development programs also influence the ideal mode of decentralization. Thus the type of decentralization chosen depends on: (a) the program's vulnerability to inequality; (b) the nature of the local elites and their interests; (c) the nature and variability of interests among national agencies; and (d) the distribution between national and local organizations of the capacity to meet the program's technical and administrative requirements.

Of course, those designing programs rarely have the opportunity to influence the constitutional or basic institutional structure of a society. When ideal choices imply changes at that level they generally are simply utopian. Nonetheless, very few, if any, societies manage all programs with a uniform structural format. The institutional heritage provides a certain latitude and within that realm of decision the program designer wants to choose as well as possible. We discuss now how one identifies the optimal structural arrangement. In the last chapter we will come back to discuss how one copes with sub-optimal choices. This latter question is a linkage question par excellence and its answer requires a careful examination of the evidence we present in the following chapters.

The four factors we have advanced as influencing program implementation suggest five questions or criteria to use in deciding upon the best structural arrangement for it. These criteria and the choices that follow from them are laid out in Tables 3 and 4. The designer begins with an analysis of the program's

TABLE 3. CRITERIA FOR CHOOSING BETWEEN
FORMS OF DECENTRALIZATION

FOR A PARTICULAR PROGRAM:

(a) Do intermediate elites represent the interests of the rural poor?		Yes thus inclusive organization				No thus limited organization			
		Yes		No		Yes		No	
(b) Is the relevant technical and administrative capacity of the intermediate organization strong?		Yes		No		Yes		No	
(c) Do local elites represent the interests of the rural poor?		Yes	No	Yes	No	Yes	No	Yes	No
Yes	(d) Does the central agency concerned have a positive commitment to these program benefits' reaching the rural poor?								
	(e) Is the relevant technical and administrative capacity of this central agency strong?								
	Yes	1	2	3	4	5	6	7	8
	No	9	10	11	12	13	14	15	16
No	Yes	17	18	19	20	21	22	23	24
	No	25	26	27	28	29	30	31	32

See Table 4 for the choice of decentralization strategy which corresponds with each number.

TABLE 4. DECENTRALIZATION CHOICES

Key: C = Center (usually central government)
 Aid = International donor assistance
 ad. = Administratively
 possible = politically possible, given national government position
 L. O. = Local Organization

The forms of decentralization given first on each line refer to Table 2.

1. Devolution with inclusive L.O. C. assistance if needed.
2. Devolution with limited L.O. or none. C. assistance if needed.
3. Deconcentration with inclusive L.O.; or Devolution with inclusive L.O. with C. assistance if No. 1 potentially ad. feasible.
4. Deconcentration with limited L.O.; or Devolution with limited L.O. or none with C. assistance if No. 2 potentially ad. feasible.
5. Interest Organization with inclusive L.O. or limited L.O. C. assistance.
6. Interest Organization with limited L.O. C. assistance.
7. Delegation with inclusive L.O. with parallel building to No. 5 if ad. feasible.
8. Delegation with limited L.O. with parallel building to No. 6 if ad. feasible.
9. Devolution with inclusive L.O. C. financial assistance only.
10. Devolution with limited L.O. or none. C. financial assistance only.
11. Debureaucratization with limited L.O. Philanthropy. Solicit aid to No. 1 via 3 or 9 if ad. feasible.
12. Debureaucratization with limited L.O. or none. Solicit aid to No. 2 via 4 or 10 if ad. feasible.
13. Interest Organization with inclusive L.O. or limited L.O. C. financial assistance only. Aid if needed to No. 5.
14. Interest Organization with limited L.O. C. financial assistance only. Aid if needed to No. 6.
15. Debureaucratization with inclusive L.O. Philanthropy. Solicit aid to No. 5 via 7 or 13 if ad. feasible.
16. Debureaucratization with limited L.O. or none. Solicit aid to No. 6 via 3 or 14 if ad. feasible.
17. Devolution with inclusive L.O. No C. involvement. Limited aid if needed and possible.

Table 4, cont....

18. Devolution with limited L.O. or none. No C. involvement. Limited aid if needed and possible.
19. Debureaucratization with inclusive L.O. or none. Solicit aid to No. 17 if ad. feasible and possible.
20. Debureaucratization with limited L.O. or none. Solicit aid to No. 18 if ad. feasible and possible.
21. Interest Organization with inclusive L.O. or limited L.O. No C. involvement. Limited aid if possible.
22. Interest Organization with limited L.O. No C. involvement. Limited aid if possible.
23. Debureaucratization with inclusive L.O. or none.
24. Debureaucratization with no L.O.
25. Devolution with inclusive L.O. No C. involvement. Limited aid if needed and possible.
26. Devolution with limited L.O. or none. No C. involvement. Limited aid if needed and possible.
27. Debureaucratization with inclusive L.O. or none. Solicit aid to No. 25 if ad. feasible and possible.
28. Debureaucratization with limited L.O. or none. Solicit aid to No. 26 if ad. feasible and possible.
29. Interest Organization with inclusive L.O. or limited L.O. No C. involvement. Limited aid if possible.
30. Interest Organization with limited L.O. No C. involvement. Limited aid if possible.
31. Debureaucratization with inclusive L.O. or none.
32. Debureaucratization with no L.O.

inherent vulnerability to inequality in the distribution of its benefits and of the way this vulnerability interacts with the social and political structure of the rural areas. This analysis leads to the answer to the first question-- For this particular program, do political elites at the intermediate level represent the interests of the rural poor? If the answer is yes, then one is in the happy position of being able to devolve authority to inclusive intermediate organizations and to avoid major conflict. If the compatibility of intermediate elite and rural poor interests is fairly common across programs, then the appropriate choice usually would be the existing, generalist organizational structures (usually those of local government). If the program's compatibility of interests were an exception, however, functional devolution would be preferable. The specialized organizations involved then would be spared the patterns of conflict or elite-oriented dominance that characterize the generalist structures.

If the first question is answered no--that intermediate political elites do not represent the interests of the rural poor on this program-- then the designer must look for limited organizations representing the poor. Because such organizations are sought out precisely when they are in conflict with the local elite and because they draw what strength they have from those in the population who are weakest, their survival frequently is precarious or their position subject to local elite subversion. They therefore are more likely to need sympathetic external support than are inclusive organizations. Whatever their difficulties, limited organizations serving the poor are a necessity to program success when the rural elite is unsupportive of its distributive goals.

The second major question is--Does the central agency concerned have a positive commitment to the benefits of this program reaching the rural poor?

Obviously national support is dependent upon an affirmative answer. Where it is not forthcoming, any dependence on the center is dangerous. Intermediate and local organizations must be able to implement the program by themselves or surrender the field to philanthropic organizations or the market. Central support for program benefits reaching the rural poor may be general in the national government or concentrated in a particular agency. Where support is generalized the program gains strength, other things being equal, from supervision by a local coordinator, be it a prefect or a development corporation. Central government involvement then comes as deconcentration. Such supervision may even be crucial if there is strong generalized support in the government for the program but the agency with the technical competence needed to implement it is lukewarm. Socialist party secretaries often find themselves in this position vis-a-vis primary health care and the medical establishment. On the other hand, when support is concentrated in the implementing agency, it is best for it to be freed from oversight by indifferent or hostile generalist government agencies. Delegation is then in order. Where there is a prefectorial corps in place with a tradition of supervising line ministries, freedom from oversight is often found by giving the agency parastatal status.

The third question concerns the extent to which local political elites represent the interests of their poor. Most often the same elite structure will prevail at the local and the intermediate levels. There are exceptions, however. Intermediate organizations may be dominated by small-town or large-farm elites while undeveloped villages in the area still have inclusive interests. It also is possible for political struggles to have produced a progressive leadership at the intermediate level (particularly if they are aided from the center) while the purely local levels are still dominated by

those unresponsive to the poor. The same general rule applies at the local as at the intermediate level. Where elite and poor interests are shared, inclusive organizations are used; where they are different limited ones of the poor are preferred.

The remaining questions concern the technical and administrative capacities of the two levels potentially leading the implementation of the program--central and intermediate. (We have not included the administrative capacity of local organizations in our assessment as it is almost never sufficient for them to play a lead role--as opposed to a contributory one--in a major program.) These questions of administrative capacity are subordinate to those concerning the commitment of the various levels to the interests of the rural poor in the program. When commitment is lacking in a key implementation organization, the poor are sure to be slighted, and nothing except determined political action is likely to change it. Weakness in the technical and managerial aspects of administrative capacity, on the other hand, can sometimes be corrected by effort or external assistance. Thus, in spelling out the ideal implementation structure for a program, the designer looks first for the organizations and levels with the appropriate commitment and from among them picks the one with an advantage in administrative capacity to play the lead role.

The evidence we have examined points consistently toward the need for decentralized decision-making and local organization in rural development. It also indicates the desirability, and often necessity, of central government support (c.f., Uphoff and Esman). Hence the choice between the deconcentrated operations of central government and devolution to an autonomous local government is between lead agencies only. Both options usually require local organization. The devolutionary strategy also generally benefits from national

support, when it can be found. (The types of linkages to be constructed among these multiple actors is the subject of the following chapters.)

It is true that we tend to favor committed, inclusive intermediate organizations--generally local governments--for the lead role when they can be found. They offer better guarantees against dysfunctional centralization than delegation or deconcentration do. These organizations also are more likely to be administratively strong than grass-roots or limited, interest organizations.

Only when an organization is lacking in commitment or the potential for administrative capacity does the designer move to exclude it from a formal, legitimated role in the program. (No significant, interested organization can ever be excluded from informally influencing a program. Program implementors always must bargain with such organizations. A formal, legitimate role for such unsympathetic organizations usually increases their bargaining power and influence still further, however, and therefore should be granted only in return for concessions that strengthen the program greatly.)

Unfortunately, unsympathetic organizations abound around poverty programs and the committed ones frequently are administratively weak and badly in need of assistance. This is particularly the case when the local political and social elite do not represent the interests of rural poor on the program in question. The limited interest organizations of the poor then usually need some form of external support to resist local elite pressures. Without it they almost certainly will come under the informal control of the local elite. [E.g., the land reform cooperatives in contemporary Egypt (Adams, 1980). Also in China, at least during the 1950's, the wealthier peasants would reemerge as village leaders whenever the Communist Party weakened its support for the leadership of the poor (Schurmann: 494, 498).] Where these organizations are administratively weak, as they often are, the lead role must be taken by a

sympathetic delegated or deconcentrated national government structure.

(In Table 4 we have called for delegation, as embattled groups of the poor usually will find support only in parts of the government. This is not always the case, however, as with strong socialist regimes faced with private land ownership. There the prefectorial party secretaries may be crucial in countering local elite influences, a form of deconcentration.)

The most difficult situation arises when organizations committed to the rural poor in a program area are either non-existent or all administratively weak. Where the problem is weakness, an international donor may be able to substitute as a strong central agency, if the national government is sympathetic enough to permit it and to offer the prospect of assuming this role itself in the long run. When weakness is accompanied by the absence of a committed national agency, however, the prospects are dismal for public action that is favorable to the rural poor in this program area. Such cases are quite frequent. The designer then must find another program which fits the political and organizational realities. This is a most important option. Just because one thing cannot be done for the poor does not mean nothing can. As to the original area of action, the designer must leave it to philanthropists or a competitive market. As inadequate as these may sometimes appear to be to the redistributive needs of the poor, they are not as dangerous as uncommitted public agencies. The latter most often use their position to gain monopoly powers and force consumers to use inefficient, overpaid bureaucrats or otherwise become exploitative of the poor. There are large numbers of countries and many sectors in which a competitive market would represent a vast improvement for the poor over exploitation by public and quasi-public agencies (e.g., Bates, 1981). In this century of socialism it is easy to forget that Marx saw capitalism as a progressive force compared to the feudal and mercantilist

structures that preceded it (Marx and Engels, 1959: 8-12). Many so-called socialist states in the developing world today would be more accurately labeled as mercantilist (Callaghy, 1979: 126-28). The good socialists of the world must recognize that socialist institutions placed in a hostile political environment often have most unsocialist consequences and that a competitive market, for all its problems of maldistribution, is less exploitative than a rapacious government.

A Note on Structural Redundancy

A note is in order here about redundancy in structural arrangements. The most important thing about a program is that it functions. This is especially important with regard to poverty programs, where failures may mean loss of life or the exposure of change-oriented poor to retaliation by local elites whom they have been encouraged to challenge. No single mechanism is fail-safe, be it a machine or an organization. Protection against failure is provided by back-up systems, by redundancy.

Redundancy is also important when the solution to a problem is unclear. It then permits multiple approaches, with the chance that at least one will succeed. Rural development efforts are classic examples of "messy problems," ones in which the path from the present to the goal, and sometimes even the exact goal itself, is controversial or unknown (Johnston and Clark, Chapter 1). Multiple, redundant assaults on these "messy" problems greatly increase the probability that one will succeed. Redundancy is anathema to efficiency but it increases the likelihood of effectiveness. Where effectiveness is in doubt, redundancy must take priority over efficiency. (For the origin and best elaboration of these ideas, see Landau, 1969).

The preceding principles have implications not only for program design,

where they suggest multiple strategies in the trial stages, but for organizational structure as well. When a program is tied to a single set of non-redundant organizations, then it will fail if any one of those units fails. There is a dangerous propensity in development design to reduce, rather than increase, functional redundancies in organizations and thereby to release a debilitating dynamic. Let us take the example of cooperative organizations in East Africa. These began as a highly dynamic response to oligopolistic private marketing enterprises. After a time some of them began to falter. To insure their survival and to improve their efficiency they were granted monopoly rights over the marketing of certain export crops in their areas. Once this was done both the state and the peasant producers became highly dependent on these coops. Farmers were reduced to the choice of using them or withdrawing from export production. Their "exit" options, to use Alfred Hirschman's term (1970), were made more limited. The state was rendered even more dependent, however; it needed the foreign exchange revenues of these crops; it could not afford to let these coops fail. An unfortunate dynamic was thereby released. Since the state could not afford to let a coop fail, signs of weakness were met with new central controls. The peasantry then felt progressively alienated from "their" coops; they no longer controlled them; the state did. An institution which needs responsible local involvement to function well lost it (Hyden, 1970; Hyden, 1976: 17-19). This downward vicious cycle probably would have been broken if organizational redundancy had been permitted. Competition between coops in the same area or between traders and tax-advantaged coops (as in the U.S.) would have caused the weaker coops to disappear and would have made stifling government regulation unnecessary. In this way two of what we will argue later are important linkage principles could have been maintained--that the local organization be permitted some

significant autonomy and that the credibility of withdrawal of central support be retained as a sanction. When there is no organizational redundancy in a critical sector, the center cannot withdraw and must instead exert control to protect its dependency.

Redundancy also has its virtues looking upward in the organizational hierarchy. From the point of view of the peasant the existence of two or more local organizations providing a service (even if one is more conveniently located) assures him that he can alter behavior to depend on them, for at least one of them will be there when he needs it. He can grow a market crop knowing that if the coop collapses or becomes exploitative, there is another one or a trader there to turn to instead. The local organization also benefits from being linked to more than one central agency. If resources run down in one program area, then it can rely more heavily on those in another. When there are redundant channels of support available, dependency on the center need not end in loss of autonomy (for a South Korean example, see Frances Korten). With upward and downward redundancies, strong interdependencies can be created among organizations without tight control by one over the other.

The Array of Linkages

In the preceding pages we have outlined the general principles that the development literature implies should govern the choice of implementation structures. The detailed manner in which these principles interact to indicate an optimal structural arrangement is spelled out in Tables 3 and 4. If the array of interacting criteria and alternatives seems complicated, we can only observe that the realities of development unfortunately are even more complex. Having specified the organizations to be involved in implementation and the one to take the lead role, we must go on to analyze the linkage mechanisms

whereby these units will influence and support one another.

Center-local linkages can take a number of forms and be conceptualized in various ways. The simplest would be a purely descriptive classification, based on the mechanism used, and might distinguish five types of linkages:

- 1) Finance: provision of credit, savings bank facilities, direct grants of various types, material transfers, etc.
- 2) Regulation and Monitoring: audits, administered market prices, required ratios of credit to savings, registration or certification of local organizations, recruitment and program standards, inspections, evaluations, etc.
- 3) Technical and Personnel Assistance: in-service and entry-level training, temporary and perpetual secondment of staff, technical, management and program advice, etc.
- 4) Services: provision of inputs, performance of selected tasks, etc.
- 5) Representation: various forms of formal and informal local participation in planning and implementing programs, community consulting groups, political parties, patron-client networks, etc.

A central government can utilize any of these mechanisms singly or in combination to attempt to influence local units. Representational linkages also may involve influence going "upward" from the local unit toward the central unit.

The descriptive classification just provided is helpful in providing a concrete image of the actual linkage mechanisms used. Its utility for the program designer is limited, however, for it has little prescriptive significance. Additional methods of categorizing linkages are needed that will help to identify them according to the purposes they serve and the consequences they are likely to have. All five descriptive types of linkages can be distinguished

as well by their underlying purposes.

Inter-organizational linkages perform two major functions-- control and assistance. The purpose of control linkages is to enable one organization to determine some aspect of another's performance. Their very existence indicates that one organization is concerned that the other may perform in an unacceptable manner. A wide variety of control mechanisms can be used. All regulation and most monitoring devices are control linkages. Technical and personnel assistance, particularly the secondment of staff, may also be designed to gain control over the aided organization. All of these linkages are used by central organizations to gain control over intermediate and local ones. The latter units may have their control links to the center too, through various forms of representation. Some of these may be formal, as when a legislature of locally-elected representatives sanctions and regulates the programs of central agencies. Others are informal, as in the wide variety of ways in which localities may seek to influence agency decisions--ranging from patron-client ties to interest groups.

Control linkages need not be simple dyadic relations between two organizations. Frequently different central agencies will regulate different aspects of a local organization's performance. Similarly, a central agency may be subjected to conflicting influence attempts from a variety of local bodies.

A sub-set of control linkages are coordinating ones. These develop when two or more organizations subject themselves to some degree of control by the other(s) in order to integrate their actions. Such coordination is usually achieved through some sort of sanctioning body on which the organizations are jointly represented.

The other purpose of linkage is to provide assistance. Finance, service, and most technical and personnel assistance have this facilitative function.

It develops when a local or intermediate organization has certain advantages for implementing a program but is lacking in others. A central organization then facilitates the program by filling the gap.

In principle, assistance can be provided without control; in practice, this rarely is the case. Inter-governmental assistance virtually always has some degree of control attached to it--facilitative linkages with regulation. Nonetheless, the mix between them does vary. Furthermore, controls by the center are sometimes counter-balanced with representative ones by intermediate and local organizations. The nature of the linkage amalgam is important to performance.

Linkages are not a minor theme in development administration; they are one of its most important issues. Linkages can be extremely powerful and can have at least as much effect on implementation as the designation of the formal structures to be involved. In the United States, for example, state and federal "grants" have transformed local school boards from autonomous to dependent organizations without any change in formal structure. Linkages are a central component of all international aid. The expectations for their performance are frequently exceedingly high; they are often expected to turn inegalitarian organizations into progressive ones. Yet the development literature has very little to tell us about how effective various linkage devices are and why. Without this knowledge, effective institutional development and program implementation for the rural poor are impossible.

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LINKAGE LESSONS FROM U.S. POVERTY PROGRAMS

by

Dale Rogers Marshall

In the United States the number of intergovernmental programs has grown enormously in the last two decades. These national government programs involve subnational governments and organizations in implementation.¹ They include a wide variety of programs focusing on the problems of poverty and depressed areas which are designed to promote development. And while it would be misleading to suggest that the literature on these programs has treated linkages (i.e., the mechanisms by which one organization interacts with or attempts to influence others) systematically, there is such a vast amount of material that generalizations on linkages can be tested out in ways not always possible in third-world studies. This chapter examines American poverty programs in order to suggest linkage lessons which may be relevant to rural development in other countries and situations.

The actual relevance of the U.S. experiences with linkages cannot be determined a priori but only after extensive cross national comparisons.

¹ The term subnational governments refers to state, county, and city governments. The term will be used interchangeably with the term local governments. In this chapter distinctions between the various types of U.S. subnational governments are de-emphasized in order to reduce complexity and facilitate cross national comparisons.

Forms of organizational interaction associated with certain results in the U.S. may have very different impacts in third-world settings. The factors specified in the Introduction which shape the implementation of programs, such as program vulnerability to inequality and the interests and capacities of national and local elites, also influence the results of linkages in the United States. And these factors obviously vary greatly between industrialized and developing countries. Nevertheless, comparisons of the effects of linkages in the two settings can stimulate new understanding of the underlying mechanisms and suggest hypotheses for research agendas. Some of these comparative questions are addressed in the final chapter.

In this chapter we examine the characteristics of linkages in the U.S. grant system, particularly that segment concerned with poverty and development broadly delineated, and their consequences for increasing the flow of benefits to the poor and the capacity of local organizations. We argue that linkages have a limited but important impact on program implementation. Both the choice of organizations to implement grant programs (the form of decentralization) and the interactions between these organizations (the linkages) seem to be important even though it is difficult to isolate the independent effects from other aspects of the context. The U.S. grant system and its associated linkages has evolved over time and resulted in a new type of decentralization at least in the poverty and development programs in which both locality and center are strong and interdependent partners.

This argument about the importance of linkages should not be interpreted to mean that well-designed and -operated linkages can prevent distortion of central purposes by local implementing organizations. On the contrary, distortion is increasingly recognized as inevitable in the implementation of large-scale complex programs regardless of the degree or forms of decentralization (Williams 1980, p. 13). The U.S. experience does suggest that the direction of program implementation can be influenced by the selection of implementing agencies and nature of linkages between those agencies. Careful attention to these dimensions can decrease the amount of distortion which will occur.

This argument will be presented after first reviewing some of the basic characteristics of the contemporary U.S. grant system.

U.S. Grant System

The U.S. federal system is characterized by a high degree of decentralization. The powers of subnational governments are constitutionally established and the central government typically uses some combination of these governments to deliver national programs at the local level. As the scope of national programs has grown, the central government has developed an increasingly elaborate repertoire of linkage mechanisms to influence the activities of the local units. And they have in turn created their own techniques for influencing national policy and programs. These downward and upward linkage mechanisms are associated with the national system of grants.

Some features of the grants are strictly delineated in statutes, some are formulated in agency regulations, and some depend simply on agency practice. The grants involve choices about the following: central and local implementing agencies, the size of the grants, the funding mechanism, the distribution, and the locus of control over programs.

Recent national administrations have been associated with different types of grants. The Kennedy/Johnson administrations were characterized by intergovernmental grants with high federal control, namely categorical grants. In these grants the national government chooses the local recipients from among competing governmental and limited organization applicants. The central government also has total discretion over the size and distribution of the grants and exercises a high degree of control over the operation of the local programs by attaching "strings" to the use of the funds, that is, specific conditions about what is done, who it is done for, and how it is done. The Nixon/Ford administration designed programs with less federal control, fewer strings attached to the subsidies. General Revenue Sharing illustrates this end of the spectrum. It provides funds automatically to all general-purpose units of local government. The amount and distribution of the money are determined by formula and very few conditions are attached to the use of the funds, so most of the decisions about program content are made at the local level.

The current system of grants includes a mix of grants fitting along the spectrum from high federal control to low federal control, from categorical to general revenue sharing grants. Grants which fall in the

middle of this continuum are referred to as block grants. The recipients of block grants are either general purpose or specialized subnational governments. The size and distribution of the grants are usually determined by formula and there are less restrictions on local recipients than in categorical grants but more than in general revenue sharing.

Each of the three types of grants in this tripartite grant system serves different purposes. Categorical grants with high central government control have been more effective at stimulating local activity to meet national priorities (ACIR A-62). Block grants and general revenue sharing with less federal control have enabled local governments to design programs which meet their own priorities. These grants increase local governmental power and discretion and enhance local capacity but have been less effective at targeting programs to the needy and promoting innovation (ACIR A-53 p. 21 and 127; Williams 1980, p. 34-43). While all three types of grants are used by recipients to substitute for local funds, categorical grants have been found to be more stimulative than the other two types (ACIR A-60 p. 38 and 41; A-62 p. 67; Whitman and Cline 1978).

This tripartite system of grants has been characterized by continual adjustments in each type of grant over time as the federal government responds to political pressure from various interest groups including subnational governments. Attempts to reduce the shortcomings in one kind of grant move it closer to one of the other types. For example, when categorical grants were criticized by local recipients as being overly

constricted, some of the federal controls were relaxed, permitting more local discretion and coordination of programs (e.g. integrated grant administration and annual arrangements were the names attached to two such innovations). Block grants and general revenue sharing, on the other hand, have been criticized for not promoting national priorities and for their lack of innovation. So repeated efforts have been made to increase federal control over these grants via the recategorization of the grants, "hardening of the categories" as some like to call it. Distinct cycles emerge in which categoric grants are decategorized and block grants are recategorized by the addition of requirements such as targeting. These adaptations mean that the distinctions between the types of grants blur.

The adaptations in the tripartite mix of grants in the U.S. have occurred partly in response to upward linkages whereby local recipients of grants interact with national legislators and administrators in an attempt to influence them. The growth of an intergovernmental lobby has increased the ability of local governments to modify the design of the grant system and exercise discretion over its administration (Beer 1976; King 1978; Farkas 1971; Haider 1974). Parallel efforts are made by the nongovernmental limited organizations involved in the grant system. Various formal and informal consulting mechanisms have emerged to facilitate these interactions. For example, state and local officials lobby national officials through national associations such as the League of Cities and Council of State Governments and through their own Washington lobbyists. Another example of consulting mechanisms is the review and comment procedures

whereby proposed federal grant regulations are made public and interested organizations are able to critique them before they become final.

Linkages in poverty programs which we discuss next can best be understood as one aspect of this broader emerging grant system. It is a system composed of three main types of grants each serving different purposes and evolving in response to weaknesses which are revealed when they are implemented.

Linkages in Poverty Programs

Programs oriented to combating the problems of poverty and depressed areas constitute an important segment of the U.S. grant system. We use this category broadly to refer to diverse social service and community development programs but not to various programs of direct payments to individuals such as Medicaid. Some were categorical programs initiated in the sixties and others were block grant programs which started later. They covered a great many functional areas, including education, health, employment, housing, business development, public works and legal services. Although the programs are typically thought of as urban they also often involved rural components such as the Rural Loan Program of small farm and nonfarm operating loans to rural individuals and cooperatives, the Migrant Farm Workers Program (Plotnick and Skidmore 1975, p. 7), the Appalachian Regional Commission (ACIR A-53 pp. 38-44), the Area Redevelopment Administration and its successor the Economic Development Administration (Pressman and Wildavsky 1975) and various Rural Development Acts

(Brown 1980, Sokolow, forthcoming).

The four factors discussed in the Introduction can be used to compare the implementation context of American poverty programs with that of development programs in third-world settings. First, program vulnerability to inequality is very high in the U.S. Due to the high level of development local elites in the U.S. have not typically shared the interest of the poor in securing indivisible benefits. Even in very poor rural areas, elites have access to the resources necessary to pursue their livelihoods, obtain education, and protect health. Thus the economic incentive to improve a community's access to these services is not high. And in the U.S. no attempt has been made to design programs in which elite and poor interests would coincide due to the nature of the service being provided. Instead priority has been given to selecting central and local administering agencies and designing linkages between those groups to reduce the influence of those who do not share the interests of the poor and increase the influence of those who do.

The other three factors discussed in the Introduction are very important in analyzing these choices. National officials in the U.S. have tended over the last two decades to be more committed to the interests of low-resource groups than have subnational officials. But the commitment varies over time and with different institutions and areas of the country. Sometimes, for example, specialist officials are seen as more committed to services for the poor than generalist elected officials, but in other situations the reverse is true. In the U.S. there are also a wide variety

of limited groups oriented to the poor at national and local levels, though none may be available in a particular functional or geographic area when a program is being initiated. In general, program designers in the U.S. interested in development would have to answer yes to the question of whether the central agency has a positive commitment to the poor, and no to the question about whether the interests of intermediate and local elites coincide with the interests of the poor as discussed in the Introduction.

Answers to the questions about administrative capacity are also important in the U.S., though as we shall discuss below, perhaps somewhat less so than the answers about commitment. When comparing the capacity of U.S. national and local governments and limited organizations to counterparts in LDCs as specified in the Introduction, the answer to the question about whether the capacity is strong would probably be yes. Even weak units in the U.S. have more political and administrative resources than many weak and some strong units in developing countries. Thus weak local units in the U.S. have enough resources to sustain themselves and exercise some discretion even when subjected to high central control. But what about the answer to the question about the relative capacity of national and local units in the U.S.? On this there is little agreement. All intergovernmental participants charge the others with incompetence. The most sophisticated local governments and organizations sneer at national bungling and the national agencies return the insult by stressing the lack of local capacity. But an intuitive assessment is that the national agencies do have strong capacity and some but not all local organizations

do too (Sokolow, forthcoming, p. 3; Blakely and Zone 1976; Bradshaw and Blakely 1979). So attempts are made to match programs to the capacity of the implementing groups.

Before looking at some of the major lessons about linkages which are suggested by poverty programs analyzed in terms of the above four factors, we want to indicate some of the conflicting general assessments of the results of poverty programs. Many of the early evaluations were extremely critical (Moynihan 1969; Levitan & Taggart 1976). They contributed to the widely held view that the programs failed, that the results fell short of what "we had a right to expect," in terms of both reducing poverty and effective implementation. The implication was that better policy design and implementation could overcome the problems. But when the programs were redesigned to correct the apparent deficiencies, the problems of implementation and impact did not noticeably diminish. The contribution of the programs to reductions in poverty were not at all clear and distortions in implementation did not disappear although there were some changes in the types of problems. Analysts and the public were very critical of the programs, contributing to public disillusionment with government's ability to promote desirable change (Aaron 1978, p. 1-10; Haveman 1977, p. ix, 42).

Recently, however, a revisionist interpretation of the programs has been appearing. Looking at a wider range of direct and indirect results over a longer time span, these analysts conclude that the programs were qualified successes (Haveman 1977; Levitan 1969). They examine not just the direct effects on poverty levels and poor recipients but also the indirect effects on the political system--on the distribution of power

between the center and localities, on the programs and capacities of the local agencies, and on the organization of low-resource groups. This broader perspective and the willingness to lower expectations about reasonable success criteria for efforts at major social change have led to a more favorable interpretation of poverty programs. That perspective is conveyed in the subtitle of a classic poverty program study, Implementation: How great expectations in Washington are dashed in Oakland, or why it's amazing that federal programs work at all (Pressman and Wildavsky 1979). The second edition goes further in the revisionist direction by stressing that implementation is an evolutionary process in which learning occurs via adaptations to feedback and that distorted programs may be better than no programs at all. The awareness is growing that a long time horizon is necessary in order to see the beneficial effects of poverty programs (Williams, p. 13; ACIR, A-60 p. 38 and 39); and that it is extremely difficult to anticipate the course of social policy (Haveman 1977, p. 1).

The effects of poverty programs on the political system are a central concern of this chapter. We argue that these grants have helped create an intergovernmental system characterized by mutual dependence between the federal grantor and the local grantees (Williams 1980; Reagan and Sanzone 1980). In this "uneasy partnership" (Williams 1980, p. 14) the center has some control over the localities but that control is tempered by the center's dependence on the locals for service delivery. The localities likewise have some control over the center, but at the same time are dependent on the center for resources. Both the locality and the center are strong and interdependent. This mutual dependence and the need for mutual adaptation have give rise to

a different style and use of resources than occur in systems where either those above or those below have disproportionate power (Williams 1980, p. 64).

This mutual dependence has been partly stimulated by two characteristics of the U.S. poverty programs: the choice of organizations to implement programs (form of decentralization) and the types of interactions between the central and local organizations (linkages). These two characteristics will now be examined.

Dual Forms of Decentralization: Parallel Linkages from Center to Local Recipients

U.S. poverty programs illustrate the way the form of decentralization influences the implementation of development efforts. The interests and administrative capacity of the central and local agencies being linked together have a major impact on program performance. Thus the selection of these organizations is a key linkage decision.

During the early years of the poverty programs two forms of decentralization were followed simultaneously. In each functional area two parallel sets of links were created. One involved what we call (see Introduction) functional devolution from established central specialist agencies to intermediate governmental specialist agencies. For example the federal health agency selected subnational governmental health agencies as recipients of health grants for the operation of health programs and similar choices were made in education and agricultural programs. The other involved decentralization to interest organizations in which new redistributively oriented central agencies established links to intermediate or local limited

groups selected on the basis of their commitment to targeting programs to low-resource groups. For example the Office of Economic Opportunity chose community organizations to run health programs.

This dual strategy arose in response to the political realities of the American federal system. The strength of subnational agencies and existing federal departments made it necessary to involve them in development efforts. Yet some policy makers also felt that given the past records and missions of these agencies, efforts to force them to target their programs toward the poor would meet with limited success. So some of the grants were funnelled to limited groups sharing the interests of the poor and willing to target programs to them. Bypassing established agencies was a strategy to create constructive competition. It was hoped that the infusion of resources to limited groups would increase their capacity and establish model programs which would stimulate changes in state and local programs in the direction of increased targeting of programs to the poor (Donovan 1967; Marris and Rein 1967).

Examples of the dual strategy abound in rural development, education and health. In rural development, the first strategy occurred when existing national government agencies supplied funds to specialist intermediate governmental agencies. For example, in the State Rural Development Demonstration project, HUD and USDA selected state governments as recipients of federal funds to improve state delivery systems for underserved rural residents. The participating state agencies developed different types of delivery systems ranging from direct provision of services by a lead state agency to state support for local agencies and nonprofit organizations

which provided the services (Council of State Community Action Agencies 1980). A similar strategy was followed in the Department of Agriculture's grants to Cooperative Extension Programs to develop services for small poor farmers in the South (Orden and Buccola 1979).

But other rural development projects followed the alternative strategy of selecting limited organizations on the basis of their commitment to redistribution, and linking them to specially created federal agencies, primarily the Office of Economic Opportunity (OEO), which became the Community Services Administration (CSA), or foundations. The movement to establish poor people's cooperatives is a good example. This effort was not stimulated by existing large-scale cooperatives, but by the staffs of civil rights and religious organizations. They received funds from CSA or foundations to support nonprofit technical assistance organizations (e.g. the Southern Cooperative Development Program which merged with the Federation of Southern Cooperatives) and community development corporations designed to promote local poor people's cooperatives (Marshall and Godwin 1971, p. 37). Another current example of this strategy is the Rural Community Assistance Program in which CSA funds nonprofit regional technical assistance organizations to assist local groups, often community action agencies to develop adequate water services for rural low-income people (Heath 1980). The organizations provide training and assist local groups in developing needs assessments and work plans.

In education the Elementary and Secondary Education Act (ESEA) Title I illustrates the first strategy of linking to intermediate specialist organizations. In this grant program federal funds are distributed by HEW to

state education agencies according to a formula indicating the number of children from low-income families living in the state. Local districts then apply to the states to obtain funds and decide how the money is to be used (Levin 1977 in Haveman). Head Start is illustrative of the alternative linkage strategy in education. The program was originally administered by the Office of Economic Opportunity (OEO). The established education agency, Health Education and Welfare (HEW), was not given jurisdiction because it was oriented toward different clientele groups and the professional norms of teachers. OEO usually gave Head Start grants to local limited groups operating outside the established state and local educational structure (Levin 1977). Another illustration of this alternative strategy is provided by the numerous experiments with "community control" of the schools (Altshuler 1970; Gittel 1972 & 1973; Zimet 1973).

Health grants also illustrate the dual strategy. They include both the first strategy as illustrated by the Partnership for Health Block Grant and the alternative system of neighborhood health centers. The former consists of grants from HEW to state health agencies which passed the funds through to local health agencies for the provision of health services. The latter resulted from OEO grants to a variety of local organizations: nonprofit health corporations, agencies, medical schools and societies, and local health departments (Hollister 1974; Davis 1977; Schoen 1978). Their goal is improved health care for the poor.

What lessons can be learned from the U.S. utilization of two forms of decentralization? Evaluations of programs run by established agencies have confirmed the importance of agency commitment in shaping grant

implementation. The evidence clearly shows that it is extremely difficult to force established agencies to target their programs to the poor when the elites oppose this kind of targeting. It has been demonstrated repeatedly that grants can facilitate change in local agencies willing to move in the direction desired by the center but cannot directly force that change on resistant recipients (Ingram 1977; Derthick 1970; Berman and McLaughlin 1976; Berman 1978; Browning, Marshall and Tabb 1980; Williams 1980; Sabatier and Mazmanian 1980; Wirt 1970; Pressman 1975). Programs run by local authorities tend to be used to serve the more advantaged members of communities (Van Horn 1977). Money ostensibly directed to the poor is spread to other uses which more directly serve the needs of the local elites (Nathan 1977; Murphy 1971; Browning, Marshall and Tabb 1980). For example, the State Rural Development Demonstration project showed that improved state delivery systems for rural areas couldn't force local officials to target programs when they were opposed to targeting (Council of State Community Action Agencies 1980, p. 75). Similarly Cooperative Extension was a recipient agency which resisted reorientation to serving rural poor residents. The principal factor influencing whether the grant funds are used to stimulate new activities in the desired direction or to substitute for local funds in supporting on-going activities is "the recipient's taste for the aided activity in preference to other competing uses of funds" (ACIR A-62 p. 41 and 67).

Evaluations of programs run by alternative organizations are much more controversial. This strategy aroused the wrath of the bypassed units. They criticized the quality of the programs run by limited groups, using

epithets such as "unprofessional," "second-rate," "ghettoization." They argued that mainstream professionals could implement the programs better and that the competition was costly and stimulated unproductive conflict (Kramer 1969; Davis 1977). Evaluators with less direct stake in the "turf" issues also pointed to shortcomings in the alternative programs yet many positive evaluations have also been made (Kramer 1969; Levine 1970; Haveman 1971; Lamb 1975; Marshall 1977, p. 472). The grants increased the capacity of the organizations to deliver services and thus the quality of programs for low-income people. A study of 269 cases of decentralization in education, health and economic development concludes that these programs improved services, increased client control and the flow of information (Yin and Yates 1975, p. viii). The efforts of alternative educational organizations were viewed as particularly effective because in this functional area there was both political and administrative control by limited groups, low levels of professional control, and a relatively open delivery system.

Studies of alternative programs reinforce the point made in the Introduction about the importance of fitting the task to the administrative capacity of the recipient organization. Limited organizations with minimal administrative capacity are found to be more effective in cases where there is a focused, flexible, simple task. They are less effective when there is a diffuse, inflexible, complex task requiring formal neighborhoodwide large assembly types of groups (Yates 1973; Gittel 1980). Overloading a limited group with a complex task makes the development of capacity much more difficult and often impossible.

However, arguments about the quality of alternative programs may miss

one of their central contributions. They serve as a political catalyst for changing the programs of established agencies at both the national and local levels. Political actions must not be judged solely on the basis of their immediate influence, in this case on quality of alternative programs, but also by their influence on future resources (Gamson 1968, p. 98). The competitive process worked in the following way.

In the early years of the poverty programs there was a great wailing and gnashing of teeth by local jurisdictions about the impossibility of doing more for poor people than was already being done. The local governments seemed to be saying "if it is worthwhile and possible we are already doing it, so if we are not doing it you are wrong to ask us to do it." But the alternative programs even though they were strongly criticized did demonstrate new ways of reaching the poor and organized new constituents. In the face of these pressures, the established agencies had new incentives to search for ways to meet the needs of these constituents more effectively. Some feel this could have been achieved in a less disruptive, more effective fashion without the use of alternative organizations. Others, and we count ourselves among these, suspect that increased interest in programs for the poor was stimulated by the competition from alternative organizations and by the pressure they generated for new programs. For example, neighborhood health centers appear to have stimulated the growth of new community-oriented programs in medical schools and spurred health agencies to relate to communities in new ways (Hollister 1974, p. 307; Contrast with Alford 1975, p. 165 and 166). Similarly in education school boards have been changed "irreversibly for the better because they have been challenged

by Head Start programs oriented toward innovation, parent participation, and poor kids, none of which many school boards had been particularly interested in before" (Levine 1970, p. 144).¹ The alternative education programs have also been credited with increasing parent interest and participation in education and the improved delivery of services (Gittel et. al. 1972, p. 158).

If grants to limited alternative organizations have had these positive effects, the question arises as to whether any of the grants should have gone to established organizations. We think the redundancy made an important contribution to the success of the alternative strategy. It created some political benefits as well as the more technical kinds of advantages discussed in the Introduction, pp. . The wrath of the established units would have been even greater if they had been totally bypassed. They were kept relatively content by the infusion of additional funds which they could use at least partially according to their tastes. Grants to local governments, then, promoted a favorable political climate by minimizing the opposition from the intergovernmental lobby. The additional resources also enabled local governments to respond to the increased competition from alternative organizations. As the public agencies gradually succeeded in gaining control over alternative programs, the "mainstreamed" programs were actually more oriented to the poor than they would have been in the

¹In a similar fashion the existence of the Office of Economic Opportunity, while stimulating a great deal of criticism from the traditional departments, also served to encourage new program efforts by those departments as they attempted to prevail against the perceived encroachment of OEO.

absence of federal financial incentives (Davis 1977, p. 172). If the central government had simply dictated to local governments that they must change in this direction, or had completely bypassed them, their commitment and capacity would probably not have changed as much or been as institutionalized as it was under the competitive dual strategy.

High/Low Control Linkages

The choice of organizations to implement a development program discussed above is one important characteristic of linkages. The second major characteristic considered here is the nature of the interactions which take place between the implementing organizations. The Introduction specifies five descriptive types of linkage mechanisms or forms of interaction: finance, regulation and monitoring, technical and personnel assistance, services, and representation. The Introduction indicates that these mechanisms involve various mixes of two purposes--control and assistance. The purpose of control linkages is to enable one organization to determine some aspect of another's performance. The purpose of assistance linkages is to facilitate program implementation by compensating for gaps in the performance of implementing organizations.

In the U.S. there has been a great deal of controversy about the mix of control and assistance in the linkage mechanisms of the poverty programs. Most of this has focused on the amount of central control which is desirable--should the center have high levels of control over localities or lower levels of control? The logic behind the dual forms of decentralization described above might suggest that different amounts of control

were utilized depending on the commitment and capacity of the recipient. Established agencies lacking commitment but high in capacity might have been subjected to high central control over what is done and who it is done for but given more discretion over how it is done. This would allow flexibility in adapting to local variations. Alternative or limited organizations having high commitment but lower capacity might have been subjected to less control but more assistance in how the task is done. But political realities rather than logic guided the national linkages to recipients. Formally the U.S. poverty programs established linkages with high federal control to both types of local organizations because the central policy makers wanted to maintain as much central control as possible in a decentralized system.

The initial poverty programs were designed as categorical grants with high central control linkages. This was true whether the recipient was a governmental or limited organization in rural development, education, health, or other fields. Many regulations or strings were attached to grants specifying eligibility, geographic distribution, program content and operating procedures, and reporting mechanisms. The purpose was to keep these programs separate from the ongoing routines of the organizations, to change the behavior of the organizations. For example, OEO attempted to exert high control over the local limited groups which typically operated Head Start programs, requiring the hiring of poverty area residents, high parent involvement, and intensive monitoring (Levin 1977). Formally tight linkages also characterized the neighborhood health centers. Specified goals included the following: health care for the poor,

employment of poor residents, training for new health career roles, consumer participation in program planning and operation, and the demonstration of new modes of health care delivery. The central government had the tools to monitor the program strictly, including line item deletions from the budget, the attachment of special conditions to the receipt of funds, and termination of funds if the conditions were not met (Hollister 1974). The ESEA was also an example of formally high control linkages. Regulations specified that federal funds supplement rather than supplant local funds and that the size of grants was to be a function of state fiscal effort. A variety of local conditions were also specified such as the creation of advisory committees including representatives of the poor (Levin in Haveman 1977, p. 133).

However, political conditions limited the central government's ability to maintain the desired control. The actual amount of control and its results have varied greatly across functions and over time according to the national and local political situations. Very often the sanctions and inducements which the federal government was willing to exercise were not as great as their formal controls suggested and were not sufficient to overcome the resistance due to recipient agencies' lack of commitment or capacity or both.

This dilemma is demonstrated in both the Elementary and Secondary Education Act and in the Partnership for Health Acts which have actually been characterized by low control throughout much of their history. There was continuing tension between federal desires to direct local efforts toward national priorities and local professionals' desire to use federal

funds as general support for ongoing programs. The local refrain was "don't tell us how to run these programs because you don't know how and we do." The second verse was "let us run these programs and show you how much better we can do when you leave us alone." The professionals were able to exert enough political pressure both locally and nationally to transform what were formally high control linkages into informally much lower control links. Given the political power of the medical profession it is not surprising that categorical grants were merged as early as 1966 into the looser block grant called Partnership for Health (Davis in Haveman 1977, ACIR A-56). Even though ESEA was not formally redesigned as a block grant, in reality the high controls were not enforced. State and local education agencies were given a great deal of discretion over the use of funds (Levin in Haveman 1977, p. 133). The strength of groups supporting strict targeting to the poor was not as great as the strength of those favoring spreading the funds as a general subsidy.

The difficulty of enforcing high control is also demonstrated in the programs implemented by alternative organizations. Even in alternative programs like Head Start and neighborhood health centers the federal government often did not exercise the strong controls which were formally available. Federal officials recognized the limits in local capacity and the need for time in which to increase capacity via trial and error (Marcus 1981). Close scrutiny is also difficult and costly. In addition, some limited organizations had enough political support to make intervention politically costly as well (Hollister 1974). Monitors thus

had to face the difficult issue with limited as well as established organizations of whether intervention would do more harm than good.

In sum both types of recipients learned ways of changing high control links into low control links. The credibility of the sanctions declined as the players learned that the likelihood of their being imposed as a result of problems uncovered in the monitoring was not great (Sabatier and Mazmanian 1980, p. 548). But the possibility never declined to zero so the local governments continued to try to change the formal design of grants toward block grants and away from categorical grants so that both the formal and informal controls would be low rather than high.

What lessons are suggested by these experiences with formally high control and informally low control linkages? There is an emerging view in the U.S. which seems sound to us, namely that a mix of control and assistance linkages is desirable in order to promote development. The balance of the two types of linkages depends on the commitment and capacity of the particular recipient and is designed to create sufficient inducements and sanctions to move that recipient in the desired direction. In other words, the mix will vary according to the characteristics of the recipient (Berman 1980).

Assistance or Supportive Linkages

This view of the desirability of a mix of linkage types entails a new awareness of the importance of assistance or supportive linkages. The earlier emphasis on regulation and compliance is now seen to be self-defeating when carried too far. Implementors with a regulatory mentality become pre-occupied with procedures rather than program substance (Williams 1980,

p. 38 and 109; See also Rondinelli 1979, p. 129). Instead, implementors in the U.S. are now being encouraged to establish linkages designed to facilitate local commitment and capacity. This involves a movement away from control to influence via bargaining (Williams 1980, p. 72). As Williams says, "Bargaining becomes the appropriate strategy where the power of hierarchial control . . . ends, where the credible threat of command and control with clear sanctions that apply to discernable boundary points no longer holds" (p. 74). The center attempts to establish "directional influence, not direct command" (p. 74) and a "viable working relationship between the federal and local partners" (p. 111). The inter-governmental grant system is seen as a "two-way street".

Supportive linkages need to be distinguished from low control linkages which in the U.S. have been associated with grants like general revenue sharing where redistribution of benefits to the poor is not a goal. Low control linkages have meant letting the local recipients pursue their own priorities. Supportive linkages in the sense we use the term here refer to techniques designed to promote the well-being of the poor by increasing local commitment to and capacity for achieving that goal. They do not mean an abdication of central responsibility. The federal government uses its influence to promote movement in the desired direction but uses it flexibly and with constraint and deference in order to encourage maximum local effort towards the goal (Williams 1980, p. 111, 72-73). Monitoring still occurs but less frequently because the local recipients have been given a good deal of responsibility and discretion (Blau and Scott 1962, p. 170).

An example of supportive linkages replacing low control linkages is provided by recent trends in the implementation of ESEA Title I. As indicated above, in the earlier years ESEA's formally high control linkages had been transformed into informally low control linkages. But the very existence of new educational programs ostensibly directed to the poor was sufficient to stimulate the formation of new clientele groups with differing interests from those of the teachers and school board members. These new groups include the people hired to work in the programs, the parents of children in them, the members of federally mandated advisory boards, and advocacy-oriented community organizations. They have an interest in the national priorities as opposed to general subsidies for education and create new pressures in the political system. Pressures from these groups serve to counter somewhat the interests of the professional education lobbies. As the resources and ability of these groups to intervene changed, it was politically feasible for both federal and local implementors to orient the programs more toward the poor (Sabatier and Mazmanian 1980, p. 548, 551 and 553). The new interest groups stimulated more active use of federal influence, of supportive linkages, to promote local adaptations in the direction of improving education for the poor. These adaptations have improved program implementation in education as the funds have been more effectively targeted to programs for the disadvantaged (Kirst and Jung 1980). In sum, the ESEA example suggests that flawed programs can set into motion some of the political forces which gradually can create a context in which new more effective linkages become

feasible if, and this is a big if, there is enough stability in the program to allow these kinds of adaptations in linkage strategies to evolve. Another example of the gradual transformation of low control linkages is provided by the Community Development Block Grants where increased targeting occurred during the Carter administration (Dommel 1980, p. 179) in response to new political pressures generated partly by earlier programs.

In what follows we will look at two aspects of supportive linkages in more detail: technical assistance and representation.

Technical Assistance

A key component of supportive linkages is assistance by the center rather than simply the threat of sanctions. Technical assistance refers to the provision of resources which will serve as an incentive for the increase in local capacity to implement development programs effectively. These resources may include (see Introduction p.) finance, services, and technical and personnel assistance.

The experience with linkages in U.S. poverty programs and with earlier efforts such as Cooperative Extension suggests that technical assistance is an extremely important contributor to improving performance by both local governments and limited organizations. It can reinforce positive local commitments and capacity in the face of competing pressures, and it can decrease negative tendencies by creating new positive pressures. A key variable in explaining current high levels of capability to implement grants is prior experience in the operation of federal grant programs (Nathan 1977; Sokolow, forthcoming). Recipients learn how to administer programs

by administering programs. So the existence of the programs contributes to capacity and if those programs include a component designed to facilitate learning there is reason to think that the learning is enhanced.

A great many studies of U.S. poverty programs call for increases in technical assistance to improve local capacity. For example, studies of poor people's co-ops find that direct support of local co-ops or indirect support via multipurpose agencies like community action agencies is not sufficient. Studies stress the fragility of cooperatives and their need for better planning, management, marketing skills, and credit supply (Marshall and Godwin 1971, p. 85). Cooperatives have difficulty mobilizing sufficient local resources partly because of problems in establishing relations between local co-op clubs and central co-op boards, the uncertainty of short term funds, and reduced incentives for productivity because members aren't required to invest their own resources and repay loans (Finney Reprint 142: p. 45, 48; Rochin 1980, p. 6). What is needed is the creation of more "autonomous, representative supra-local structures of integrated support for local co-ops" (Finney p. 58). Studies of neighborhood health centers also stress the importance of technical assistance, especially the training of staff and members of the advisory boards (Hollister et al 1974, p. 76; Levin 1977). Similarly the evaluation of the State Development Project for rural services urged that when local people are hired they should be trained so they can be more effective in their outreach work.

It may be better to hire local people with a commitment to the poor and train them rather than hiring more educated people who lack that commitment. For example, a study of cooperatives found that managers who

are "technically incompetent but dedicated" are more effective than the reverse types (Marshall and Godwin 1971, p. 88). Similarly a study of Cooperative Extension's outreach program for small farmers found that field worker' success in working with the farmers on a one-to-one basis diminished with formal education and increased with years of farm experience (Orden and Buccola 1979, p. 11). Training of staff was associated with positive results but too close supervision appeared to interfere with the performance of high quality field workers so the amount of supervision should be related to the needs of the field worker. These findings are similar to the point made above in connection with the dual strategy. In the U.S. at least it appears easier to increase the capacity of committed groups than to change the will of uncommitted groups. Commitment appears harder to reform than administrative capacity (see also Introduction p. and).

In spite of the importance of technical assistance in improving local capacity, care must be taken so that support from the center stimulates rather than discourages local effort. Too many attempts at technical assistance have involved ad hoc discontinuous relationships with a narrow problem perspective. More effective technical assistance aimed at institutional capacity-building requires continuing close relationship and a broader community-wide perspective. In this kind of assistance the emphasis is on teaching and educating rather than on short-term problem-solving. There is also a willingness to invest resources in low visibility programs and to plan with rather than for the recipients (Brown 1980). The need to stimulate local effort has led some to favor loans for such things as local

co-ops rather than annual grants (Finney reprint 142: p. 49) and matching requirements whereby local recipients provide contributions to grant programs (ACIR A-52, p. 161). The idea is that people are motivated to work harder when they have a personal stake in the program. It also seems as if technical assistance is more stimulative when the locus of power is left with the local organization rather than assumed by the outside organization. A study of two rural cooperatives found that when the support system removed too much of the locus of power from the local cooperative and placed it with the outside technical assistance organization, the incentive for cooperation within the local organization and its performance declined. In one cooperative, the intermediary agency kept the power to review cooperative decisions including hiring of personnel, management of records and handling of money. In the second cooperative, the control was left primarily within the cooperative and the banks imposed the minimum of stipulations. The latter strategy was more successful in strengthening the local organization's capacity (Wells, forthcoming, p. 22). In the first case the federal government and a private bank designated a local community development corporation as the monitor of the loans to the cooperative. The community development corporation developed linkages with much higher control than mandated by the federal government or the bank. In the second case, the intermediary agency lost funding shortly after the founding of the co-op. The bank then left most control within the co-op only utilizing its usual monitoring system and a special advisory committee of technical advisers familiar with cooperative development. This committee was consulted by the co-op, but the substance of decisions was

determined by the co-op itself.

Supportive technical assistance, then, is oriented to increasing the flow of information to organizations and to citizens who can in turn pressure the organizations (Williams 1980, p. 92 and 94). But in order to make that information useful, good staff must be in the field and must adapt the information to the needs of the recipients (Williams, p. 94-95).

Representation

Another key component of supportive linkages is representation or local participation in programs. Just as poverty programs have provided some lessons about technical assistance, they have increased understanding of the strengths and limitations of local representation.

There have been two main approaches to representation or upward linkages. One approach, elite participation, is characterized by an effort to increase the involvement of the leaders of important local institutions, to obtain their support and to improve the coordination between the program and other activities in the area. The second approach, citizen participation, focuses on organizing poor constituents in order to create new political pressures for redistribution of power and resources.

The experience with these kinds of linkages in poverty programs confirmed Selznick's (1966) earlier finding regarding TVA, namely neither type of local participation inevitably improves programs or redistributes power. Elite participation may improve programs or subvert them via elite capture of the agency, or what Selznick calls informal cooptation. Similarly citizen participation may redistribute power or it may formally

coopt potential competitors for power and thus retard the redistribution of power or it may increase controversy to the point of stalemate. Marris and Rein (1967) provide one of the best analyses of the tension between the two kinds of upward linkages; if the structures involve elites in order to promote coordination it is very difficult also to have high levels of citizen participation. If the structures increase participation of the poor they make coordination among elites difficult due to the larger number of people involved in the process.

U.S. citizen participation efforts have involved wide variations in who participates, how, and why' (ACIR A-73, p. 8 and 9). In some projects the focus is on low-income citizens and in others on middle-income citizens. The participation mechanisms range from temporary convenings such as public hearings and task forces to the creation of ongoing committees, or boards, or commissions (Benson 1978 and ACIR, p. 8 and 9). These mechanisms vary in power from those which are an exercise in tokenism, informing, consulting, and placating, to those which involve some degrees of power because the citizens are partners in decision-making and have delegated power or even control (see Arnstein 1969). Some view citizen participation as a valuable end in itself because it is democratic or promotes human development. Others see it as a means toward the redistribution of resources. Those who take the latter view are increasingly aware that it may or may not be conducive to that end. Under certain conditions citizen participation may redistribute benefits to the poor and under other conditions it may not be an effective means toward development. Thus for those in the U.S. whose primary commitment is to development, the utility of citizen

participation is now more than ever an empirical question.

A recent study of sixteen citizen participation organizations (Gittell et al 1980) suggests that as more federal grants included mandates for citizen participation, citizen participation organizations have become less oriented to advocacy and more oriented toward service delivery and advice (p. 242). The study concludes that as a result they are less effective at gaining access to the political system for low-income groups (p. 43).

Nevertheless, U.S. poverty programs also suggest that both kinds of representation can contribute to supportive linkages (ACIR A-73). Poverty programs have stimulated elite participation by the formation of a great many new coordinative bodies which cross traditional agency boundaries and expose leaders to new perspectives (ACIR A-73, p. 48). These bodies may articulate new demands beneficial to the poor and join in lobbying efforts to strengthen programs. For example, the State Rural Development Program stimulated the formation of coordination committees, including local, federal and state representation, or at least more frequent consultations among these players. Sometimes it appears that more coordinative linkages would improve development. For example, programs to stimulate rural co-ops attempt to link local co-ops into an intermediary level of cooperatives without much success. It is thought that more upward linkages would eliminate the tensions between the two levels and thus increase the mobilization of local resources (Finney reprint 142, p. 45). Coordinative linkages also appear difficult but important in health programs where there are many obstacles to establishing relations among health care

providers. And in spite of all the criticism of citizen participation, many analysts still see these kinds of linkages as important tools which can promote development. Federal requirements for citizen participation in grant implementation can stimulate countervailing pressures against the tendency of such programs to serve the more advantaged members of communities (Van Horn 1977). For example, the boards of neighborhood health centers select staff; set service priorities, hours of service, and budgets; recruit outreach workers and settle grievances. They also sometimes become new constituency groups pushing for the orientation of health services to the poor (Hollister 1974; Davis and Schoen 1978). Similar examples are given in education (Yin and Yates 1975, p. viii). Even if citizen participation boards had limited impact on the immediate substance of policy (Levin 1977), they did contribute to the upward pressures which helped change low control links into supportive links (see above, p. 23) and to the development of leaders and the political sophistication of the members (Ambrecht 1976; Marshall 1971). Citizen participation, then, can contribute indirectly to the organization of the poor by involving them in planning, implementing, and monitoring programs (Greenstone and Peterson 1976; also in Haveman, p. 269, 270; Piven and Cloward 1977; Browning, Marshall and Tabb 1980). And the ability of supportive constituencies to intervene may improve program implementation (Sabatier and Mazmanian 1980). Of course, it is not possible to prove unequivocally that such changes would not have occurred in the absence of poverty programs. But the causal chain is clear enough

to indicate that the programs and citizen participation were associated with the emergence of new interest groups committed to and increasingly capable of promoting the interests of poor people.

Conclusion

The changes in the political system sketched above--changes in the roles and capacities of the central and local agencies and alternative organizations--have been relatively small. No claims are made here that they are major changes or that they have reduced the continuing problems of poverty and a permanent underclass in the U.S. (Gershman and Clark 1980). And the changes have been and will surely continue to be fraught with conflict among the participating organizations. But the subtle shifts which have occurred underscore the importance of linkages in development programs, both the choice of central and local implementing agencies and the nature of the links between them.

It is true that the implementation context in the U.S. may be rather unique because during the last two decades national governments have been fairly supportive of at least some efforts to redistribute resources to the poor. This kind of commitment at the center is quite rare and transitory. Where it is lacking different linkage strategies will surely be necessary to promote redistribution. But we believe that the U.S. case illustrates the utility of analyzing linkage problems in terms of the four factors indicated in the Introduction and of attempting to construct linkages appropriate for those specific conditions. The U.S. case suggests the kinds of results associated with specific linkage strategies in a

setting where there is high program vulnerability to inequality, and a committed and administratively capable center.

We have argued that the U.S. poverty programs have been characterized by a dual strategy of linkages both to local governmental organizations and to limited organizations and by an increased emphasis on the importance of supportive linkages rather than either high or low control linkages. The dual strategy created competition between the two types of local implementing agencies which served as a catalyst for improving development programs. Supportive linkages also have been beneficial because they create incentives for increases in local commitment and capacity to implement development programs. In our view these linkages have also contributed via a gradual process of organizational learning and adaptation to the emergence of an intergovernmental system in which both the center and the localities are strong and interdependent.

Our interpretation of these various types of linkages has called attention to their political results, to the indirect political ramifications of strategies which were not manifestly political. In closing we want to underscore the difference between approaches to redistribution which nurture these latent political functions of linkages and other approaches which are overtly oriented toward partisan change in the electoral as opposed to the programmatic arena of organizational implementation. The changes in U.S. decentralization discussed above took place in the administrative arena. While these were of course influenced by electoral changes, they were also influenced in important ways by bureaucratic or intergovernmental politics which is less partisan in character. Sometimes

when the American experience is analyzed in political terms as we have done here, it is misinterpreted as an argument for overtly political strategies. In the U.S. context that would stiffen resistance to change by increasing the visibility of conflicts and enlarging the number of competing groups, thus changing the possible outcomes (Schattschneider 1960). Similarly the strategy of linking with alternative organizations and thus promoting the organization of the poor was not primarily oriented toward stimulating the poor to take sides in partisan political activity. Instead the poor were organized to influence particular policies and programs within administrative agencies rather than electoral politics. This approach builds on felt needs and/or existing groups in localities and provides assistance or incentives rather than imposing pre-existing partisan agendas (and thus may avoid some of the dangers correctly pointed out in the Ralston, Anderson, Colson paper).

We think that the indirect political shifts associated with the U.S. poverty program, while small, are still suggestive of the way linkages which are not manifestly political can cumulate into institutional changes which may influence the distribution of resources. They suggest that those interested in development are well advised to continue in their efforts to be politically sensitive without abandoning their commitment to the administrative implementation of programs--the two dimensions of linkages are closely related and can reinforce each other in the delicate balancing act called development.

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Chapter III

THE STATE AND THE ORGANIZATION INFRASTRUCTURE
OF THE AGRARIAN ECONOMY

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CHAPTER III

Agriculture is the key to the improvement of the incomes of the poorer half of developing societies. The strategies that best promote agricultural development make very intensive demands on local organizations. In this chapter we analyze the ways in which the state can promote and sustain the community-wide organizational structures that are needed for broad-based agricultural growth.

Unimodal Development and its Policy Implications

The main productive resource which the disadvantaged possess is their labor. An industrialization-first strategy of development which neglects agriculture typically creates an inappropriately capital-intensive pattern of manufacturing within a modern enclave and contributes little to the growth of employment (Healey, 1972; Morawetz, 1974). The stimulation of small, labor-intensive industry, on the other hand, permits and demands broad-based agricultural growth. Such industry depends on rural development to provide both food and its growing labor force and the mass market for the goods it produces (Mellor, 1976).

Yet not just any form of agrarian development will do if broad-based economic development is to be achieved and the welfare of the poor majority protected. What Bruce Johnston calls a "unimodal" pattern of agricultural growth is essential to the multiple objectives of development. Such a strategy is based on small-scale farm units. As the engine of growth it relies on labor-using, capital-saving technologies and on innovations which can readily be scaled down to suit small farms. An example of the latter is the promotion of high-yielding, fertilizer-responsive hybrid crop varieties.

Such unimodal agriculture is to be contrasted with a "bimodal" growth strategy. Here the focus of development is on the large-farm sector, which comes to adopt labor-saving, capital-using technologies. In the process, the impact of agricultural growth on employment is dampened and the small-farm sector is left to atrophy, together with the incomes of the poor who are dependent on it. Such a pattern of growth is termed bimodal because it has two categories of typical farms--the large, dynamic, capital-intensive farm, on the one hand, and the small, stagnant, labor-intensive unit, on the other (Johnston and Clark; Johnston and Kilby, 1975).

The advantages of unimodal over bimodal agriculture both for production and for welfare are well established. In the words of Johnston and Clark (Chapter 3),

There is substantial evidence of an inverse correlation between farm size and output per hectare, and the proposition that technologies adopted by small operational units are labor-intensive is well established (Berry and Cline, 1979; Bardhan, 1973; Lau and Yotopolous, 1971; Johnston and Kilby, 1975)... The great majority of farm households are inevitably by-passed if a late-developing country pursues a bimodal pattern of agricultural development. This appears to be a 'hard conclusion.' [Thus] during the last decade a considerable consensus has emerged concerning the importance of fostering a broadly based, unimodal pattern of agricultural development. (See for example, World Bank, 1974, 1978; India, 1978, Chapter 9; Asian Development Bank, 1978, 1979.)

If developing countries are to get the greatest production possible out of their scarce good land and if they are to use fully the labor which they and the poor possess in abundance, a unimodal strategy is essential.

The choice between unimodal and bimodal strategies applies to socialized as well as mixed economies. Since the 1960's the Chinese have used smaller units and labor-intensive technologies, resulting in production gains which contrast with the disappointing performance of the large-scale, capital-intensive

Soviet methodology (Johnston and Clark, Chapter 3). Of course equity and welfare are accommodated under both strategies in socialized economies. The major gains in the unimodal for them are in use of surplus labor and in agricultural production.

Unimodal agriculture does have a welfare dimension in a mixed economy. Obviously it does not help those poor who are unable to work; no production strategy can address the needs of the aged, handicapped, orphans, etc. Clearly, too, the strategy benefits most the small land-owners and tenants upon whom it focuses; but, as it is labor intensive, it works to the advantage of agricultural laborers as well.

The important point is that a unimodal strategy both provides the broadest spread of benefits of any production strategy and seems to be the best base for economic development in general. No choice between welfare and development is necessary over the long term.

Johnston and Clark note a considerable number of policies which promote unimodal agricultural development. We summarize them here in order to draw out those measures which have implications for local organizations. The first and most obvious need is to promote small units of production. The greatest gain for income distribution is provided by land reform, either in individual or very small collective units. Nonetheless, lesser but significant gains are made by converting large operational units into smaller tenant farms. The historical blocks to innovation in tenant farming can be overcome by legal or customary conventions that require the sharing of input costs between landlord and tenant (Bardhan and Rudra, 1980).

The second critical need is for the development of technological breakthroughs for productivity that are labor intensive (Gotsch, 1974). The

important factors here are the quantity of funds devoted to agricultural research (investments which have a very high rate of return), the structure of the research priorities adopted, and the sensitivity of the research programs to the realities of small-farm production.

The third policy requirement is that pricing policies and foreign exchange rates do not put capital-saving, labor-using technologies at a disadvantage. The economic policies of most developing countries effectively subsidize more capital-intensive investments, with obvious negative effects on employment and small-farm agriculture.

Fourth, it is necessary that the small farmer be provided with the infrastructure needed to adopt and employ profitably the available labor-using technologies for intensifying his productivity. There are a large number of these infrastructural items--agricultural extension, irrigation works, roads and transportation, input supply networks, marketing systems, and credit. Frequently such infrastructure is already available for large farms and its absence is a major constraint on small-scale production. The inadequacies in small-holder oriented economic infrastructure also are often the cause of a fall in production after a major land reform, preventing the usual gains in productivity associated with small units.

Agricultural research and terms-of-trade policies are national issues. Local organizations and their relationships with the center are critical to the execution of land reforms and the provision of economic infrastructure, however. In this chapter we examine the organizations which provide agricultural services to all rural dwellers and ask how they can be made most amenable to the needs of the rural poor. In the next chapter we will turn to those limited local organizations which are composed of and serve the rural poor alone.

The Decentralization of Rural Economic Infrastructure

Decentralization is needed in the organizational structures that provide economic infrastructure for small-holder agriculture. The tremendous variation in the social, economic and ecological conditions under which small producers operate makes flexibility and speed of response essential to organizational efficiency. It is difficult to provide such adaptiveness unless decisions about service delivery are made close to the farmers and their problems.

There are a wide variety of ways in which decentralized economic infrastructure services can be provided. Almost all the types of decentralization outlined in Chapter I (Table 2) can be found in agriculture. Extension services almost always are provided by the state itself, usually a Department of Agriculture, working either with individuals or groups of farmers. Decentralized operations in this area are a form of deconcentration. A variety of arrangements for marketing can be found. A vertically integrated, parastatal crop board may administer sales all the way from the farmer to export--a form of delegation. Alternatively, marketing may be organized through a primary cooperative society (or inclusive local organization) which sells in turn through a district cooperative union (a specialized, inclusive intermediate organization). Here we have functional devolution. Finally, local traders may purchase the produce and market it through wholesalers (which also are intermediate organizations). This is privatization, a form of debureaucratization. That the decisions made by traders in response to local variations and changes are private and viewed only in the marketplace does not make them any the less adaptive and decentralized.

It is extremely important to remember this array of decentralized organizational responses. Over the last three decades cooperatives and parastatals (functional devolution and delegation) have been the favored vehicles for state support of small-holder agriculture. We consider that privatization has been unduly overlooked as an appropriate response in many of the contexts in which development activity must take place. We also believe that philanthropies, interest organizations and deconcentrated government agencies working with local limited organizations have become increasingly relevant as the focus of development work has shifted from the promotion of agricultural growth to the generation of income for the rural poor.

In this chapter we analyze two of the important forms of decentralization--cooperatives and private business. We seek to establish the functions in rural development to which each is suited and the contextual conditions in which one would be more appropriate than the other. We also examine the policies and linkages to the center that will improve the effectiveness of these two forms of local organization in serving the rural poor. We consider the interests of the poor here, however, in the context of organizations that are serving all rural dwellers. In the next chapter we will turn to the special problems of stimulating and sustaining limited local organizations specifically for the benefit of the poorer members of a community.

We will start with an analysis of cooperatives because, since the Second World War, they and parastatals (delegation) have been the favored method of meeting the needs of farmers for organizational infrastructure. Whatever one's doubts about their effectiveness, no analysis of rural development can ignore cooperatives. They dominate the economic structure of many rural areas and their problems preoccupy most rural development practitioners.

Most states in the developing world take the cooperative form as their starting point in dealing with organizational infrastructure for the rural areas. And thus, so do we.

Our treatment of cooperatives will commence with an analysis of the functions that they most frequently are called upon to perform and whether or not they actually are appropriate for them. In the process of this analysis we will delineate the array of circumstances in which privatization would appear to be a more effective response and the kinds of links between the state and private enterprises that then would be appropriate. Interwoven with our examination of the appropriate functions for cooperatives and then more fully following it we will examine the types of links between the state and cooperatives that best promote rural development. Even though we conclude that cooperatives have been overused as a vehicle for decentralized rural organization, we have much to learn from them about linkages. The issue of linkages with the state has been empirically analyzed to a greater degree for cooperatives than for other forms of local organization (Inayatullah, 1972). In the next chapter we then will apply the linkage lessons of the cooperative experience to the question of how the center can support limited local organizations of the poor.

What is the Role of Cooperatives in Rural Development?

Cooperatives had very different origins in the developing world than they did in the now industrialized countries. In the latter they usually were independently organized by smaller farmers in order to combat oligopolistic middle-men. In poor countries, on the other hand, they generally were promoted by the state, frequently created (rather than competed with) marketing

facilities for their areas, and were designed to service the needs of the wealthier members of the small-farm communities who were emerging from subsistence into export agriculture.

Thus formal cooperatives often have several important characteristics in developing countries that distinguish them sharply from the informal forms of cooperation which preceded them. (1) They tend to be tightly regulated by the state. (2) They frequently have been granted a monopoly for at least one of the services they provide. (3) They are dominated by the wealthier members of the farm communities. (4) They were originally designed to market export crops, the production of which often distinguished their members from the majority of subsistence producers. These characteristics are not necessary attributes of cooperatives nor are they to be found in all developing countries. To the extent that they prevail, however, they pose a potential problem for unimodal agricultural development and for programs designed to reach the poor majority. They signal that the cooperatives concerned may already be tied to an emerging bimodal pattern of production and that their leadership may be members of a local elite with interests quite different from those of the poor majority.

With the preceding general context in mind, let us turn to the specifics of different functions which cooperatives are often called upon to perform and examine what the organizational alternatives might be.

Supplies

Supply cooperatives are often an effective means of introducing the cooperative form into traditional areas because they provide an immediate and tangible service, such as consumer goods and agricultural inputs, which

are desired locally. Many cooperatives continue to exist because they supply consumer goods and services which would otherwise be unavailable or too exorbitant. The argument for government support, particularly capitalization, is that cooperatives can provide superior service at lower costs. The general tendency for the cooperatives to be elite-dominated, however, limits their orientation toward service for the rural poor in societies where rural inequalities are significant. As long as these cooperatives have to contend with either the actuality or imminent threat of competition from private traders, they will have to be efficient to survive and services to all rural consumers, including the poor, are likely to be improved. There even is a case for direct or indirect subsidies to such cooperatives in settings in which private traders otherwise would not face competition. The grant of a monopoly to a cooperative for a particular commodity is a dangerous form of subsidy, however. Monopoly immediately deprives the poor of their major weapon--exit from use of the cooperative. Where the cooperative is dominated by an elite that is either incompetent or unresponsive to the poor, monopoly vastly expands the danger of exploitation.

The Comilla Cooperative program in Bangladesh demonstrates the threat of cooperatives' becoming a vehicle for elite absorption of subsidized inputs. The Comilla program used a two-tier cooperative organization as a mechanism to distribute credit and subsidize inputs rather than to organize production (Khan: 398). Comilla was initiated with the belief that large producers could not be excluded from the subsidized inputs and that the rural poor would benefit by the increased demand for labor due to expanded production. Comilla exemplifies several problems that subsidized supply cooperatives can create for equitable and efficient growth. First, the use of an elite-dominated

cooperative to distribute production inputs furthered the differentiation of producers and increased landlessness. The wealthy farmers preempted the input subsidies and the credit and used their surplus capital to purchase the land of smaller producers. Second, the oversupply and high subsidies of inputs limited the resource contribution of the local farmers, as the state preempted local investment opportunities (401). These resource "gifts" tended to be underutilized, as there were no individual opportunity costs attached to the inputs. Finally, because the cooperative did not have responsibility for organizing production, the increased production due to these inputs was not related to the cooperative form. The inputs rather than the cooperative organization became important. The cooperative was viewed as an instrument for extracting resources from the center and not as a basis of indigenous organization that commanded local commitment.

Comilla is a dramatic case of the danger in pursuing development through extensive assistance with virtually no control linkages in an unequal society. The productivity of the targeted large producers was found actually to be less than that of the small non-member producers, thus demonstrating the limits to input-induced development. Large infusions of productive inputs attract the larger producers and discourage small producers. Small producers did not join Comilla for several reasons: they did not meet even the modest entry requirements; the poor peasants realized that the benefit would accrue proportionally to landholdings; and they feared an unequal production partnership with large farmers (414).

The permissive attitude of the state allowed an elite-dominated cooperative to accelerate rural inequalities. While Comilla represents a failure of an input cooperative to assist the rural poor, the farmers' associations

of Taiwan are effective and illustrate the preconditions of success. The farmers' associations have two features which contribute to their success: they are effectively regulated by redundant linkages; and they are self-financed.

Effective control linkages are established at both the sub-association level (village) and at the association level. Redundancy of control at the village level is achieved by the agricultural and irrigation group heads, as they supervise each other as well as the village head and the clerk at the township levels. There are three separate administrative hierarchies which can supervise each other: the township office, the farmers' association, and the Nationalist Party service station. Redundancy of administrative channels limits the potential for communication breakdown and also facilitates state penetration of the rural areas.

The township farmers' associations are essentially local corporations and are self-supporting, as their staff and activities are funded through monopoly oversupply, marketing, and credit functions (Stavis, 1974: 68). The association receives a handling fee for collecting the government's rice tax and it also generates a profit by processing grains. It receives income both by selling fertilizer and by marketing produce, though quantities and profit margins are strictly controlled. The second and perhaps more important source of income is the credit department, which provides both loan and savings facilities. The level of income derived varies, depending on the economic surplus of the community, the extent the association can compete with local banks, and the "general standing of the farmers' association in the community" (69-70). The government does not subsidize association credit departments, thus creating a highly competitive rural financial market

which improves services and widens access. Only for special experimental programs does the government provide subsidies, as it never funds regular activities of the associations.

With its local resource base, the farmers' associations are assigned four crucial tasks in rural development: equitable distribution of seeds and fertilizer for widespread productivity; introduction of new crops and farming techniques; reinvestment of the economic surplus into rural development; and the provision of a key organizational base for politics (103). By making the associations self-sufficient, coupled with extensive control linkages, the government has assured both a mobilization of rural resources and an equitable reinvestment process due to assured access by all producers to the inputs. Except for a few programs, the government has not tried to counteract regional inequalities and has focused attention on insuring that within a region (township farmers' association) there is a degree of equity in the access to agricultural inputs. Because of the desire to maintain high productivity in agriculture, the government is unwilling to redistribute resources from the high productivity areas. Therefore, the township associations are mechanisms for mobilizing surplus by the center and for monitoring the access of inputs, but are not a vehicle of government subsidy or regional redistribution.

A major function of the farmers' association is to distribute fertilizer under strict guidelines and supervision from the central government's Provincial Grain Bureau. Given the small scale and labor intensity of production in Taiwan, fertilizer is perhaps the key factor of production which determines variation in output. Because of its importance and potential for providing a basis of corruption, the associations have a complete monopoly

over distribution, and violations are strictly punished. There has evolved an ethic in Taiwan of equality of access to this resource (76). Fertilizer is now distributed on a cash basis, but the amounts are carefully determined according to size of holding and type of crop grown. The shift from a rice-fertilizer barter system to cash purchasing has raised the potential for corruption, but close monitoring has virtually eliminated this problem. The rice-fertilizer barter system may be useful to replicate in other developing contexts where the introduction of cash purchases in the absence of controls virtually guarantees corruption. A valued feature of this system is that it forces the farmer to produce a staple crop and if cash crops are produced instead, then their production is taxed by forcing the farmer to purchase rice at inflated prices to exchange for fertilizer.

This exchange system has two consequences. First, it encouraged farmers to grow rice, which is synonymous with wealth and security.... Secondly, because most farmers grew rice, virtually every farmer had access to chemical fertilizer in rough proportion to his production above home needs. This slightly favored the families with larger farm size, but pretty much assured that everyone would get some fertilizer (75-76).

A key implication of the Taiwanese fertilizer program is that the introduction of land reform (redistributing the means of production), without strict assurances of equality of access to the other factors of production, will produce, not reduce, inequities, especially if production is input intensive.

An important feature of these local organizations is their authorization to use their resources to hire staff, which assures a degree of local administrative capacity, makes these officials accountable to the farmer, and insures a high responsiveness to local service demands. Even the personnel system is regulated, as the province associations set staff size and salary scales.

The salary scale is set according to the profitability of the association, which provides incentives to increase production but lessens the ability of less productive associations to attract talented administrators. The provincial level sets the township's overall export quotas and strengthens the association's General Manager by allowing him to distribute the quotas. While these discretionary powers lead to patronage and a degree of corruption, they also infuse the local political process with limited yet tangible stakes which induce participation. The extensive regulation by the government in all other phases of production makes this limited corruption both tolerable and desirable in that it strengthens local leadership. The farmer associations do have a significant upward political linkage in that they signal approval or disapproval of government policies, which have been changed by association demands. What is distinctive about the Taiwan cooperatives is that they provide a new basis of local status which is closely regulated by the limited discretionary power of local officials, as well as regulations that insure equitable access to productive inputs. Status, then, cannot have a significant impact on economic differentiation because it is not based on control over access to the means of production.

We note that in neither Comilla nor in Taiwan was it argued that the cooperative network was the most efficient channel for providing inputs to the rural areas. In the case of Comilla the cooperatives were a vehicle for subsidizing farmers; in the case of Taiwan they were a vehicle for preventing the development of inequalities in the rural areas and strengthening the position of the smallest farmers. In both cases the effect of the government's intervention was to give the cooperatives an unearned advantage over traders in the inputs which they supplied--in Comilla, by making it the vehicle for

subsidies to the largest input consumers, and in Taiwan, by giving the cooperatives a legal monopoly. In Taiwan the monopoly was efficient and beneficial to the poor. The undercutting of private trade in Comilla was disadvantageous to the poor because they lacked the same access to the cooperatives as the wealthy members had.

In other societies where cooperatives are given a monopoly and are not particularly efficient, the real effect may be to raise the price of inputs to the farmer or limit their geographical distribution. Thus the case for subsidies or for monopolies must be reviewed critically in order to assure that either will in fact benefit the rural poor. In societies in which the political commitment of the state to the poor, the administrative capacity of the state to enforce that commitment, or the administrative capacity of cooperatives to operate efficiently are missing, measures to increase the competitiveness of private traders and/or to lower their costs of doing business in the more remote areas are more likely to benefit the poor.

Marketing

Most cooperatives are organized for providing marketing service functions, and marketing was the earliest and primary impetus for cooperative development. Group marketing is seen to provide three advantages for the small farmer: economies of scale, bargaining power, and vertical integration of services (Fox, 1979: 305). While this traditional wisdom persists, particularly the potential of gaining leverage in the marketplace by eliminating the middleman, many development theorists recently have been questioning the value of small-farmer marketing groups. An argument made increasingly is that instead of creating small farmer marketing groups, the government should "improve the

[conditions in the private] markets for agricultural products, inputs and rural consumer goods (305)." Before considering this alternative policy of market improvement, we shall assess the three key arguments for group marketing by cooperatives.

Economies of scale accrue to farmer groups when marketing requires investments in preliminary processing, storage or transport that large farmers usually provide for themselves but the capacity for which is beyond the needs of individual small farmers. The greater such economies of scale are for a particular crop and the fewer the private middlemen competing to provide for them, the more attractive cooperative marketing will be to small farmers. Cooperative marketing becomes more attractive as its scale requirements increase, but it entails complex management that often is beyond the capacity of the local cooperative, thereby requiring an outside employee to run the cooperative, usually either from the government or a government-sponsored federation. The complexity of marketing stems from its crucial demands for timeliness in the coordination of pricing policies, processing, inputs, products, transportation, and storage facilities. Government assistance does not end with the provision of a manager, as it often has to provide the capital for initiating and sustaining the cooperative enterprise.

Large-scale marketing cooperatives expand the role of government in direct management because the complex record-keeping and continued dependency on government funds require extensive monitoring (King, 1975: 205). In his study of Nigeria, King found that the government required cooperatives to maintain fourteen separate sets of books, which finally forced the government to take over the cooperative's accounting itself. There have been simplified accounting schemes developed (Gentil's analysis of groundnut marketing in

Niger) that allowed illiterates to manage the cooperative and retain control over this key function (205). While accounting systems that provide the local cooperative members control are potentially desirable, it is doubtful whether such a crucial task should be exclusively the function of the cooperative, as it facilitates elite control and corruption. In most cases it is preferable for the state to audit closely cooperative accounts and sometimes even to manage the accounting. While state accounting would appear to be a negative policy, as it reduces the cooperatives' autonomy, the very process of marketing integrates the cooperative extensively with the state. If the state can provide accounting services efficiently, its interference probably represents less of a danger than does elite dominance or incompetence in cooperative financial management.

A second purpose for group marketing is to capture the advantages of vertically integrated production. Marketing cooperatives are most successful with traditional cash crops (sugar, tobacco, coffee, cotton), for these require further processing, export from the region and centralized marketing (Fox: 310). Cooperative marketing has been most beneficial to small producers where there is a lucrative cash crop that underwrites its organizational costs; where an effective collection and processing network can be brought into existence; where the nature of the crop allows small holders to participate; and where there is commitment and effective monitoring by the government. Given the export character of these organizations, they tend to serve larger producers and are unlikely to benefit the poor unless the product is relatively accessible to small holders and the state assists in their incorporation. The achievements of the Indian National Dairy Development Board (NDDB) and the Kenyan Tea Development Authority (KTDA) attest to the value of these "vertical cooperatives."

Cooperatives which are vertically integrated or which enjoy substantial economies of scale almost always are managerially more complex. If they are to be efficient, they have to be run either by a managerially competent local elite or with extensive oversight by an administratively strong government. The first alternative is congenial to the interests of the rural poor only in the relatively rare circumstance in which rural equality is achieved at a fairly high level of development (e.g., Costa Rica). The second alternative depends not only upon the administrative competence of the government but a commitment on its part to use it on behalf of the rural poor.

Marketing cooperatives that are vertically integrated are not useful for food crops, however, because there is little processing and the crops are sold locally. These are the primary crops of the farmers who require the most assistance. Small private entrepreneurs can provide the service more effectively without having to bear the costs of organizational management that any cooperative incurs. Even when cooperatives are less efficient as a marketing vehicle than comparable private middlemen, however, they may be attractive as a means of directly subsidizing small farmers.

The third argument for group marketing and the one most touted is that this approach enhances the bargaining power of the small farmer. Recent research on traditional marketing systems contradicts the accepted wisdom that these traditional markets are very imperfect:

...most studies of traditional marketing systems find a high degree of competition with intermarket-price differences usually small and commensurate with the costs of transportation and handling. Where excessive price differences exist, the reasons are usually associated with imperfections in the general marketing system that cooperative action by small farmers is unlikely to resolve. This observation suggests that the solution to monopolistic practices is not to discourage trade through overt or

covert means, as is done by many governments, but rather through governmental action to remove the conditions which lead to monopolistic practices (312).

Cooperatives are expensive for the government to operate; therefore the government seeks to recapture some of these costs by using the cooperative as a marketing monopoly. While this may be justified on the grounds that the inefficiencies of monopoly marketing are actually the indirect costs of subsidizing the small farmer (assuming that cooperative members do comprise the lower fifty percent of the rural population, which is rare), this policy further distorts rural markets by introducing monopolies of varying strength and overlooks the value of private traders and alternative marketing channels. The private traders and markets have an essential role in providing timely services and credit to small-scale producers in remote areas that is far more cost-efficient than government or cooperative agencies (Lele quoted in Fox: 312). A particularly crucial role for private markets is in the rural consumer goods markets, particularly in perishable food products.

A major criticism of the private market intermediaries is that they charge excessive margins. Research in Kenya has found that given a realistic assessment of the difficulties of transport and the perishable nature of the product, the intermediaries do not charge excessive margins (Wilson, 1976: 267). The policy question posed by Wilson's research is "Should these 'excessive' margins be counterbalanced by price control or the establishment of a marketing board--or could these perhaps not be better reduced by seeking to remove the underlying constraints which at least in part cause (and justify) them? (267)." Recent development literature shows a shift in perspective that suggests government should seek to improve the market conditions and not pursue costly and administratively difficult targeting programs. This does not mean that

special targeting programs should be abandoned, but rather, in the absence of government improvement of general marketing conditions, special marketing programs will have little impact.

The change in perspective from organizational and administratively intensive government marketing policies towards general market improvement poses a difficult task for governments: how to intervene and improve the market yet also expand resources to appropriate groups in the rural areas. Wilson's study on small-scale marketing systems argues that partial rather than comprehensive approaches are best (268). He found that the creation of a local cooperative monopoly for marketing has proven particularly ineffective in coping with perishable food and a considerable proportion of cooperative activity remains outside the cooperative movement. "It could be claimed that its basic informality and flexibility was its main strength, bearing in mind the perishable nature of the product handled (268)." Wilson suggests that establishment of grades and standards must match local market conditions rather than impose technical criteria based on higher quality products and sophisticated markets. The government needs to improve the environment where market intermediaries function--market infrastructure and communication (268). In several countries, local authorities do provide wholesale and retail markets and collection centers. These are often viewed as sources of revenue for the local authorities and the funds are rarely reinvested to expand local services. These services and the standards of their maintenance must be established and monitored by the central government and not left to local discretion (268).

Given the new orientation to improvement in general market infrastructure, Fox details a program for governments to pursue. This program entails three

stages: market infrastructure; economic policies directed at producers, consumers, and marketing agents; and legal and organizational means for improving the marketing system (Fox: 307-308; see also Wilson, 1976: 268-269).

The first category of programmes involves market infrastructure and includes, but is not limited to:

- (1) The maintenance, improvement and construction of roads, waterways, ports and other transportation facilities that link producers and consumers.
- (2) The collection, analysis and dissemination of information on such items as prices, quantities, qualities and crop conditions.
- (3) The maintenance, improvement, and construction of storage and marketing facilities in both the rural and urban areas.
- (4) Improvements in the decision-making and managerial skills of marketing agents, including farmers.

A second category of programmes for market improvement concerns various economic policies directed at producers, consumers, and/or marketing agents. Some common examples are:

- (1) Price policies that either fix purchase and sale prices or establish maximum and minimum prices for certain commodities and markets.
- (2) Buffer stocks or other storage programmes to reduce seasonal and/or annual price fluctuations.
- (3) Credit programmes to provide funds for marketing and storage facilities, inventories, input purchases and/or consumption needs.
- (4) Subsidies for acquiring inputs, infrastructure, improvements, consumption and/or other marketing activities.

The third category of programmes concerns various legal and organizational means for improving the marketing system. Some frequently discussed examples are:

- (1) The establishment and enforcement of a uniform system of grades, weights, and measures.
- (2) The development of regulated commodity (exchange) markets to promote orderly trading and to assist in the formation of price expectations.

(3) The direct distribution of agricultural inputs and/or certain basic foods.

(4) The establishment of marketing boards of similar agencies to manage the purchase, handling, processing and sale of certain commodities.

(5) The establishment of cooperatives and farmer organizations to provide marketing services and to increase farmer bargaining power.

Beyond these specific policy prescriptions, Fox's suggestions illustrate an important sequence of linkage development in reaching rural areas. There are three parts to the sequence: infrastructure (physical, informational, decisional); incentives (price supports and subsidies); organizations (cooperatives, marketing boards). This sequence suggests that direct organization of rural producers is difficult and also is the last phase of intervention rather than the first.

A strategy of improving private local markets for the benefit of the poorer people may, paradoxically enough, involve government support for what is effectively a trader's cooperative. This phenomenon is illustrated in King's analysis of Nigerian cooperatives. Produce is purchased by a buyer who is nominated by the primary society. These in turn sell either on the private market or to the cooperative marketing board. The relationship between primary society members and the union level (marketing board) is tenuous. The cooperative member's only action is to elect a buyer who buys independently and often sells on the private market to get a higher price, which is illegal but difficult to trace. This approach has several benefits which King points out:

In reality, the effect of the cooperative marketing policy is to increase the money available in the existing marketing system. The average member sells to the subagents to whom he habitually sells and does not know whether his produce is

eventually resold to the cooperative buyer or not.... Thus the financing is a way for some existing traders to increase their scale of operation. There may be some indirect advantage for the cooperative in that the cooperative buyer is highly motivated to support other cooperative activities and to ensure the cooperative's continued existence (204).

Cooperative marketing in this case is a vehicle for the government to funnel funds into the rural areas to purchase farmer's produce and stimulate further production. There are several advantages to such a policy: the use of elected cooperative buyers creates an agent who becomes accountable to local farmers rather than a regional administrative authority; it creates competition among these crucial intermediaries for providing marketing services to members as well as non-members (thus lessening the intermediate margins); and it provides a flexible (though illegal) marketing intermediary which will use private and administered marketing channels. Restated, the key value of this approach is that the government has intervened and strengthened market intermediaries and at the same time fostered competition and local control of these crucial agents. The poor benefit from this aid to private traders because it increases the efficiency of the latter and enables them to pay better prices more promptly for the products of the poor.

Credit

Provision of credit is often viewed as a key service cooperatives provide and is a main inducement for people to join. Cooperatively-managed credit has several advantages over credit administered to individuals: reduced costs of supervision and assistance; efficiency in administration by stimulating group control and sanctions for noncompliance; and opportunities for building economic and social infrastructure as well as farm capital on a community-wide basis (Carroll: 92). Despite all these advantages, the

introduction of formal credit into the rural areas through an organization that is elite-dominated or influenced poses serious problems of management. In this section, several issues are analyzed: the general problem of rural credit; linkages between government and credit cooperatives; and alternative government policies (linkages) for the provision of credit.

As with cooperative marketing, the policy of providing formal credit through cooperatives has been critically reconsidered. The debate has broadened, with several economists even questioning the value of formal credit because of its distorting impact on rural financial markets (RFM's), particularly its effect on informal credit sources.

The rationale for providing extensive credit to rural areas is the strategy of "supply led" development, where financial markets force the pace of development. This strategy is based on the assumption that the expansion of small farmer production is dependent on farmers' access to high profit technology, and that to induce farmers to purchase these materials, credit with concessionary interest rates has to be provided. Several other features of the small farmer and their RFM's are assumed as well: that interest rates are the bulk of the borrowing costs (and not transaction costs); that loan demand is interest-rate elastic; that small farmers have no capacity to save; and that informal credit is inadequate, nonexistent or too expensive (Adams: 4).

The first issue to assess is the crucial assumption that concessionary interest rates are useful in both expanding rural production and reaching the marginal farmers. Several economists have argued that concessional rates are anti-developmental: "low and fixed interest rates on financial instruments retard savings and capital formation, fragment financial markets, cause

inefficient allocation of resources, and also cause distortions in income distribution and asset ownership (3)." At the core of these critiques is a rejection of two government policy assumptions: that governments can closely regulate RFM's and that manipulation of RFM's is justified, for it offsets price distortions in other markets (5, 43). That RFM's are usually the most heavily administered and distorted markets in developing countries points to the patent failure of extensive government intervention and the need to reconsider methods of strengthening RFM's that are less aggressive (e.g., use of flexible interest rates tied to price fluctuations) and that will allow a gradual rearticulation of urban-rural markets. The problem with using concessionary credit for compensation is that the lower interest rates concentrate credit delivery on elites and not small producers, in addition to the dubious value of compensating one distorted market by distorting another.

The key problem with concessionary interest rates is that they increase the transaction cost component of loans, forcing the lender to limit the number of borrowers and the size of the loans, such that large farmers generally are given preference.

With higher interest rates, large borrowers would likely reduce the amount of formal loans they use. With excess loanable funds, formal lenders would attempt to expand their lending among current users of small loans as well as among new borrowers. To do so, the lender would be forced to make it more convenient for small or new borrowers to get access to formal loans. This, in turn, would reduce loan transaction costs for this class of borrowers. The drop in transaction costs may more than offset the increase in interest payments made by this group (17).

Concessionary credit may actually lessen the possibility that the targeted small producer will receive credit, and it also depresses the potential for rural savings. An issue which formal credit programs do not confront is that borrower transaction costs for the small farmer may be quite high. These

costs can be monetary or non-monetary. The former might be informal payments (bribes) to those controlling the funds, undesired expenditures on farm improvements to qualify, etc. Non-monetary costs include long periods spent travelling to and waiting for loan officials, time and transport expended as a result of having to obtain inputs at an inconvenient official outlet, productivity lost through the late arrival of credit and thus crucial inputs, and so on. These hidden costs are sometimes higher than the interest charged and often make "usurious" informal credit cheaper and more available than formal credit.

A major assumption of the "supply led" strategy is that concessional formal credit is a precondition for rural innovation. This assumption entails other assumptions about rural development which have been challenged: that small farmers do not innovate without government assistance, and that informal rural markets are inadequate for financing innovation. Analysis of the Comilla project, however, shows that there are effective informal markets, that small farmers do innovate with informal funds, that formal credit rarely reaches these producers, and that, if it does, their position may be worsened by the diffusion of larger amounts of credit to wealthy farmers. The Comilla project accepted the impossibility of reaching the small producer and channelled credit to the medium and large producers. Not only did the larger members control the administration of credit, they directly contributed to its failure by defaulting on the majority of the credit dispersed (Khan: 412). Also because the large farmers did not have to pay for services, they used their access to cooperative credit to purchase land, thus increasing landlessness in the area (413). The improvements on the land created by subsidized government services also drove up the value of the land, increasing

both its purchase price and rents, which further reduced the expansion of benefits to the rural poor. Comilla demonstrates not simply the failure of cooperative capitalism where there are high levels of inequality, but also the danger of excessive introduction of formal credit, which not only goes to the wealthy, but develops the land at a faster rate so that the poor producers cannot afford to own it. The value of credit and savings programs is that rural capital is mobilized and development stays in relation to rural accumulation. There is a danger in providing so much credit so fast that the rural poor cannot absorb it and are then displaced by those who do.

King's analysis of Nigerian cooperative members found that 90% of informal credit was used for expenditures that increased agricultural production, while only 67% of the formal credit was used productively (King, 1976: 131). Informal credit is preferred because, contrary to assumed wisdom, it is often provided by friends and relatives at no interest, while formal credit entails interest.

King does point out, however, the subtle interplay of formal and informal credit, in that farmers use informal credit more often for innovation, yet the supply of formal credit may ease the access to informal credit. This phenomenon can be seen in terms of Nigerian borrowing rates, as the cooperative members who had access to more formal credit than nonmembers borrowed 82% of all funds from friends and relatives, while nonmembers borrowed 64% of their credit informally (103). The cooperative members were wealthier and thus had greater access to non-interest credit. King's analysis demonstrates the distortions created by a non-interest informal credit network and the danger of elites not just monopolizing formal credit, but also progressively altering the informal market by reverting back to usury.

traditions that prohibit interest (121). These traditions limit the access of the poor to informal credit. The government's provision of formal credit in areas where expanding elites revert to traditional non-interest loans is critical in re-establishing interest rates on credit and counteracting these distortions.

A complementary production relation of formal and informal credit can be derived from King's work. Farmers relied on informal credit because of its timely availability while formal credit was distrusted. Still, there was a value to the farmer in knowing that the cooperative (formal) credit would be available, albeit late and intermittent. Access to formal credit improved the farmer's community credit rating, gave him access to informal credit channels, and allowed the farmer to maximize the use of formal credit--90% devoted to increasing agricultural production. King argues that formal credit policy makers who seek to restrict the use of loans to productive purposes are mistaken and should consider the positive indirect impact of formal loans on the productive use of informal credit and its availability.

On the other hand, the argument that the provision of formal credit will either reach targeted small farmers or at least give them access to increased informal credit supplies is questioned by the results of the Brazilian credit program. The program has generated the largest increase in agricultural credit in any country in the world (increasing 15 times over 15 years with 8 billion dollars committed in 1975) (Adams: 34). The ratio of agricultural-loan-to-gross-domestic-output-from-agriculture was 0.6, which is similar to U.S. levels (34). The goal of the policy was to flood the RFM's with concessional formal credit in the belief that this would filter down to the small farmer target groups. In fact, the large farmers received a

disproportionate amount of the credit, and in one area, eleven of the largest farmers received two-thirds of the increased volume of credit given to 338 farmers (34). Further research indicated that large farmers could obtain formal credit in excess of their total farm expenditures. When concessional credit is given, large farmers will demand excessive amounts, and the lender will have incentives to lend to larger producers; lower lender transactions costs; capacity to absorb larger loans; lower risks per unit of money; and secure collateral (35).

This brief discussion about the general problem of credit provision underlines the difficulties and contradictions in credit policies. The mechanisms for providing formal credit usually distort RFM's and benefit the elites. Yet formal credit is seen as positive in situations where it allows the maximization of informal credit use for productive purposes, and where it reintroduces interest rates to RFM's which have become non-interest informal credit markets. The crucial issue for government credit policy is how to strengthen the informal sources of credit and stimulate competition between formal and informal lenders. One particular need is to devise programs that orient formal lenders to direct funds through the informal lenders who service small-scale producers.

Two reasons are often given, however, for trying to eliminate informal sources of credit altogether. First, it is argued that to create a successful rural credit program with high repayment rates, a rural monopoly has to be introduced so the small farmers will not exist and use the informal network. For the formal mechanisms to work, the farmers must believe that they are tied into a credit system from which they cannot exit. This argument assumes that governmental credit is sufficiently beneficial and/or essential to the economy

to justify monopoly costs in making it work. It is precisely this benefit which we are now doubting.

The second reason given for eliminating informal credit is that it is held to be usurious. Bottomly's studies on credit in Nigeria have indicated, however, that a 50% interest rate on small farmer loans was not high, and that it truly reflected the components of the interest rate: opportunity costs, administrative premium, risk premium (Bottomly cited in King: 115-116). Bottomly doubts the ability of rural lenders to make substantial profits and argues that government formal credit programs which disarticulate RFM's (separate rural from urban markets) create the preconditions for monopoly profits. Bottomly argues for improving the informal market:

[T]o improve the efficiency of rural financial markets it is not desirable to replace moneylenders, but to encourage institutional changes which reduce their costs.... [I]t should be made easier for rural moneylenders to obtain finance from urban markets, they should be given stronger legal backing, and it should be made easier for borrowers' assets to be used as collateral (116).

There are two strategies by which countries can alter the RFM's: by creating new specialized financial institutions to assist small producers; or by inducing a major part of the RFM to reorient its lending to small producers (Adams: 31).

The first strategy is needed where financial institutions are scarce (Africa), but not where there are ample facilities (Asia and Latin America). The creation of a new small farmer credit agency does have a short-term impact of having a new portfolio directed to rural producers. Initial solvency generally is short-lived, however, and within two years, refinancing of the small loans tends to force the agency to service larger farmers (Adams). A problem with many credit institutions is their failure to provide facilities for savings and their discouragement of savings by not demanding deposit

ratios for credit. This failure to provide savings facilities in conjunction with credit services stems from the erroneous belief that there are no savings in the rural area and that farmers would not use savings institutions. Howse's analysis of savings clubs in Rhodesia, Lesotho, Zambia and Malawi demonstrate that they are administratively simple and yet effective. Extension agents can assist in the formation of the clubs and savings can be recorded in a stamp book. Financial control can be exercised by central authorities through the use of stamps to monitor the savings. Corruption can be limited by issuing only a small amount of stamps (e.g., a month's worth) with receipt of the completed financial forms (Howse, 1974: 261-262). Savings clubs have reduced administrative costs, expanded local financial resources, and stimulated demand for high growth agricultural inputs which were in short supply.

If a new institution is to be provided to assist in the distribution of credit, it should be closely and effectively monitored by the state. If this is not possible, then institutional redundancy should be encouraged. The Taiwan cooperatives are both rigidly regulated and encourage competition among credit agencies to improve services, as interest rates are fixed at the national level (Stavis: 78). The extensive regulations of the farmers' association credit departments have limited the risk of lending, but have also increased the transaction costs to the farmers, which has driven them to commercial banks and individual lenders. There are four obstacles that the association creates for the farmer: high collateral; extensive and embarrassing credit checks; slow processing of applications; and inadequate loan size (79). The regulations governing the credit departments specify an adequate loan-deposit ratio and the deposits are kept in government banks. While the high level of regulation of the association's credit departments is

discouraging to the farmer, it does insure access to credit; the stringent conditions also insure that it will be used productively.

A persistent myth of rural credit is that the small farmer has a high default rate and therefore would not be served by commercial lenders. Although studies are often misleading about the actual targeting of credit to "small" producers, research in some locales has shown small producers to have a lower default rate than large producers (Khan: 412 and Tendler: 27). The default rate of small farmers is largely due to vagaries in production, so that more flexible credit repayment policies and contingency funds for small farmer credit institutions could improve the default rate. The major problem in dealing with small borrowers is the development of effective sanctions to assure repayment. This is particularly difficult when the attachable assets of the borrower are limited, as with tenants or those farming on communal land. One response in this situation has been informal group lending, which enhances repayment levels through joint liability and peer pressure (Adams and Ladman, 1979: 5). When used by formal institutions the results of this program have been mixed, as the lender of costs of organizing the groups create relatively high transaction costs, which can restrict the expansion of loans to the rural poor (6). Informal lenders, however, often have much more ready access to social group sanctions and do not incur the same transaction costs as formal institutions. This reinforces the desirability of strengthening informal credit markets.

A second strategy that governments can pursue is to induce the financial system to better serve the small producer through: increasing the supply of formal loans; use of loan size limits; adoption of lending quotas; loan guarantees or crop insurance; differential rediscounting spreads, differential

reserve requirements; allocation of government free deposits or government purchases of equity in financial institutions; and differential institutional interest rates for certain ultimate borrowers (Adams: 31). Two of these mechanisms have widespread use: lending quotas and rediscount spreads.

Lending quotas are designed to aid small producers by forcing a percentage of the portfolio to be devoted to a target group with a specified loan size limit. There are three disadvantages to quotas: loans may be redefined to meet the quota; quotas may alter the portfolio, forcing lending outside the lenders' area of expertise and rising costs; and fixed loan limits may be either inadequate or excessive (37).

Rediscount spreads are often used by host governments and particularly donors. By giving a wide spread for certain target group loans, the lender can be compensated for providing credit to the small producer. There are problems with this popular method: a lender may rediscount most of the small farmer loans and use the additional funds for larger borrowers; and it may lessen the incentive of lenders to mobilize loans through savings because the discount rate is lower than the savings rate they must pay out--thus depressing rural savings (39). If existing financial institutions are used, then separate offices should be created for serving small farmer clients (Tendler, 1976: 32). There is a bias in both lending and interacting against the smaller clients, and this can be partially overcome through separate facilities.

Adams provides a series of policy conclusions for improving rural financial markets (Adams: 41-42).

1. Flexible, nominal interest rate policy should be adopted which allows RFM's to charge and pay positive real rates of interest on agricultural loans and savings deposits.

2. Interest rate policies plus other incentives should be used to induce a major proportion of the financial market in a country to service rural financial needs.
3. Policies and programs which stress mobilization of voluntary financial savings in rural areas should be initiated. These policies should include strong incentives for households to save in financial forms, as well as providing convenient and inexpensive ways for households to hold their savings. Initially, savings mobilization and not credit allocations should be the top priority for RFM's.
4. Much less emphasis should be placed on allocating loanable funds among sectors, lenders, and borrowers by administrative fiat. Because of fungibility, the large number of actors involved, and the geographic dispersion of operations, these fiats are largely ineffective, inefficient, and almost impossible to enforce.
5. Much less attention should be focussed on concessional interest rates as a way of inducing small farmers to use formal credit. Rather, attention should focus on reducing borrower's loan transaction costs. Concessional interest rates have a strong adverse impact on the willingness of lenders to service agriculture in general and small farmers in particular.
6. If monopoly profits exist in informal RFM's, concessional interest rates on formal credit, even with large credit supply increases, will not treat this problem. Higher interest rates on formal credit would induce formal lenders to compete away part of these monopoly profits.

Whether the lack of formal credit is a constraint on improving smallholder production is a continuing debate. In most rural areas there is an informal market that can potentially service credit needs even more efficiently than formal institutions can. The evidence we have examined indicates that in most situations, provision of subsidized formal credit both distorts rural financial markets and limits access by smaller producers. Credit programs also are particularly difficult to manage and therefore strain the capacity of local organizations. Given the inherent difficulties of credit programs, their susceptibility to corruption, and the negative impact mismanagement can have for the small producers, subsidized formal credit should not be provided unless it can be effectively regulated.

Production

Production cooperatives are distinct from service cooperatives (which provide inputs, marketing, credit services), because they directly involve the relations of production, whereas service cooperatives mediate the relationship between producers and the outside world. Production cooperatives are much harder to organize than service cooperatives for several reasons: the small scale of operation necessary; the complexity of the production task; the resistance of farmers to communal production; and the political threat posed by peasant organizations based on production relations. It is important in discussing production cooperatives to differentiate two categories of cooperatives: joint production associations, where individual ownership is retained but production and implement-use is coordinated; and collective associations, where land is communally held. The distinguishing features of each cooperative and their linkage problems will be briefly reviewed.

A major constraint to the effective organization and linkage of production cooperatives is the small scale of organization required, which hinders administrative delivery. Unlike service cooperatives, which can have several thousand members and reap economies of scale, production cooperatives are effective when membership in the basic unit is kept to under 100 families and preferably to about 50 families. A major weakness and cause for failure of many production cooperatives is the superimposition of a large-scale service function onto a small-scale production function. This is perhaps the key design fault of the Ujamaa program in Tanzania, where the establishment of Ujamaa villages of several thousand members was conducive to service delivery but not collective production (von Freyhold, 1979: 59). Most agricultural administrative systems are designed on this faulty basis despite

increasing evidence that the nature of production, and more specifically, the character of the technology and cropping pattern "place limitations on the organizational forms that can be used for production and thus indirectly affect the effectiveness with which cooperative institutions can be established and maintained (Long, 1970: 344)."

Complexity of the production task is a second difficulty which production cooperatives must overcome. To be successful, cooperatives have to employ a technology and crop mix that will effectively utilize the local labor supply and thus overcome a major problem of cooperative production--the intelligent use of communal labor (von Freyhold: 30). Cooperative production, particularly communal, requires that there be some productivity gains to underwrite the organizational costs of the cooperative. These requirements both to employ labor and yet to provide greater returns to labor through the introduction of technology seem contradictory, especially if mechanization is chosen as the route to higher productivity. The problem of balancing these two demands is best achieved through a diversified system of production which includes both cash and subsistence crops and spreads out peak labor demands, in contrast to large firms which specialize in one or two crops. "Also, it seems that smaller working groups are more compatible with a more diversified system of production and can allow for the development of ancillary non-agricultural activities (Long, 1970: 347)." The problems of peak labor demand also can be lessened by the use of perennial crops like sisal, which require large and constant labor levels. Irrigation, too, provides the possibility of staggering crop cycles and thus using labor more evenly. Even when there is an appropriate match between crop types, technology mix and the labor supply, cooperative production demands discipline which is difficult to elicit,

much less impose. An additional complicating factor to collective production is the mechanism of payment, which poses accounting problems and raises the potential for corruption.

A third obstacle to cooperative production is the peasant farmers' resistance to collective production because of their perception of risk and their subsistence orientation. Even in socialist communal production, the individual plot remains a crucial economic and symbolic asset for the peasant. In discussing peasant resistance, it is important to distinguish the ownership pattern of the land that is turned into a cooperative. Communal production is most easily formed on state or expropriated foreign lands, where large-scale production has occurred previously (Grissa, 1973: 72). It is most difficult to form communal production cooperatives from existing private holdings, as wage payments for work are not acceptable tradeoffs for the loss of land. The problem of resistance underscores the need for local commitment to make cooperatives function and the inadequacy of imposing cooperatives from above, even where there is a degree of central commitment.

Production Cooperatives with Individual Land Parcels

This is the most common form of production cooperative, and collective management can range from simple pooling of equipment to complex management of production decisions. Irrigation facilities and machinery allocation are typically the basis of these production cooperatives. Because of the instrumental focus of these cooperatives (machinery or irrigation facilities), they are rarely autonomous and often entail committee leadership, which usually includes a member of the local administration. To examine the problem of organization and linkage to production cooperatives composed of individual

parcels, the experience of several countries will be assessed: Taiwan, Sri Lanka, and Thailand.

In Taiwan, the irrigation system has proved to be highly efficient due to the close linkages between the farmers and the association-employed technical management. The responsiveness of the technical staff is due to several factors: they are employed by the farmers, there are rewards and punishments for management results; managers have a high level of technical training; and the operating budget is dependent on collecting fees such that program effectiveness will improve fee collection (Bottrall, 1977: 247). A major problem with production organizations is the "distance" between the individual producer and the technical assistance personnel and managers of production. There often are little or no incentives to induce these local agents to improve their services, especially to the poorer producers. Taiwan has limited these problems by making the technical assistance agents accountable to local producers and by subdividing the irrigation associations into small working squads (10-15 farmers) which can effectively monitor local irrigation and service delivery. The local associations are also forced to become financially involved in irrigation, as the government has limited its role by providing only 50% of the construction budgets and making the associations cover the balance, as well as recurrent costs. These associations are very effective and in consultation with the technical staff achieved a major innovation in crop rotation. This system allows programming of production and controls the cropping pattern by the distribution of water (247). In Taiwan, rigid control by the state over the provision of inputs (water and fertilizer) is a key mechanism by which production is controlled and equitable distribution of resources is assured.

The organization of Taiwanese agricultural production is very effective due to the intensity of administration. The sophistication of the local administration, coupled with the commitment of the center to rural development, distinguishes Taiwan from most developing countries. The local organization of production, though, does provide insights into the problems of local production organizations and their relations with the state. The township farmers' association is the organization linking the farmer to government services and is essentially a locally owned corporation (service cooperative) that derives its income from its monopoly in grain processing and storing; marketing of agricultural products and supplies, and consumer goods, and credit (Stavis, 1974: 61). It is through these township associations that the government exercises close control and assistance linkages.

Farmers' associations are divided into sub-components (150-200 members) called "agricultural small groups," which are coterminous with a village and elect their own chairman, who is an unpaid linkman with the township farmers' association (64-65). The agricultural small group, along with the irrigation small group, is the only collective institution at the village level and is highly dependent on the farmer associations. There are two features of agriculture that pose alternatives to the "level of local organization" question in Taiwan. First, the farms are very small, with a mean size of one hectare, and extremely labor intensive, both of which would facilitate small-scale local producer organizations and cooperatives. The high productivity, though, of these farms is dependent on an effective organization of services that provides access to large quantities of fertilizer, high yielding seeds, and irrigation networks. The scale of local organization, then, was determined by the efficiency requirements of service delivery, rather than the scale of

production. This has proved possible in Taiwan because of the quality of the rural infrastructure, which limits the costs of service provision to so many small producers. In other developing countries, the issue of service efficiency, given a weaker infrastructure, may have to be achieved at lower levels of scale.

If Taiwan did not heavily regulate input provision (especially fertilizer), competition for inputs would be fierce and economic differentiation would be heightened, thus enhancing the potential conflict local organizations would have to arbitrate. A crucial reason for the stability of Taiwan's rural production and the viability of its local organizations is the rigid allocation by the state of quotas for lucrative export crops. This limits greatly the conflict that local organizations must arbitrate, insures adequate food crops and stabilizes export prices.

One can further see the structural features by which the government limits indigenous organization by making village level organizations dependent on the township level.

The common thread running through these different village level organizations is that they have no income, no permanent professional staff, and no power to make any allocations. Their purpose is to provide channels for informing the people of various governments, farmers' association, and irrigation associations decisions and programs (113).

The case of Taiwan demonstrates the tendency of governments to preempt local farmer organizations and to subordinate production cooperatives by making them dependent on larger service cooperatives which are easier for the government to regulate. The use of close control and assistance linkages at the service cooperative level and the absence of such linkages at the production cooperative level suggest both the government's belief in the efficacy

of service organization linkages to control indirectly production and the difficulty of government directly organizing production.

The cultivation committees (CC's) of Sri Lanka demonstrate an approach to the problems posed by the Taiwan agricultural groups of balancing the center, as well as the conditions for achieving effective leadership in local production. The CC's are well-established functional political units, defined in terms of a Yaya (tract of adjoining paddy fields dependent upon the same source of water) (Blacton, 1974: 48). The management of irrigation water and the selection of the variety of crops to be planted give these committees a crucial technical core of a scale that limits both institutional expansion and hierarchical control from the center.

The limited successes which the CC's and land reform have attained are due to institutional backing by the committed Department of Agrarian Services, which is separate from the other major ministries servicing the agricultural sector. Another attribute of the CC's which has contributed to their success is both their direct linkage with local agricultural agencies and their access to political channels of influence. The CC's are locally-controlled, technical organizations whose leadership provides access to the local political arena and thus a mechanism for settling technical problems that have become political issues. The arrangement also provides the CC's with access to an alternative channel of influence if they cannot reach agreements with local technical agencies directly. Thus the key features of the CC are that it is a small-scale technical agency that facilitates local control and limits direct control or technical intervention, yet can make demands on the center either directly or through village political institutions.

A major threat to the institutional viability of the CC's is the tendency of the center to overload them with a variety of technical tasks. This is coupled with the inherent multiple programmatic focus of a production organization. There is a contradiction between the multiple-function imperative of agricultural production and the virtue of single-function local organizations, which facilitate local control and institutional cohesion based on the provision of a single desired service. This contradiction cannot be resolved, but can be managed by reducing the organization's territorial scale so that there is a uniformity of production that generates a consensus on cropping patterns and other management issues.

The CC's also demonstrate the conditions under which effective local leadership and organization of production are likely to be supported by farmers. "[T]he success of cultivation committees in levying taxes on farmers is related less to the potential level of farmer demand for reciprocal services. . . than to the numerical importance of farmers compared to other elements in the rural population (Moore, 1979: 247)." There are two implications of this hypothesis for the success of locally controlled production organizations. First, a high level of social interaction is related to a high proportion of households engaged in cultivation. The prevalence of cultivation leads to a more intense involvement in village affairs and commitment to organizations that are village controlled. The second implication involves the character of successful local organization leadership, which has two attributes: involvement in agriculture (promoting their own self-interest), yet subject to the moral pressures of local producers; and proximity to local cultivators (247-248). Committees that succeeded had leaders that were involved in agriculture, perceived their self-interest as

dependent on the improvement of local production, and were willing to assume the tasks that entailed little reward. The leadership of committees that failed had little interest in cultivation, were partially outside the moral community of production, and had an economic base in trading or landownership. These findings demonstrate two styles of leadership that may be essential for expanding community development, but are contradictory in terms of local control and organizational coherence. The basis of authority (local economic and social attachments) that can successfully exercise control over production does not provide the means for linking the community to a wider environment to attract external resources.

The case of Sri Lanka is important not simply for these propositions about local organization and leadership, but as an example of the implications of rural transformation for local organizations. The homogeneity of function achieved by the involvement in cultivation of a high proportion of the population strengthens local leadership, while the introduction of non-agricultural employment reduces this leadership capacity. To the extent that a progressive government seeks to expand rural employment in non-agricultural activities or even in complementary activities, the basis of local leadership is undermined, which in turn undermines the administrative basis of the strategy--mobilization of the rural resources through strengthened local organizations. With the erosion of local leadership, the state must intervene to limit elite domination of the rural areas.

Despite the limitations and difficulty of creating production cooperatives, in Sri Lanka they are perceived as essential to solving problems of local resource use and application of sanctions to local cultivators (Stavis: 60). Thus the management of local irrigation systems produced an effective basis

of local authority because the issue of resource access could be locally rather than externally determined. The cooperatives were not perceived as instruments that could make changes that required external resources.

A crucial factor that determines whether a collective production activity is a success is the incentive structure that is created. Incentives are especially important where success is dependent on changing traditional behavior. The experience of production cooperatives indicates the difficulty of external agents directly "organizing" the rural population at this crucial primordial level. The failure of the imposed cooperative form in the production function is particularly striking, as it attests to the difficulty of such base-level intervention for purposes of imposing or providing an institutional format. Such low level intervention requires incentives, not just institutional forms. The Phimai Self-Help Settlement District in Thailand was introduced to a silk production project designed to supplement and improve local incomes (Cunningham, 1980).

The project (1) aimed to transform a traditional system that appeared inefficient at the individual farm level, (2) required (or seemed to require) official collaboration and guidance, (3) depended on a mix of individual, group, and bureaucratic efforts, and (4) promised significant increases in yield and income if farmers would invest greater time, care, and effort in sericulture.

The project failed both because of insufficient technical assistance in the operation of machines, but primarily because there were inadequate incentives.

The following is a list of problems with the incentive structure of the project:

1. Farmer participants had no personal investments in the scheme, other than time. All important inputs (funds, technical expertise, etc.) came from outside.
2. Silk production was a supplemental source of household income, a way to spread risk and supplement their incomes.

3. The project management staff had no real stake in the success of the scheme. Their salaries, status, and prospects were not much affected by the outcome of this project. Success actually could have had some adverse effects--improving the relative status. . . of peasant farmers in comparison with the civil servants (Cunningham, 1980).

This project clearly failed to create sufficient incentives to induce either producer or bureaucratic interest.

Production Cooperatives with Joint Land Management

Collective cooperatives are the most difficult to manage, much less provide linkages to. This approach is used for four principal reasons: to promote socialist collective agriculture; to deal with traditional areas where there is communal or semi-communal management (i.e., pasture and forest land); to provide for land pooling as a solution to the problem of production units that are too small; and to facilitate land reform by communally farming large expropriated estates (Carroll, 1969: 38-39). Communal production cooperatives are important to analyze because, unlike production cooperation based on individual parcels, they have a higher potential for autonomy and indicate the difficulties of indigenous organizing by the rural poor.

Latin America's experience with collective production is best seen in the ejidos of Mexico, which were initially supported by the government as part of a revolutionary land reform in the 1930's. The ejidos were primarily formed on large, well-developed expropriated estates which were intensively farmed, and commercially oriented. The peasant unions that created the ejidos were effective local organizations. Despite the coherence and indigenous base of the ejidos, communal production posed two serious problems. First,

there was a difficulty in achieving effective leadership and discipline (40). Effective leadership was stifled by the cultural beliefs in the dishonesty of leaders, which was compounded by the lack of visible accounts and simple accounting procedures. A second difficulty which plagues most communal production systems is the difficulty of rewarding effort in proportion to members' contributions. "The system of 'anticipos' [advanced sales proceeds] which the Ejido Bank paid to the beneficiaries frequently degenerated into simple wage payments . . . and . . . often fostered a negative attitude toward hard work and initiative (41)." These internal problems, coupled with the government's shift in policy and withdrawal of assistance, particularly credit, caused most of the ejidos to collapse. Some ejidos still exist and a few of these are prosperous. These successful organizations had the following attributes: access to consumption goods, relatively large landholdings, youthful membership, strong yet open leadership, financial independence, cohesion created by the ejidos' external conflicts, production of a cash crop, effective independent management of accounts, and concensus on job remuneration (42-50). The defining features of the successful ejidos were both their autonomy and the separation of leadership (political) functions from management (technical) functions. A crucial technical task that has been separated from the leadership is accounting, which mitigates the traditional distrust of leaders.

The lack of any reliable system of financial control is considered by some as the most serious internal problem of the Tanzanian Ujamaa villages (von Freyhold: 87). Unlike the ejidos, leaders were trusted by the members and the accounting requisite of institutionalized doubt was absent. This led to extensive corruption by the village leadership. Further, effective

accounting required training both for the cooperative accountants and the members so that they could monitor the accountants. In the absence of such training, the state should have provided independent accounting. The inability or unwillingness of the state to supply this service is held to be a key reason for Ujamaa's failure (88).

Tunisia's cooperative program demonstrates several difficulties of communal production. Like the ejidos, production cooperatives were created from large, well developed and mechanized expropriated estates (Grissa, 1973: 72). They were kept intact as collective production units because the government feared both loss of productivity if small-holder agriculture took root, and elite dominance if the large farmers purchased the land. The cooperative program was rapidly expanded, which disrupted agriculture, lowered productivity, and forced the state into debt. There were several defects in the Tunisian program. First, the use of such large-scale production units (averaging 1000 hectares) taxed the limited managerial and technical skills that were available. Production units should have been divided into manageable units at first, even though economies of scale were lost. Second, rapid expansion of the movement virtually eliminated possible experimentation with different institutional approaches, as well as the preparation of local producers. Third, the cooperatives were imposed on the peasantry, and as members, they were not consulted, as management was responsible only to government authorities. Fourth, what initiative management might have exercised was limited by extensive external interference which often determined cropping patterns and employment levels that were unsuited to local conditions.

The key failure of communal cooperatives, though, was the government's complete reliance on this institutional form as the means of transforming

agriculture. The priority of cooperatives and their lack of liquid assets forced the government to go deeply into debt both to initiate and to sustain these organizations, which were very inefficient (84). The unwillingness of the government to disregard costs was demonstrated by its denial of losses, as well as the mounting debt due to the cooperatives. Tight state control of the cooperative management, coupled with the cooperative's access to extensive government financial support, led the managers to view the cooperatives as state enterprises entitled to bailouts. There were few if any incentives or sanctions to increase productivity by the managers, particularly since the state protected them and publicly denied losses. The cooperatives monopolized the access to productive inputs, particularly credit, which deprived the more productive small farmers of credit. Private investment was depressed further because small farmers refused to invest for fear that their farms would be incorporated into the cooperative movement.

The case of Tunisia demonstrates the danger of an agricultural strategy that rejected institutional redundancy. The state became dependent upon the cooperatives for production and employment, and thus could use only assistance linkages as mechanisms of influence. The extensive facilitative linkages promoted agricultural stagnation, as they excluded small producers and overly supported inefficient production cooperatives. The lack of institutional redundancy removed the credibility of the center's terminating support, thus further weakening the control linkages. Control linkages interfered with the details of cooperative operations, thereby stifling initiative instead of setting production parameters with an incentive structure to achieve output goals. The case of Tunisia clearly underscores the need for the center to promote institutional redundancy which allows inefficient organizations

to fail, thereby strengthening both facilitative and regulative linkages.

The cases we have reviewed on the different types of production cooperatives suggest several lessons. The first is the necessity of keeping the effective production units small, certainly under 100 families and preferably much less. Where the attempt has been made to use larger units, as in Tanzania and Tunisia, it has resulted in failure. In the People's Republic of China, where large units were constructed in the Great Leap Forward, the effective unit of production was returned to groups of about 30 families in the 1960's.

The second lesson is the importance of granting substantial autonomy, control, and responsibility to the basic cooperative units. Even in Taiwan, where the state generally exercises extremely tight control over local organizations, the local irrigation associations enjoy substantial operational discretion and themselves employ their staff, who are dependent on the effectiveness of the organization's operations for their benefits. In Tunisia, where the state closely controlled the operations of production cooperatives and the management was responsible to the government, the experiment completely failed. Agricultural production requires prompt and continuous adaptive decision-making and "unreasonable" spurts of effort. These are likely only if operations are controlled by those who will be directly hurt by failure.

The third conclusion is that the state control of production cooperatives that is exercised should be indirect. Taiwan effectively regulates several aspects of its irrigation associations through its tight control of the farmers' associations from which they draw many services. Production cooperatives are best influenced by policies which create incentives for

desired types of behavior and parameters within which action is permissible, rather than by detailed regulation.

Fourth, the importance of good and independent accounting is emphasized by both the Mexican and Tanzanian experiences. Action by the state to assure its provision should be seen more as a form of assistance than as external regulation, for it is needed by the membership to control their own leadership.

Fifth, production cooperatives seem to benefit from the existence of separate, parallel, general function institutions of representation. Such institutions provide a second channel for communicating problems to the center and thus often can circumscribe blockages in the feedback system directly concerned with agriculture. Equally important, where cooperatives become the primary vehicle for political mobility, their leadership takes on functions and attributes which are not particularly conducive to production. Alternative representative institutions draw off some of the politicization that otherwise infects cooperatives and permit members to concentrate more upon managerial competence in selecting the leaders of their cooperatives.

Finally, those production cooperatives that have been successful have benefitted from relatively egalitarian rural social structures. Taiwan is notable for its strong unimodal system of agriculture. In Sri Lanka the successful irrigation cultivation committees were lead by farmers who shared the production interests of the rest of the membership.

Conclusions on the Choice Between the Cooperative and Private Sectors

The preceding analysis of the supply, marketing, credit and production functions in small-holder agriculture suggests some guidelines for the choice of organizations to provide rural economic infrastructure. Our policy

objectives are that small producers have access to the services which they need for high productivity agriculture and that they receive these services with the greatest efficiency and lowest price possible. In principle most of these services can be provided to small producers either cooperatively or by private enterprises. Only in the case of inherently bulky factors of production, such as irrigation, is private ownership incompatible with small-holder agriculture. For the other aspects of economic infrastructure--the provision of supplies, markets and credit--it is an open question as to whether cooperatives or private entrepreneurs are the better vehicle of service. Since private middlemen are in business for profit, it is tempting to assume that cooperatives would provide a better income to farmers by distributing those profits among them.

In effect, the formulation of a cooperative socializes some aspect of the economic structure of an area. Cooperatives are a more complex managerial form than small businesses, however. Collective income generating activities also always carry a high risk that a public benefit will be illegitimately transformed into a private good. Leaders may use their position in the organization to shift income from the members to themselves. One of the lessons of the cooperative movement is that exploitation and corruption are as important problems as inefficiency and, indeed, often are the hidden causes of the latter.

From the point of view of the poor the choice between private and cooperative service organizations depends on the availability of managerial skills and controls. If both are supplied, the cooperative form offers a very attractive way for poor producers to overcome deficiencies in economic services without contributing to the further differentiation of rural wealth.

When either is absent, however, private enterprises, despite their shortcomings as vehicles of equity, are likely to outperform cooperatives.

Both management skills and controls can be provided either by the membership or the state but they must be ample if the cooperative is to benefit the poor. Internal controls require (a) that information on managerial performance be available to the members in understandable form and (b) that the membership be relatively homogeneous economically and socially. In poor communities managerial skills are usually very limited. Either the cooperative has to be kept small and simple or extensive external management assistance provided if performance information is to be kept before the members. If the second precondition for internal control--relative homogeneity--is not fulfilled, the poor will have difficulty protecting their interests, as those who control an area's resources usually are able to dominate its community organizations as well. The problem is not simply one of economic equality, for in socially divided communities one geographic or lineage faction of the cooperative may take advantage of another (Hyden, 1973). Thus the internal control of democratic "voice" must be supplemented with that of either "exit" (Hirschman, 1970) or state supervision. The combination of effective monopoly and weak controls is the most deadly of all.

When a cooperative enjoys a monopoly or is providing an externally subsidized service, some degree of central control is essential if inequalities are not going to develop in the distribution of benefits. These external controls need to become progressively tighter as differences among the members become more severe. External controls require administrative competence on the part of the state and the political commitment to resist manipulation by

local elites. The latter is particularly difficult to sustain when rural inequalities are great, for local elites then often have a good deal of political influence.

When cooperatives have the privileged position of being either a monopoly or a vehicle for providing state subsidized services, one of the following four rigorous sets of conditions must be fulfilled if the poorer producers are to benefit fairly:

- (1) The cooperative is small and simple and the members are relatively homogeneous economically and socially.
- (2) Good management skills are widely available among the members and they are fairly homogeneous.
- (3) A central organization has the administrative capacity to provide management assistance and some supervision to cooperatives with relative homogeneity among the members.
- (4) The state has the administrative capacity and the strength of political will to provide detailed managerial assistance for cooperatives and to control attempts by some members to gain advantage at the expense of others.

The first of the preceding sets of conditions would preclude the more complex infrastructural services needed for agricultural production and the latter three alternatives are regrettably uncommon in the developing world. In most circumstances it is imperative that the market remain competitive and that production subsidies for individual farmers not be provided through community-wide (inclusive) organizations.

In most agricultural systems then, we see a very large role for private enterprise and a quite limited one for formal, protected cooperatives. This

means that even those states that are most concerned with rural equity must give more attention to measures that promote the efficiency and competitiveness of private rural middlemen.

A role for cooperatives does remain, however, even when the rural population is not homogeneous and the state is neither progressive nor administratively strong. First, they may be organized by communities to restore competitiveness to markets over which traders have an oligopoly. This was the original and very effective function of cooperatives in East Africa (Hyden: 1976). To survive, such cooperatives often need moderate subsidies to overcome the disadvantages of late entry in the market and the costs of collective organization. These are subsidies to the organization and not to individuals, however, and they are designed to restore competitiveness to a market, not to undercut it.

A second function of cooperative-like organizations in uncongenial settings is as relatively small groupings limited to the rural poor. As such, these limited local organizations can tackle a few of the problems that specially concern the poor, although they will be unable to deal with all of their needs for economic infrastructure. Limited local organizations also often can be vehicles for individual subsidies if the state protects them from community sanction, for they frequently meet our condition number one above. We will return to a fuller analysis of the problems of supporting limited local organizations in the next chapter.

The Linkage Lessons of the Cooperative Experience

Our discussion of the involvement of cooperatives in agricultural supplies, marketing, credit and production has revealed many problems but it also has

uncovered a number of lessons about the appropriate links between cooperatives and the center. Some of these were specific to a particular function but more general conclusions can be drawn as well.

The extensive study on cooperatives by UNRISD differentiated linkages into two types: facilitative and regulative, which broadly coincide with our assistance and control ones (Inayatullah, 1972: 253-255). Assistance or facilitative linkages consist of providing local organizations with material inputs, organizational and managerial services, technical knowledge, and facilities for storage, transportation and marketing. Regulative linkages are a subset of control ones and provide registration of cooperatives (definition of membership); auditing control; price structures, laws governing operations; and legal provisions governing savings and lending levels.

The value of external linkages to cooperative success was affirmed by the extensive UNRISD studies which found that the two central factors affecting cooperatives were the character of the local community and the existence of external linkages. Cooperatives functioned best in communities having the following high solidarity characteristics: homogeneity of belief; uniformity of status; flexible social structure; developmental solidarity (predisposition to community action); extensive external exposure; and an activist orientation to nature (268). Such communities are relatively well developed and only marginally stratified. Uphoff and Esman's summary analysis of local organizations in Asian rural development also affirms the importance of ". . . relative equity in the ownership of assets, particularly land, [as] a precondition for successful organization . . ." (Uphoff and Esman, 1974: xvii-sviii)."

The UNRISD study found that the cooperatives in high solidarity communities that achieved high impact had a combination of low control and high assistance linkages, while the low impact cooperatives experienced either a high control linkage only or high control and low assistance linkages (Inayatullah, 1972: 254-255). High impact was measured by four factors: extent to which the cooperative increased solidarity in the community and improved its living conditions; ability of cooperatives to innovate; ability to redistribute income; extent the cooperative had established effective democratic authority (268).

No cooperative was found by UNRISD to be completely autonomous of the center. High impact cooperatives did not have much potential for becoming independent of their linkages to the state, especially the assistance ones (269). Uphoff and Esman found that "local institutions which are separated and isolated from other levels are likely to be impotent developmentally [and that] linkage [is] a more significant variable than autonomy when it comes to promoting rural development (Uphoff and Esman, 1974: xii)." Their research indicates that support from the center is important, even if it carries controls with it. The Uphoff and Esman study, unlike the UNRISD one, included a case where both control and assistance were high, and found cooperative performance to be good there.

It seems to us that the issue of linkages between the state and cooperatives is more complex than a simple dichotomy between facilitative and regulative ties. All the major cooperative systems experience a mixture of both assistance and control. What is more important is the purpose for which both types are employed. Either form of linkage can be used to strengthen or destroy the vigor of the cooperative movement.

Control linkages can be broken down into those that are coercive, limiting, supportive and equalizing. Assistance linkages can be categorized as enfeebling, supportive, equalizing and redistributive.

Coercive controls are designed to weaken if not destroy the local organization. Examples of techniques used are: excessively high credit rates; refusals to register or recognize the organization; and withdrawal of supportive control linkages (e.g., accounting). An example of coercive linkages is the Mexican administration's policy toward the ejidos. Most cooperatives cannot withstand the condition of autonomy, much less coercive relations with the state, although the Mexican ejidos that survived were much strengthened by their independence.

Limiting controls are intended not to weaken but rather to freeze organizational development at a particular level. These regulations impose restrictions on the scale and range of functions an organization can undertake, such as exclusion from certain cash crops. Most often limiting controls are designed solely to enable the state to retain dominance over the organization, particularly to keep them from becoming too powerful politically. As such these controls generally are intentionally negative.

On occasion, however, limiting controls are imposed to help the poor. They create a predefined procedural framework to provide legal protection for innocent members and permit only a restricted range of functions so as to reduce complexity and simplify the management task. The problem with such well-intentioned limiting controls is that they often are counter-productive. The members can't understand their legal rights and thus are subject to domination by those who do. Furthermore, the restrictions tend to stifle the very innovations and initiatives that are necessary to the survival of new organizations.

The Taiwan and Tunisia experiences suggest that the state should not "reach down" and organize local task-specific organizations but rather assist and control such "indigenous" forms through service delivery by intermediate organizations (i.e., cooperative unions). Top-down control is established through the regulation of services and not through imposing a structural blueprint on local organizations. This observation is in accord with that of Uphoff and Esman, who contend that

Local institutions should have more than one level of organization, probably a two-tier pattern, in which the lower tier performs functions at the neighborhood or small group level while the other undertakes more complex business and governmental activities that require relatively large-scale operations (Uphoff and Esman, 1974: xviii).

Supportive controls improve the administrative strength of the local organization. Techniques include bookkeeping, management principles, and regulations that assist the members to bring sanctions against the organization.

A crucial supportive linkage that the state can provide is financial auditing. The function performed should be that of an accountant and not that of a comptroller (determining where funds should go). Local organizations need to be able to decide on their own investments and be allowed to fail, but failure need not be facilitated by poor accounting, which is often the case. There is a need for this function to be insulated from the direct control of the elected leadership, for poor and/or corrupt bookkeeping is a primary cause for cooperative failure. An example of such a linkage is the state's provision of bookkeeping services to the Nigerian cooperatives.

Another supportive control is the regulation of salary scales and recruitment standards. These parameters of the personnel system often need to be regulated externally to put limits on the extent of patronage.

Some states control cooperatives very tightly and where central administrative competence is strong, this does not appear to hurt their performance. Nonetheless, it is important that the local leadership always control at least some resources. Central control over all of a cooperative's resources removes any incentive for talented people to seek leadership positions and limits the motivation for members to exert themselves in the organization.

Equalizing controls directly assist the rural poor by imposing limits on access, thus limiting monopolization of benefits by elites. They usually entail limitations on the scale of productive assets that members use. Techniques used are ceilings on credit, fertilizer quotas, and acreage limits. Examples of equity control links are the Ethiopian Peasant Associations' ten hectare land limits and the Taiwan fertilizer quotas.

Controls can ensure that equitable access to cooperative resources is maintained but they cannot generate actual redistribution (xvii). Equalizing controls in Taiwan which regulate the distribution of productive inputs are highly effective in limiting further rural differentiation, but it took land reform to change the distribution of wealth. Equalizing regulations require close monitoring for there is a high potential for corruption. The type of input distribution system also affects the potential for diversion of benefits and the mix of crops produced. A crop-input bartering system appears to be less susceptible to corruption than an input system based on cash transactions. The farmers' associations in Taiwan bartered fertilizer for rice and have only recently switched to a cash system (which has been effective because of the extensive monitoring of the local organizations). The crop-bartering system also allows the center to force the farmer to

produce a staple crop as the exchange crop for inputs, thereby taxing the farmer for producing export crops.

Enfeebling assistance so overwhelms an organization with resources that it becomes dependent on the center. This mothering of a local organization's independence and initiative may or may not be intentional. In the former case the state may make irresistably attractive resources available to cooperatives so as to coopt them and prevent their becoming politically independent.

As often, generous assistance is unintentionally enfeebling. Excessive assistance linkages often weaken organizations by stifling local contributions and by providing resources which do not correspond to locally felt needs (von Freyhold: 183). Assistance linkages must stimulate, not replace, local efforts (Uphoff and Esman, 1974: xii). Taiwan has dealt with this problem by limiting the center's contribution for local construction projects to a maximum of 50% of construction costs, thereby leaving the balance of construction and all of the recurrent costs to the local organization. A potentially enfeebling aspect of assistance linkages is that they rarely entail clear schedules of termination, which impedes the efficiency of their use. Linkage sequences will be discussed in the next chapter in more detail. Here it is important to stress the need for clear termination schedules to improve use and minimize the dependency attitude of local recipients.

Supportive assistance includes the provision of material inputs, training programs, managerial services, and facilities for storage, transportation and marketing. Supportive linkages are distinguished from enfeebling ones not by their character but by their stimulation, rather

than stifling, of local commitment and initiative. Thus, for example, central funding for local projects should be designed so as to draw out community resources and test local commitment. This can be done without necessarily rewarding the areas which already are better off and thus have resources to contribute. Tanzania, for example, requires the village cooperative to contribute labor only, a commodity that is probably more readily supplied in the poorer areas than the wealthy ones.

Another form of much-needed supportive assistance is managerial. We mentioned earlier that accounting and other administrative tasks often need to be insulated from the leadership (i.e., political) tasks of mobilizing member support for the cooperative. Where local managerial capability is weak and the state is administratively strong, central managerial assistance is appropriate, especially when marketing is vertically integrated. Such assistance can take the form of advisors or a central cadre of technical personnel whose members are seconded to cooperative societies on subsidized terms. Nonetheless, our research shows the value of the local cooperative's being responsible for the payment of its staff. When the cooperative staff is paid locally it becomes more accountable to the local producers and has a self-interest in making the organization a success.

The wide and inexpensive distribution of inputs needed by small farmers may depend on the removal of market imperfections. In situations in which private traders are making monopoly profits or providing poor service, it often is appropriate to provide cooperatives with a subsidy for entering these markets and restoring competition.

Equalizing assistance is designed to limit but not exclude elite use. Examples include: seeds for crops that elites prefer not to produce;

rudimentary implements that best service small producers; extension of advice on non-mechanized small production techniques; and pump wells that provide wide access to irrigation.

Unimodal agricultural production is encouraged by anything which makes inputs that are appropriate for labor-intensive users widely available. This may include subsidies, since even if more advantaged farmers use the inputs they will make greater use of labor. Because equalizing assistance is available to all producers it tends to have lower unit costs of distribution and to attract less elite hostility than would subsidies targeted to the poor.

Redistributive assistance excludes elites and directly reaches the small producer. Examples are highly subsidized credit with asset limitations; extension advice solely for the small farmer; fertilizer quotas based on land holdings; and direct grants to small producers.

Redistributive linkages are targeted and are more costly to provide, as they require extensive monitoring and smaller scale in distribution. They are preferable to equalizing assistance when the program involves direct relief or the local elites would absorb most of the benefits. An example of a targeted redistributive linkage is the Ethiopian extension service (EPID), which is supposed to provide assistance only to members of the peasant associations. We will examine targeted, redistributive linkages in more detail in the next chapter.

The general conclusion from the foregoing analysis of control and assistance linkages is that both can have positive or negative effects on cooperative development for the poor. Enfeebling assistance and coercive and limiting controls have undesirable effects. Supportive controls and supportive and equalizing assistance are most helpful, assuming a moderately committed and

administratively competent state. Equalizing controls and redistributive assistance, though positive in their impact, are politically and administratively very demanding. When the state is at all lacking in these attributes the attempt to use them may well be counter-productive, with local elites actually capturing for themselves the benefits that were intended for the poor.

A general linkage prescription that emerges from our research is the value of redundancy for both control and assistance linkages. Given the weakness of most administrative systems in developing countries, it is desirable to enhance reliability of communication and service delivery by fostering redundancy both of linkages and local organizations. Only where the central administration has both a high administrative capacity and a strong commitment to the small producer should a non-redundant approach be used.

The literature on cooperatives tends to stress the downward looking aspects of control and assistance linkages. Yet upward channels of representation are vital as well if the needs of the rural poor are to be heard and met.

A linkage lesson that was found important in several cooperative experiences (Sri Lanka, Taiwan) was the provision of political channels of mobility outside the cooperatives, which limited their politicization. In Sri Lanka, the access to political channels by local technical organizations (irrigation associations) allowed external arbitration of disputes that threatened to destroy the organization. This access also provided a means to demand services from technical agencies above the local organization. When cooperatives are the central local political arena, their capacity to perform technical functions quickly deteriorates (Uphoff and Esman, 1974: xix).

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Chapter IV

LIMITED LOCAL ORGANIZATIONS:

SUPPORTING THE AGRICULTURAL DEVELOPMENT OF THE POOR

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CHAPTER IV

Unhappily for the rural poor, community-wide, inclusive local organizations usually do not protect their economic interests. In most countries rural inequality is such that rural elite and poor interests are in conflict on matters concerned with agricultural production and the state is unable to control community organizations enough to prevent their being vehicles of exploitation. Improvements in the private market thus often serve the interests of the poor better than formal cooperatives do. Yet traders and money-lenders have never been noted for actively promoting equality. The poor should not be left to the market alone.

It is in such inhospitable circumstances as these that central agencies committed to the rural poor will promote limited local organizations. These organizations are distinguished from formal cooperatives by their restriction of membership to a group of the poor and by their explicit commitment to the interests of a portion of the community only.

Whereas the success stories for the cooperative movement are to be found in relatively egalitarian rural settings, the literature on limited local organizations draws on the hard cases--Central America, India, the Philippines, etc. (Tendler, 1976; Korten, 1980). We turn now to the linkage problems of working with the poor in settings where governments are ambivalent toward them and the interests of the rural elite are inimical to theirs. In doing so, we will draw extensively on the linkage lessons of cooperatives developed in the preceding chapter and adapt them to limited local organizations.

Small Farmer Groups: Organizing the Rural Poor

To grasp the issue of linkage to limited local organizations, it is crucial to detail the generic features of the rural groups which will be

assisted. Tendler's studies of Ecuador and Honduras and Korten's work on community organization provide an extensive empirical basis for depicting the characteristics of successful small farmer limited organizations (Tendler, 1976; Korten, 1980). The following is a list of criteria found by Tendler to be associated with effective small farmer groups and which is consistent with Korten's work as well (Tendler: 7, 9):

1. They organize around a concrete goal, which can be achieved in a limited time period and would not necessarily require the organization thereafter. . . . Though the organization may continue and expand into other activities, once the concrete goal is achieved, the farmers perceive themselves as organizing to achieve this one goal, and not to create an organization.
2. They start with one task and not several.
3. That task can be carried out with an organizational form that minimizes the need for non-farmer skills, such as bookkeeping. Examples are the building of infrastructure projects, the application for credit as a group, the distribution of water on a small scale.
4. Cooperation is required around a task that cannot be done on an individual level--i.e., certain kinds of irrigation, construction of an access road, obtaining credit available only to groups. Examples of tasks that are problematic because they can be done on both a group level and an individual level are marketing . . . and communal farming.
5. They produce goods or services for which there is a proven desire on the part of the small farmers involved.
6. The groups are small and unconnected to other groups. Group success has often gone along with the smallness and isolation from other groups because (1) rivalry with outsiders is important in getting some groups to form and in keeping them together; (2) smallness allows for peer pressure to induce group cohesion and loyalty; and (3) when groups are successful, they tend to become exclusive.
7. The task can be carried out by relatively informal, unsophisticated and familiar organizational forms.

This list depicts effective local organizations as being small-scale, single-functioned, differentiated from other small groups, and having a

homogeneous membership. The key feature of these organizations is their simplicity, which insures local control and allows them to evolve and terminate if necessary.

A major weakness of development administration theory as applied to institutional design is the tendency to impose complex institutional blueprints such as cooperatives on rural areas and to neglect existing institutions. There has been the tendency both in theory and practice to impose institutional development strategies that stress the value of institutional differentiation and expansion as critical if not determinative factors in forcing the pace of rural development. Thus development is viewed as a process of functional differentiation initiated and sustained by institutional blueprints which select these features (Korten: 496).

There are two features of the "accepted wisdom" of institutional design which are incompatible with the character of limited local organizations-- institutional complexity and continuity. Complexity limits the ability of the rural majority to control the organization and obscures the benefits they will derive, thereby inhibiting their contribution of resources. "The challenge of organization design is to balance the benefits which can be obtained through larger, more complicated organizations against the costs of calculation and control which such complexity tends to impose (Johnston and Clark, Chapter 5)."

Institutional continuity has also been overstressed, which diverts attention from "organization-building tasks" to a fixation with "certain organizational forms (Tendler, 1976: 9)." Too much emphasis and too many resources are concentrated on constructing an organizational infrastructure, rather than on carrying out the task itself, which creates a relatively high investment

in the organization and thus an incentive to sustain it. This tendency to focus on form not function raises several issues about the compatibility of institutional designs and local organizing needs. Organizing at the local level is costly to the individual and thus will most likely occur under short-term conditions where benefits are tangible and quickly realized: high organizational start-up costs will not be tolerated. It is difficult to specify the organizational design that is best for each task; and even if an organization evolves in the performance of a task, it is questionable whether that organization is compatible with pursuing a new task when its original one is terminated. Organizational failure should not be viewed negatively, but rather orientation towards a learning model of institutional development (Korten: 499).

Four tasks seem to fit the interests and limited administrative capacities of local groups: organizing to obtain land; building of infrastructure projects; the application for credit as a group; and the distribution of water on a small scale (Tendler: 7-8). All of these tasks cannot be done on an individual level and they facilitate the group's development.

Organizing to acquire land can mobilize strong local support, willing to press demands even to the extent of challenging the central administration (Hollinsteiner, 1979: 398-403). This task is not stressed by donors or host countries both because of its politically sensitive nature and the fact that such organizations will terminate once their goal is achieved. This function is important to rural groups and they are willing to pay for the services of land and land brokerage (Tendler: 15). Land acquisition also provides for land reform by providing local groups with the credit and assistance which allows them to legitimately press their claims. Access to credit

facilities that provide for both land and production loans prior to land titling legitimizes the group and "this strengthening of a group's initial claims to possession, and provision for immediate income, are important in determining whether such groups will survive (14)." Tendler has also argued that such programs for assisting in land purchase do not have to be comprehensive in scope and that considerable progress can be achieved by strengthening local groups and credit unions (14). Comprehensive land transfer programs, on the other hand, have high visibility, directly threaten elite interests, and increase the potential for confrontation.

Local physical infrastructure projects are effective for strengthening limited local groups, as they are not feasible for individual farmers, they are task-specific, and they clearly complement the individual's production. The construction and maintenance of roads and markets can be crucial in improving the competitiveness of marketing, lowering transaction costs, increasing the farmers' sale prices and lowering the cost of their supplies. Using local groups will make infrastructure projects more oriented to local community needs as well as "counteract the bias of infrastructure projects toward over-design, capital intensity, and unsuitability to local conditions (11)." Locally organized efforts are more likely to be labor intensive, which generally favors the poor by expanding the demand for their services.

The local operation of irrigation facilities is a crucial function for production and is encouraged by administrative agencies because they are dependent on local management and supervision. Perhaps more than other functions, irrigation imposes the outlines of structure and procedure on the group because of the "role of the physical-environmental factors in shaping, limiting, or determining various forms of group-shared behavior and the

regularities that lie behind them (Coward, forthcoming, Chapter 1:11)." Irrigation associations are successful because they are formed by an ecological imperative; corruption is extremely visible; few, if any, financial exchanges occur (thus limiting the use of non-farmer skills); access is perceived as crucial and takes on a moral right; and support from the center is strong as it is highly dependent on local organizations for implementation of the program.

The creation of local credit groups is a means to offset individual financial liabilities by offering lending agencies the lower risk of joint liability. The smaller size of these organizations also lowers the transaction costs for individual loans and expedites the application-disbursement process. Small farmers have a better repayment record than large farmers in many countries.

The center should assist small farmer group credit programs rather than individual programs, as the former can be targeted to smaller producers through loan ceilings and high interest rates which discourage large producers. There are several conditions, though, which have to be satisfied for these programs to be a success. First, the tendency to include agriculture extension in a program of supervised credit should be avoided and retained in a separate program. There are several weaknesses in providing extension with credit: technical assistance complicates the credit task; extension imposes a task that requires extensive coordination with other agencies; extension services tend to be diverted to larger producers; extension technical assistance is often diverted to organizational tasks of bookkeeping and auditing; and small farmers do not want extension as much as credit (25).

Second, the technical assistance needs of these small credit organizations in terms of auditing and bookkeeping are crucial for their success and auditing functions are best provided externally by some administratively strong agency.

Third, the delinquency problems that small farmers generate are often due to agricultural disasters and contingency funds need to be created which allow lending institutions to delay collection.

Fourth, the success of group credit depends on the social sanctions of the collectivity. Since limited local organizations are characterized by socio-economic homogeneity, no member will have enough power or status to withstand group pressure. Still, it is important that the group be small enough to have real cohesion and that members have a stake in the credit-worthiness of the others in the group. The latter is automatic if all are dependent on continued access to this source of credit. Generally this is not the case with the poor, however. Alternatively, a requirement that all members contribute to a portion of the loan capital and that members' funds are forfeit first in the case of loan defaults probably provides adequate incentive to the group to monitor its members. With all local organizational efforts, centrally provided financial resources should be matched with local resources to insure commitment (Korten: 487).

Small producer credit groups illustrate a key limiting feature of such informal local groups--the need to keep financial transactions and thus accounting to a minimum. This is a crucial constraint on the capacity (and desirability) for local organizations to be "autonomous." Financial transactions entail bureaucratization of organizations and this limits if not contradicts the flexible features of these local organizations. Financial

administration should be kept separate from the actual implementation of the group's function and an external agency generally needs to provide auditing assistance (Korten: 485).

There is a hesitancy to prescribe state intervention in limited local organizations because of the belief that their autonomy is both a feasible and necessary means of counterbalancing the state. Also, if the state intervenes in one aspect of the organization (i.e., auditing), it is difficult to prevent it from expanding its role. The attributes of effective limited local organizations listed above, however, do not suggest autonomy via self-contained regulatory capacity, but rather, through small-scale ad hoc tasks that induce group participation and pose demands (including regulatory requests) on the center.

The Fundacion Del Centavo: An Example of Preferred Design

We now consider in more depth the problems of organizing and linking marginal producers in terms of Guatemala's private Fundacion del Centavo. The Fundacion illustrates two issues: the manner in which an incentive program can be conducted, and the attributes of a "brokerage" intermediate organization for linking local limited organizations. The Fundacion has been successful in providing credit facilities to small farmers and assisting in the institutional and economic development of small farmer groups in the pre-cooperative stage. The Fundacion is also of interest because, unlike the two public sector programs in Guatemalan agriculture--FENACOAC (credit unions) and FECOAR (regional agricultural cooperatives)--it has successfully reached the marginal producer.

The Fundacion was designed to stimulate private sector participation in development and has become a respectable organization composed of prominent citizens. This provides the organization a crucial interest group at the national center which will press for services for the rural poor and supply a vital consciousness-raising role. The second attribute of the Fundacion is its commitment to the marginal farmer and its diligence in separating out these individuals and targeting assistance to them. The organization stresses its non-sectarian and apolitical position, but the leadership and staff understand the necessity of local organizations' having a political as well as an economic base. They are aware that their efforts to create local organizations has a political content and they fully support this consciousness-raising process, while refraining from providing any doctrinal content (Rusch, et al., Vol. I, 1976: 63).

Four services are provided by the Fundacion which are exclusively oriented to agriculture: group credit, assistance in small group organizing, supply of inputs (fertilizer) and the purchase of land (63-67). The Fundacion stipulates that all services must be requested through groups of marginal producers, thereby excluding the individual large producers. The agency does not form all of the local groups, as many emerge from the Government's Rural Development Agency program for potable water. These groups have been encouraged to continue as agricultural groups with support from the Fundacion. The Fundacion has provided a catalyst role, stimulating a variety of groups which seek the Fundacion more for its organizing services than its limited development resources.

The Fundacion provides only minimum services to local groups, both to insure local contributions and to allow broader coverage. In providing credit, the agency carefully determines through local inspection the viability of the

groups and the technical feasibility of the projects selected. The provision of credit is used to strengthen local organizing abilities, as "responsibility is left with the group to form its own structure and be prepared to assume joint responsibility for the loan if it is approved (63)." The Fundacion treats the credit program as not simply an exercise in transferring inputs, but as a means of creating institutions that are more self-reliant in providing their own productive services. Credit is a vehicle to initiate organizational learning.

The basic services provided are informational, regarding the Foundation and the credit arrangement, and motivational, assuring adequate group functioning to facilitate repayment. Some secondary services may also be provided, according to needs of the groups and the ability of the supervisor, on community matters and technical agriculture. It is important to note that a highly valuable service is that of convincing previously isolated farmers to group themselves to meet their needs, and to guide them through the process of using group structures (64).

The Fundacion recognizes that group formation even for a single task is not an easy achievement for marginal producers who previously have been bypassed by government agencies and cooperative programs. There is a crucial need for Federation structures to provide linkages which stimulate the very process of group formation in rural development. Public agencies that provide linkages only to existing groups are ill-suited to this task.

The success of the Fundacion's credit program suggests that marginal producers should be introduced to formal credit systems as groups rather than as individuals. The group credit approach of this organization has facilitated access to credit which marginal producers could not have received from cooperative institutions. Credit risks are reduced because the group approach creates greater pressure for repayment, and access to production loans does

not require that the individual first contribute capital, as in the cooperatives (70).

A key program of the Fundacion is the provision of credit for land purchases. This credit is accompanied by a short-term technical assistance package which raises the potential productivity of the land and thus the ability of the farmers to repay their loans. The Fundacion has often acted as a broker in this program by arranging for the Ministry of Agriculture to provide technical assistance. Both production and land purchase loans are closely monitored and there has been an extremely low default rate.

The local organizations stimulated by the Fundacion's programs quickly gain credibility as intermediaries between farmers and the Fundacion. The following services are provided by the farmer associations.

1. Consolidation of individual needs into one request to the Fundacion.
2. Establishment of credibility before the Fundacion and a local authority.
3. Management of the documentation and arrangements necessary to secure the loan and deliver the commodity to the community.
4. Protection of individual interests by the exercise of an acceptable form of group pressure (64).

Unlike cooperative networks, the Fundacion does not seek to insure the institutional continuity of its primary societies. Sources show that about one-third of the groups do not request further assistance: some groups affiliate with cooperatives; others find alternative funding sources; and some disband. The Fundacion does not have the resources to encourage dependency and thus allows the dissolution of weak local organizations.

A major constraint on the Fundacion is its limited financial capacities due to its dependence on donations. It has limited its self-sufficiency by

charging concessional interest rates on its credit, which undercuts cooperative credit programs (74). Low-cost credit, though, limits its ability to expand technical assistance and it does a disservice to the marginal producers "to accustom them to a lower rate of interest than a cooperative can economically charge (74)."

The primary critique of the Fundacion by Rusch, et al., contend that it fails to insure the transition from pre-cooperative to cooperative organization. This is a classic institutional perspective, which assumes that local organizations are capable of further collaboration, and further, that they desire or see benefit in further collaboration. The low number of farmer groups joining existing cooperatives and the movement of many of the Fundacion's groups to create "informal federations akin to cooperatives" is indicative of the desire of local groups to retain their autonomy and also the need to create federative structures to become both institutionally credible and intelligible. The Fundacion is assisting the creation of these local group federations which provide an alternative to the cooperative network. Though Guatemalan cooperatives are composed of lower income groups, there is an ideological taint attached to the cooperative networks which maintains that these are appendages of the state and its supportive middle class ideology (78).

The transition of small groups to cooperative federations raises the question of whether evolution defined as integration with a cooperative network is desirable for the marginal producer. Rusch, et al., frame the question as a problem of creating administration mechanisms for transition. The key problem is that the marginal producer must abandon the local organization and confront the membership of the cooperative as an individual rather than as a group member. Such integration places the marginal producers at a

disadvantage, as they are the least qualified and last to receive cooperative benefits. Only when organized with similar producers can the individual make effective demands for services. The cooperative in this case, while seemingly providing the basis of modernization (i.e., individuation), in fact an instrument of control that strips away the marginal producers' organizational support.

The experience of the Fundacion carries several implications for linkage to informal groups of marginal producers.

1. Local organization often requires both a substantive stimulus for focus on a specific task and assistance to learn organizing techniques.
2. A central support agency, to be effective in delivering services to the rural poor, must cultivate national elite support.
3. Local organizations need not and perhaps should not be forced into more complex organizational networks. There is no certain benefit of transforming informal groups into formal cooperatives. The existence of marginal farmers at a pre-cooperative stage may provide them greater support than integrating them into complex cooperative networks.
4. Local group development and the formation of a federation structure should be evolutionary and not determined by an economically rational administrative blueprint.
5. Federations for assisting pre-cooperative group formation should not be the instrument of transition to formal organizational networks. Rather, organizing capacity must be instilled at the local level which then provides the basis for constructing federative structures if these are perceived as necessary.
6. An institution which seeks to organize marginal producers should concentrate on a few key tasks (e.g., land purchase and production credit). Continued success at these programs does not signal the need for task expansion into a variety of small projects (e.g., rural commerce and infrastructure), as this will spread management too thin.
7. There is a value in combining land purchase credit with technical assistance in programs for the marginal producer. These functions need not be provided by the same organization, but these services should be complementary.

8. External assistance is needed initially to capitalize small farmer organizations. If initial capitalization must come from the individual producers, then the organizations will not form, or if such organizations do form, they will be comprised exclusively of larger producers. Initial capitalization requirements should not be solely supplied externally--there must be local contribution of resources, particularly labor.

Single-Function versus Multi-Function Local Organizations

Despite our list of local organizational attributes which suggests that single-function task-oriented organizations are superior, these findings appear to be contradicted by other studies in development administration which argue for multi-function local organizations. It is important to analyze these contradictions. The Uphoff and Esman study found that local organizations should have three structural attributes: multi-level organization; multiple channels; and multiple functions (Uphoff and Esman, 1974: 67-75). These findings are supported by the UNRISD studies which concluded that cooperatives that had the greatest impact on the community were multi-purpose (UNRISD, 1975: 41). Yet the prescription is contradicted by the work of Korten and Tendler.

The resolution to this conflict within the literature lies in a recognition of the very different contexts to which the prescriptions are being applied. Both UNRISD and Uphoff and Esman state that relative homogeneity in the community is a prerequisite to cooperative success. Their recommendation of multi-functional organizations thus applies to a setting in which local elites have similar interests to those of the poor and in which their managerial skills can then be used. Tendler's and Korten's research was conducted in societies where inequality is a very serious problem, however. Thus they are discussing limited local organizations for the poor, not inclusive

cooperatives with congenial elite leadership. The more difficult setting within which limited local organizations must survive dictates Tendler's and Kortzen's preference for single-function groups.

Uphoff and Esman are still correct in suggesting the need for multiple-tiers of local organization, but their argument for multiple functions at both the local and intermediate levels is not applicable to limited local organizations of the poor.

The primary critique by Uphoff and Esman of single-function local organizations is their inability to integrate functions and achieve organizational economies of scale. They are aware of the tradeoffs posed by these institutional designs.

There are serious risks in attempting to encompass too many interests or functions in a single organization. It is then vulnerable to immobilization through factional strife, corruption or leadership inertia. To have a great many functions committed to a single local organization may overload its limited capacities, concentrate excessive power in a few hands, or lead to the neglect of some activities. Opportunities for developing membership participation and local managerial capabilities and leadership may be limited. Yet the risks inherent in having a large number of small, specialized single-purpose organizations are more severe. They are likely to be too small in scale for efficient operation and unable to integrate with other specialized activities, thus imposing an unnecessary and unwelcome burden on farmers (Uphoff and Esman: 73).

Uphoff and Esman's analysis stresses form not function--"multifunctional organizations, then, have definite advantages in scale and in capacity to integrate services"--which presupposes that such integration is a necessary feature and is in the interest of the local producers, thus stimulating local participation. While both postulates are true in homogeneous settings, they are doubtful in inegalitarian ones.

Their analysis is based on two related organizational requirements which they contend should exist at all levels of local organization: redundancy of function; and multiple linkages achieved by maintaining multiple functions. This design perspective contradicts the limited local organizational attributes suggested by Korten and Tandler by stressing organizational form, complexity, and multiple functions. Our research indicates that single-function production units do provide redundancy and that multi-function production units (i.e., cooperatives) limit, if not negate, redundancy. Redundancy is critical within the sector and function rather than within the organization. In an environment which is congenial to cooperative success, local organizations can be trusted to handle several functions. In a more threatening setting, however, putting all the functional eggs in one basket dangerously reduces the poor's exit option and increases their vulnerability to exploitation by organizational leaders.

While single-function ad hoc organizations logically will induce more local participation, they do pose an organizational problem that Uphoff and Esman recognize--the need to integrate a multitude of local organizations. Even if single-function organizations are appropriate at the primary level of local organization, are they appropriate at the secondary, intermediate level? Tandler's study, which treats the topic of federations and other group-assisting organizations in an inegalitarian setting, rejects the multiple-function view and suggests that these secondary institutions should approximate the characteristics of the primary institutions.

AID has usually conceived of federations as multipurpose organizations. This usually involves too complex and sophisticated an operation for a new organization in a difficult environment. . . . AID should finance only with great caution those organizations that are set up to be multipurpose from the start--or even locked

in by their programming to be so at some future date. A single task should be chosen. Decisions about how the organization will grow should be made only at a later stage, since information on the appropriate design of successive stages will be available only after the organization's initial experience. Even tentative plans for future stages tend to get adopted by default, in lieu of careful midstream evaluation of projects (Tendler: 18, 20).

Not only does Tendler's empirical evidence indicate the effectiveness of single-function federations (e.g., credit unions), it also demonstrates that an ad hoc brokerage role tended to be associated with effective federations. Rather than provide a function directly, these federations were effective in combining the demands of single-function primary organizations and directing them to other agencies.

An important distinction to be made in discussing the design features of secondary organizations is whether these intermediaries are designed to facilitate bottom-up or top-down organization. Intermediate organizations that stem from the center are multi-purpose and distribution-oriented. The complexity and scale of these organizations insures central control and local dependence. Intermediate organizations that represent limited local interests of the poor are single-function, production-oriented and facilitate local control if the structure is kept simple.

A crucial point in this debate about multi-function versus single-function intermediaries is that limited intermediate organizations should be mechanisms by which local groups can place demands on the center. In developing countries, politicized intermediaries are needed to "reach up" to the administrative agencies and place demands. At some point inclusive integration does have to occur to coordinate local demands, central directives, and local administrative programs, so that development proceeds in a coherent fashion. This integration should occur at the district government level,

but it should not preclude or usurp local intermediate organization. Integration lowers the potential for participation (Cohen, 1980: 66). It also inevitably leads to the imposition of the unifying vision of whatever elite prevails in the institution of integration. Thus integration should not be required of limited interest organizations whose special purpose is to service the poor.

The image of a federation or secondary hierarchy in an inegalitarian society, then, is one of an intermediary or "switchboard" organization that channels the demands of primary single-function organizations to the appropriate public and private agencies rather than itself coordinating and supplying multiple services. Implicit in this approach is the assumption that horizontal integration of service delivery at the local level (federation level) is both costly and detrimental to the process of local group formation. The secondary institutional level emerges out of the attributes of the primary level through the vertical expansion of single tasks and the minimization of complexity through limiting horizontal task expansion. Linkages from the primary organizations should remain single-function and vertical, and this is best achieved if the intermediate organizations are also single-function, especially if they are simply brokers, because then they lack a substantive capacity to coerce primary organizations.

There is a tendency to link primary organizations with multi-function secondary organizations, which not only reverses the appropriate direction of institutional development (bottom-up), but also makes the linkages more complex and thus tenuous. The institutional blueprint for intermediate organizations in inegalitarian settings, then, should entail the vertical extension of single functions and the establishment of brokerage roles that

facilitate vertical cooperation. This institutional prescription is quite different from the current emphasis on rural integrated development (horizontal integration) at local levels. The preferred approach detailed here stresses the retaining of single-function non-integrated local limited groups and single-function vertical linkages such that cooperation is achieved vertically--above the secondary interest organizations. "[L]ocal outputs and needs are handled by major commercial (exchange) or administrative (hierarchical) organizations at a regional or higher level requiring any 'horizontal' grouping of the poor with each other (Johnston and Clark, Chapter 5)."

Incentives for Organizations Versus Organizing the Rural Poor

Perhaps the key lesson of cooperatives is that organization cannot be imposed on the rural areas. Effective local organization must stem from local impetus and indigenous forms. Even the intervention of suggesting a structural form is counterproductive, as such assistance will give the organization an alien stigma. The issue of organization is crucial for reaching the poor, as the poor are weak both because they have no resources, and more importantly, because they have no mechanisms by which to demand and pool resources.

Organizations for the rural poor are weak and they often raise elite hostility. Also, organizing in developing societies is a political act that poses a threat and creates the potential for conflict. In such settings the task then becomes one of how to assist the poor's organizations without appearing to have a conscious organizing strategy. Cooperatives often fail

or are closely restrained by both the center and local elites, precisely because they are a manifest rather than a latent organizing strategy.

The alternative to organizing is the provision of incentives which will induce the rural poor to create their own organizations. An incentive approach to reaching the rural poor has several advantages over the formation of organizations which have a structural imperative for extensive and continuous linkages. Incentives can be discontinuous; they focus attention on the development task rather than the development organization; and they are less tangible than organizations, thus eliciting less of a threat. Incentives facilitate an institutional redundancy strategy by encouraging multiple organizations and allowing organizational failure. Redundancy is not stressed and is often impeded by strategies that impose blueprints. Redundancy is a crucial strategy for assisting the poor, as it preserves the only option they possess--exit. The poor must be given choices between service organizations, which will foster organizational competition to improve service delivery.

The incentives versus organization debate suggests that there are two very different tasks for linkages: the stimulation of local organizations and the sustaining of existing organizations. Stimulation is a much harder task for an external agency to achieve because resource incentives must be of both appropriate quality and quantity to induce local resource contribution yet prevent overload. Perhaps the most difficult part of an incentive strategy is to allow incipient organizations to fail and not to support an overly dependent local organization. Korten's study indicates the high failure rate (90%) of local development initiatives and the need to support

organizations that survive initial development as they demonstrate their viability (Korten, 1980: 502).

Deciding to bypass existing cooperative organizations and to directly organize alternative local limited organizations in most countries would require a major social transformation.

There are several structural factors that may limit the development of new organizational approaches in developing countries. One is the weight of vested interests in present patterns of land exploitation and trade practices. Another concerns features of caste and class systems that prevent full participation of subordinate groups. A third factor is the control exercised by central political and religious authorities or other external agents (UNRISD, 1975: 20).

Incentives pose less of a threat than externally organized structures of the poor and are more feasible when central political support for social transformation is weaker.

The incentives versus organizing debate is more complex with respect to productive activities because the rural poor prefer amenities and do not perceive production as a high priority for group activity. They also seek to reduce the communal content of production in order to lower the threat to their subsistence. Organizations of the poor that engage directly in production not only add uncertainty to the production process, they often attract elite hostility, which requires that production organizations be tightly protected by the center. Given the rural poor's greater interest in amenities, it may be more appropriate to initially encourage institution-building around physical infrastructure projects which support agriculture, such as irrigation, storage facilities, and roads. These allow an incentive approach and the gradual development of local organizing skills. Organizing more directly for production could then be attempted after there has been

some experience and success in local self-help. Cooperatives, for example, were generally found to be more effective and have more participation in areas that had experienced community development programs.

Examples of incentives that could be used to stimulate local organizations are the provision of: material inputs for small infrastructure projects; government land and water resources which can be collectively developed; legal guarantees which limit both elite and government expropriation of collective resources; and credit available only to groups. The most common incentive is the provision of materials for constructing an infrastructure project which requires the contribution of local labor. An incentive approach requires that resources be provided which complement but do not exceed the management capacity of rural dwellers and which induce participation.

Linkage Sequences

We now consider the sequences of linkage development, which can be analyzed in terms of the development process of limited local organizations. Korten's study concludes that successful rural development requires effective institutional development through a learning process approach rather than an imposed institutional blueprint. While Korten's study is written primarily from the standpoint of international donors and how to improve the donor's performance, it illustrates fundamental development stages for limited local organization and thus the stages of linkage development. Linkage "design," then, should facilitate this learning process. Korten contends that institutional development proceeds through three phases: effectiveness; efficiency; and expansion (Korten: 499).

The first phase, learning to be effective, requires that the organization be unconstrained by standard administrative procedures, much less an institutional blueprint that sanctions only certain directions of evolution. This period requires assistance linkages--primarily personnel--which assist local groups in understanding the processes of organizing.

It is a time of investment in knowledge and capacity building--learning what is required to achieve fit for a given time and setting. Not only does it involve basic learning about community dynamics--even learning what are the relevant questions to be asked--but it also involves learning how to learn through an action research process. As in the beginning of any learning process, it should be considered normal for error rates to be high, though on a downward trend, and efficiency low (500).

The characteristics of this first phase imply linkages of modest financial amounts, a willingness to experiment and fail, and a commitment of adequate personnel to assist in the organizing process. These program features sharply contradict the features of capital-intensive infrastructure programs which impose an institutional blueprint and a large financial "carrot" to implement the designs. Korten argues that providing sizable initial funding destroys the learning process and the incentive for local groups to improve their performance to justify further resource allotments. Further, the traditional emphasis on extensive institutional design criteria conflicts with an important attribute of successful projects--"They were not 'designed and implemented' . . . they and the organizations that sustained them 'evolved and grew' (501)."

The second phase of organizational learning, efficiency, entails a withdrawal of external personnel resources and perhaps the provision of modest material resources. The key attribute of this stage is allowing the organization to function with its own resources and determining the fit between form and function.

In Stage 2--learning to be efficient--the major concern shifts to reducing the input requirements per unit of output. Through careful analysis of stage 1 experience, extraneous activities not essential to effectiveness are gradually eliminated and the important activities routinized. . . . In Stage 2, there should also be serious attention paid to the problem of achieving fit between program requirements and realistically attainable organizational capacities, recognizing the organizational constraints that will have to be accepted in the course of program expansion (500).

Stage Two is a consolidation phase which should not be impeded either by providing new resources to the organization or by adding new functions.

Control linkages become more important at this stage, particularly supportive types that establish administrative standards and provide crucial management services such as accounting. Successful completion of stage two indicates that the organization is capable of surviving and control and assistance linkages should not substitute for but facilitate the organization's capacity to survive.

Stage three of organizational learning is the program expansion phase. Given the effective incorporation of control linkages that characterizes stage two, stage three entails an increase in facilitative linkages that channel resources to promote the program's expansion. The organizational routines will already be established and this, coupled with the control linkages, will determine the pace at which the organization expands. "The rate of expansion will be governed largely by how fast the necessary organizational capabilities can be developed to support it. (500)" Only after stage three is completed should an organization be considered capable of task diversification. Even at this mature stage, the addition of a new task may require the repetition of the learning cycle unless the task is compatible with the existing organization.

Korten's analysis implies a sequence of linkages for assisting indigenous organizations: at the effectiveness stage, the provision of redistributive assistance linkages (primarily personnel); at the efficiency stage the provision of supportive control linkages; and at the expansion stage, the provision of equalizing assistance and supportive controls (added management staff). Korten's analysis also suggests the tendency of the government and donor agencies to overload local organizations by compressing the stages. This is particularly true of organizations in the stage two phase, as there is the tendency to both expand the task and to add new tasks.

The type of projects that embody the learning sequence which Korten details violate two imperatives of donor assistance, as well as the administrative styles of many developing countries: high control and quick disbursement of large amounts of funding. While the first phase (efficiency) of a project may be able to absorb only 5% of its projected budget for services, large numbers of agency support personnel are required for this stage (502). Recognizing the incompatibilities between donor policies and the learning model of development, Korten suggests a division of labor be devised for agencies according to their relative capacity to intervene at a particular stage. A crucial question is whether any governmental agency at present is capable and willing to accept the demands of stage one assistance--"a highly qualified staff, substantial programming flexibility, and no qualms about taking on high risk, staff-intensive activities (502)." Personnel assistance for group organizing is also politically difficult. Hence the need for governments to concentrate only on incentives to self-organization. One possible approach is to accept the inability of governments to intervene

directly at stage one and to use private organizations such as the Fundacion del Centavo to channel initial support.

A major conclusion of Korten's study, that high levels of initial funding retard if not destroy local project learning, is contradicted by Tandler's research. Some projects entail a fixed duration and the provision of a large initial sum focuses the local groups on task-achievement rather than institution building (Tandler, 1976: 20). The provision of a lump sum, combined with a clear indication of termination, may limit unnecessary attention to organizational design. Examples of such fixed period tasks which require high levels of initial capitalization are acquisition of water, land, and other infrastructure elements (20). This recommendation, though, presupposes that an adequate institutional basis exists for achieving the task. Korten's approach stresses that even when the task is "self-evident," institutional development is difficult and highly susceptible to distortions generated by large initial capitalization. What Tandler's and Korten's research seem to illustrate is that institution building and task achievement are distinct processes which often have conflicting imperatives in terms of the nature of external support. Tandler's finding concerns local physical infrastructure projects and to the extent that local organizations undertake these projects, or more broadly, to the extent that local development is the creation of local physical infrastructure, the dynamics of one-shot financing affect the character of local organization. Korten's imperatives would apply to projects that require continuity--such as irrigation--and embody slow institutional learning. Restated, there is a difference between a sequence of support for creating local organizations.

Tendler's work makes a valuable contribution in detailing the role of termination in a linkage sequence. Thus four stages of linkage development can be discerned: efficiency, effectiveness, expansion and termination. The latter means the cessation of resource support to an organization, and not organizational termination. Organizational termination is not necessarily an outcome of such termination, though a crisis of institution building is created which may weaken and destroy the organization or strengthen it further. Korten's study also discusses termination with respect to the attrition of programs, moving through the three stages of learning, particularly the first stage. The high failure rate (approximately 90%) of first stage projects is a major reason why Korten argues for the need to limit initial financial resources and to expand personnel--so that fixed resources do not force the continuance of an ineffective program and because failure provides rewards in terms of personnel learning.

Tendler's discussion of termination focuses on international donor linkages to local projects but her findings apply to all central agencies that hope to eventually withdraw their support from a limited local organization. This is especially true of non-governmental organizations. For example, termination is a central feature of the Fundacion and it demonstrates the value of forcing limited local organizations to institutionally develop, not just to sustain programs themselves. Termination also forces the local organization into a bargaining position with the assisting agency, as demands do not have to be moderated due to a belief that assistance will be continued.

The crisis of AID termination is an important part of an organization's growth, however, which is aborted when AID rushes in to alleviate it. . . . Those relationships between AID and recipients that were amicable over a longer period of time, and involved continued renewals of assistance, also made considerably less progress in self-sufficiency. . . .

[T]he AID-created programs that survive AID's departure have typically become fed up with AID, and vice versa. This can be seen as a sign of (1) the healthiness of a new organization which has its own ideas about how to do things; and (2) the need of politically significant programs with small farmers to show their constituencies that they are considerably separate from AID (35-36).

Termination has implications for the type of channels used to link small farmer organizations, particularly whether a public or private sector approach is used. Private sector approaches to linking small producers have been particularly effective (e.g., the Fundacion del Centavo) and donors tend to use them "because the public-sector approach was considered paternalistic and 'top-down' (17)." While a private sector approach may be more effective in organizing small producers, the exclusion of public sector sources of support may create dependence and a strain on the agency, as well as program failure with the advent of termination.

This research indicates that termination is a crucial feature for an effective strategy of local institution building, but is not necessarily essential or compatible with task achievement. This is, while termination and organizational conflict are important processes in the establishment of viable local organizations, such "autonomy" is not always compatible with task achievement, which entails continued support.

At this point it is useful to review Tendler's policy recommendations for linkages to local organizations which enhance their self-sufficiency (38).

1. Penalties for not meeting self-sufficiency targets should be built into programs, as well as rewards for doing so.
2. Hard-and-fast termination dates for assistance in institution-building should be drawn.
3. Services should be financed that will generate income for the organization, rather than financing the organization's budget.

4. The service to be financed should be chosen on the grounds of (1) its easiness and workability as a task for a new organization; and (2) the extent to which peasant groups have shown themselves interested in and willing to pay for this kind of service in the past (e.g., land acquisition).

5. Programs of budget support to institutions or parts of them should plan from the start to alter the form of assistance at a later date to one that involves considerably greater distance. This will allow the organization to have its own ideas without being punished by withdrawal of its support. Interest income from credit is one such way of providing support with distance; credit provided through intermediate financial institutions . . . is another.

Termination is a key sequence of linkage development that has not been adequately assessed in the development literature. Termination is a logical sequence if one's institutional prescription for organizing the rural poor is the creation of small, ad hoc single function, task oriented organizations. Termination not only limits the complexity and duration of tasks, it insures that the redundancy of multiple local organizations is retained. A precondition of a termination policy by either the state or an international donor is that the local organizations are expendable--that they can fail. Cooperatives and their networks of federations provide only single organizational channel, thereby forcing the administration to maintain that channel despite inefficiencies and increasingly dependent local organizations. Cooperative networks negate redundancy and prevent the administration from selectively intervening and disciplining local organizations by threatening and actively terminating assistance.

The UNRISD study prescriptions for high impact cooperatives which suggests the value of high assistance and low control linkages should not be applied to small, limited local organizations. Continuity of high assistance linkages is a feature of cooperative institution building in homogeneous settings.

Assistance linkages that are of moderate levels and are discontinuous are perhaps more suitable for effective limited local institution building. These assistance demands are more compatible with the resource capabilities of developing countries.

The termination sequence also has implications for the role of control linkages. Termination illustrates how the withdrawal of assistance has a regulatory consequence in that the local organization can be punished effectively by withdrawing resources. Termination is a recognition of the limit of central administrative control over local organizations and the difficulty of reforming corrupt local institutions and strengthening them through control linkages. The pervasive existence of control linkages that UNRISD found among cooperatives is indicative of the weakness and corruptible character of cooperatives and the desperation of governments to sustain these organizations. Given the limits of central control, local organizations should be allowed to fail with the recognition of local responsibility for failure enhanced by a termination policy. To make local organizations viable, there must be pressure placed on local leadership by both the state and the members themselves. Entanglement of the state with a faltering local organization through control linkages prevents the creation of this balanced pressure on the local leadership and deflects the blame for failure onto the state. A policy of termination allows both the successes and failures of local organizations to strengthen the indigenous institution-building process.

In terms of implementing a termination policy, it is important to consider that a variety of sequences are possible. Termination can be done in the initial stages of project development through a large grant of resources accompanied by a clear understanding that further resources will not be

provided. This strategy presumes that the recipient organization is administratively strong from the start. Termination also can be conducted through a gradual withdrawal of resource levels. Whatever sequence is adopted, though, a clear timetable must be communicated and the perception of termination made apparent to the recipients.

A further issue about termination of support is that it is dependent on the function of the organization and the character of financial support received. While infrastructure projects may be compatible with "one-shot" financing given a definable objective, ongoing agricultural projects do not have this characteristic. Further, they often have a tax base which furthers the autonomy of the organization and limits the extent that termination can be credibly imposed. Thus while termination may create an organizational crisis that strengthens the institution-building process, continued support is needed for task achievement.

Conclusion

A discussion of termination policies is an appropriate topic to end a chapter on agricultural linkages. In concluding, though, a few points made earlier should be reinforced. First, productivity projects are highly susceptible to elite domination and corruption. Unlike infrastructure projects in public health or public works, agriculture in developing countries has persistently defied attempts by administrative centers and international donors to direct development. The fact that the poor are dispersed in rural areas inherently weakens their capacity to organize and press demands to improve rural production. Inextricably related to the issue of linkage is the issue of organization, which has been difficult to affect, given the

individual character of agricultural production. Perhaps more important than the establishment of linkages is the structure of local organization created by linkages. The discussion of incentives versus direct organizing underscores both the difficulty and undesirability of imposing organizational forms that threaten local elites and require continuous linkages which weak administrations have difficulty sustaining. While the crisis in developing areas would suggest a maximum organization-linkage strategy, this research indicates the value of a mini-max solution--support of only those local organizations that can be protected. A strategy of politicizing local organizations, therefore, must be cautiously used and is dependent on whether extensive regulative linkages can be sustained by a committed center. Finally, our research indicates that without major social change, the shift from bimodal to unimodal agricultural development must be incremental. Incremental improvement of the productive position of the rural poor, though, will be an achievement and a major step in achieving basic needs development.

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Chapter V

HEALTH CARE LINKAGES IN THE THIRD WORLD

Sven Steinmo

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by

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Health care delivery to the Third World's rural poor is often inadequate, inappropriate or nonexistent. No more than 25 or 30 percent of the population of most LDC's use any part of their countries' health delivery systems (Clinton, p. 257) (McGilvray, p. 6). N. R. E. Fendell has written:

Medicine throughout the twentieth century has been brilliant in its discoveries, superb in its technological breakthroughs, but woefully inept in its application to those most in need . . . the implementation gap must be closed (Fendell in Smith, p. xiii).

This "implementation gap" all too often characterizes the delivery of health care in the Third World. One frequently observes high-cost and high-quality medical care provided in the major cities for the national elites, while the rural communities receive little or no medical attention. Moreover, and this may prove to be a far more important point in the LDC context, the type of medical care we of the industrialized world have come to expect may be wholly inappropriate for traditional societies.

Long-held maxims about providing rural health care are being proven invalid. All those involved in planning, funding and delivering services have learned that health services designed and implemented from the "top" and "handed down" have often failed to attract villagers' participation or to affect their lives (Clinton, p. 259).

Thus, we see a broader problem than simply the extension of modern medical facilities into the rural periphery. Even if it were feasible to accomplish such a task (and in many, if not most, cases it is not), the advisability of such a strategy is in doubt. The point to be made here is that "health" itself is a problematic concept. Our modern technological orientation has led us to see the medical profession as "producers" and the unhealthy as "consumers" of health. A

more appropriate definition for our purposes of "health" is "well-being" or the absence of sickness. Using this definition, "health care" becomes those activities which maintain or promote "well-being." This, then, does not permit us to delimit the notion of "health care" to simply curative medicine. Our technological orientation has allowed us to forget that the major advances made in "well-being" in the past century have had as much to do with standards of living as with "medicine." These advances have been products of changes in sanitation, housing, clothing, and nutrition. It is a sad and obvious fact that no amount of medical help can save a child dying of malnutrition. It is equally true that though you can rehydrate a child suffering from amoebic dysentery, you cannot "save" all his kin until you remove the amoebic contaminant from their living environment.

The point here is a simple one. "Well-being" or "health" is a product of the socioeconomic environment in which the individual lives (Blum, 1976, p. 9). It cannot, at any price, be purchased from an M.D. "Health," then, is a concomitant of social change, and those who are truly interested in increasing the "health" of the rural poor need to look for those structures which point towards avenues of social change. Gunmar Myrdal puts the issue quite well when he says:

The standard of health depends on the whole social milieu, especially the prevailing attitudes and it's institutions. Some of the most important reforms in the field of health and education are of necessity social reforms. (Myrdal in Kroeger Plos)

It is precisely the inability or unwillingness of health planners to see "well-being" as a concomitant of social change which has undercut so many well-intentioned attempts to deliver "health care" to the rural poor. Not seeing the connection between "well-being" and social change has been the principal reason Third World health planners all too often support programs emphasizing high-cost curative care which prove to be dismal failures in terms of promoting the rural poor's "well-being."

It is a combination of the curative medicine's inability to reach the rural poor and the immense scale of the rural poor's health problems which have encouraged many international donor agencies (such as USAID, WHO and UNICEF) as well as some national governments to reevaluate the medical-technical orientation towards health. Faced with the reality of painfully small budgets and the staggeringly high cost of training Western-style M.D.'s, these actors are increasingly interested in new approaches to improving health in rural areas. These approaches tend to focus on preventative rather than simply curative medicine and utilize paramedical personnel and/or village health workers. (See, for example, D. Flahault, Gish, 1973, Storm, Djukanovic and Newell.)

We shall describe these various alternatives in greater detail below. But it is enough to say here that while modern medical education is oriented towards delivering curative care, it is unquestionable that the most pressing health needs of the Third World lie in the arena of "preventative medicine." Malnutrition, malaria, gastrointestinal parasites, tetanus, whooping cough, tuberculosis, trachoma, cholera and typhus are not always "curable" in the medical sense. But as the experience of the Western world demonstrates, these diseases are largely preventable. To "prevent" these diseases, however, requires social change at the village level. It is not simply a matter of prescribing pills or giving immunizations. Prevention of the great Third World killers requires a change in the very way of life of the villager. Culture, custom and religion have upheld many unsanitary or otherwise unhealthy practices in rural villages; to change these practices requires intimate communication with, and understanding of, the village. This linkage is often impossible for the Westernized M.D. to attain. The village health worker (VHW), on the other hand, does not have this linkage problem, at least not to the same degree. Rather, the VHW's "linkage" problems

usually arise vis-a-vis the medical profession. At any rate, it is clear that the education of these auxiliaries can be geared to the population served. Indeed this is because the auxiliary is ideally of the population served.

Linkages and Health

The central theme concerning linkages in the health field which has emerged from our review of the literature is the difficulty of establishing links between the medical profession and local organizations capable of providing health services. Intergovernmental questions about which levels of government and what types of government agencies should administer the programs are largely absent from the health literature. This lack of concern with governmental structural questions in health contrasts with the attention given to those issues in agriculture and public works.

The promotion of new priorities for rural health is especially difficult in this program area because one mechanism for promoting redistribution is not available--namely, local pressure. In other program areas, the poor can be organized to challenge the dominance of elites and these upward pressures can stimulate the creation of supportive national linkages from sympathetic agencies. Whereas poor rural dwellers want water for crops and access to credit and markets, they often prefer curative to preventative health. They may accept the medical-technical orientation and thus not create pressures which will promote preventative medicine or the social changes which will improve their standard of living and thus their health. (See Elliot, p. 3)

It is also important to stress that there is no single "best way" to deliver health care to the Third World. The immense variations among nations necessitate different approaches in different situations. The differences between countries

will determine what is culturally acceptable, economically viable, and politically feasible. Without knowing the specific case it would be useless to design a prescriptive model to be carried from capital to capital.

In this chapter, we shall analyze four health care delivery models extant in the world today; hospital-based, task-force, clinic-based and village-based. We shall focus largely on the two latter models both because we see them as far superior in terms of helping the rural poor, and because they have received a great deal of attention in the literature in the last few years. In the first two models we will focus on linkage issues which pertain to the power and influence of national elites. Here we hope to bring out the importance and weight of these issues on the development of any national health programs. In our third model we shall focus on the linkages between structural units which this model usually attempts to, but rarely succeeds in, accomplishing. And, finally, in the village-based model we will focus on what we see as the most important linkages in this issue area: those between modern medicine and the village. Here we will attempt to describe the problems of establishing "linkages" or working relationships due to social and cultural barrier between traditional society and modern medicine.

Hospital Systems

The first model we shall examine is the national hospital case. By this we mean cases where most, if not all, of the nation's health care budget is spent on large-scale modern hospitals which are usually confined to the major cities. It is important to note that almost all countries (developed as well as developing) fit into this model broadly speaking. This is to say that almost all nations spend an extremely high percentage of their health care budgets on high quality/high technology care. What is distinctive about the nations which we have placed

in this category is that they do not at the same time make significant investments for the delivery of health care to the vast majority of their populations--the rural poor. Additionally, the reader should note that though we mention only a few countries here, a grossly unequal distribution of health care resources is the norm rather than the exception in most of the third world.

These countries tend to possess highly centralized political systems and for this reason alone it should come as no great surprise that their health care delivery systems are also centralized. Clearly, those who have political power will demand the best health care that their power can buy. This seems to necessarily mean large university-type hospitals. But again, almost all nations have these hospitals. What is different in these countries is either a lack of concern for the politically impotent rural population or--equally realistically--a lack of funds once the large hospitals have had their share. Charles Elliot presents the issue quite well:

I think it is important to emphasize that the urban bias of health services had a logic (if perverted logic) of its own. It did not result only from a wicked oligarchic plot to hog the largest share of the medical cake (which is a picture some more incautious left-wing critics tend to imply), but from an uncritical application of (basically Western) economizing algorithms to a situation of extreme resource scarcity. If medical facilities of all sorts are in desperately short supply, it is neither wicked nor foolish to deploy them where they are most likely to be used. (Elliot, 1975, p. 3 Contact 28)

Though the motivations for these systems may not be wicked or foolish in terms of national political and medical elites; these hospital-based systems are, according to the Christian Medical Commission, "both ineffective and inefficient." (Contact 16, p. 3) One example of this model is Bolivia. The people of this small American nation have, according to AID (USAID, 5110453), the worst health status of any American nation. It is also (and this is surely no small coincidence) the poorest nation in the hemisphere. In Bolivia virtually the entire budget for the nation's health care system is spent in the University of Medicine and the

large hospitals in the major cities. Even though the Ministry of Health (hereafter referred to as MOH) is charged with delivery of health care to the 80 percent of the populace living in the rural communities, AID estimates that only between two and ten percent of the rural health care needs are being met. Though the University of Bolivia produces 220 doctors a year, virtually all these doctors stay in the big cities or move to America.

But what is most interesting about the Bolivian case is that the problem does not stem from a lack of governmental attention to health. In all, there are 37 public agencies dealing with health care delivery in Bolivia, which contribute to what AID has called "a cumbersome and fragmented centralized bureaucracy." Despite this uncanny number of agencies, there are apparently few linkages between them. Rather, each is concerned with its own constituency and uses its resources to maintain its political support. (The most important agencies are MOH, Social Security System, National Social Development Council, railroads, National Institute of Colonization, National Road Service and Public Works and Development Corps.) Through these groups Bolivia channels \$52 million a year for health.

There are few, if any, linkages between the center and rural poor, while at the same time (and maybe for the same reasons) the linkages between urban elites, the medical profession, and government decision makers are very strong. The central problem in this example is not administrative weakness (though this certainly is a problem); rather, Bolivia seems to be a clear case where there is a lack of political will on the part of political decision makers to deliver health care to the rural communities. Though the MOH is charged with delivering rural health care, it is clear from the AID evaluation that their major institutional linkages are with the University of Bolivia. Hence their budget, which is small (remember, a single large-sized American hospital can have a budget larger

than \$50 million), is apportioned out according to the strength of the MOH-University linkage. Thus the MOH spends 75 percent of its budget on urban hospitals and 25 percent on rural health care. The orientation of the MOH in Bolivia is to provide high-quality care to the upper and middle classes of society, rather than reduce that quality and spread out delivery. Virtually all medical students are members of the upper class and hence start their education with an orientation towards quality care and not quantity care. Moreover, it has been noted that "no amount of money could induce these people to move into the primitive bush." (Caetano 1980; See also, Ronaghy 1973) Thus, we see here that the social relationship as well as the institutional power of these M.D.'s prevents the development of a rural system in Bolivia.

These problems are not, however, limited to Bolivia. Brazil, for example, is another case which fits this model. What is most remarkable here is that there is a gross oversupply of M.D.'s in most of the large Brazillian cities. In cities such as Rio de Janeiro and Sao Paulo the doctor-to-patient ratio is so low that many M.D.'s join the army simply so that they can survive. (Caetano 1980) Still, Brazil suffers from a drastic undersupply of doctors in the vast majority of the country. (Penido, pp. 38-40) Despite this, the Brazilian Ministry of Health continues to allocate most of its budget to the large city hospitals and not to rural health care.

The final case in this section is a reminder that while some Third World nations are turning towards the use of auxiliaries for the delivery of health care, it is far from a universal trend. In fact, most of Francophone Africa which had such systems established while under colonial rule is cutting back the use of auxiliaries. (Note that Algeria is an exception to this trend. See A. M. Laib, pp. 16-25) P. Pene (Lancet 1973) tells us that this move is part of a growing sense of "nationalistic pride." While the nations were colonies, the

French established a two-tiered system with qualified doctors and registered nurses serving the elite and auxiliaries (medicine Africains) serving the black population. (For an historical analyses of the development of medical auxiliaries throughout the Third World, See N. R. E. Feudal World Health Magazine, pp. 4-8.) Since independence, however, there has been a growing tendency to spend scarce national resources on "qualified" doctors and nurses and to eliminate the former "racist" institution. This, as we have shown before, is both a poor utilization of scarce funds and of limited utility in terms of sorely needed preventative medicine. This tendency is by no means reserved to Franco-phone Africa. (See Gish, Lancet 1973, p. 7251.)

In conclusion, the most important linkage in these cases has been between medical elites and national political elites. In some cases the medical elites dominate or control the MOH; in others they have de facto, but not institutional, power over it. Moreover there is usually, if not always in the Third World, a meeting of interests between elite providers of health care and other national elites. The doctors are oriented towards providing high-quality care. This kind of care is almost always technologically oriented, hospital-based and very expensive. Other elites in these countries, for obvious reasons, want high-quality care available for themselves and their families and they have the political power to make sure they get it. (Navarro, 1974, p. 20) This is true for all countries, not simply the few I have mentioned above. What is distinctive about these countries is that they have financed only these urban-hospital systems, while many other countries also finance rural-auxiliary systems.

We have tried to elaborate how linkages--social, cultural and even ideological--between elites at the national level (medical and political) create demand for high-cost care despite the obvious disadvantages in terms of budgets. Moreover, we must conclude that when there are no political linkage mechanisms through which

the periphery can make health demands on national elites, as in South America, the countries' scarce resources are not likely to be spent on the periphery.

Task-Force Interventions

The second model of health care delivery we have examined can be called "task-force" interventions. These are large-scale highly centralized programs which attempt to immunize large segments of the population or eradicate wholesale major vectors in the environment.

Most Third World countries have engaged in mass immunization and rural development plans in an effort to raise the health status of the rural poor. WHO, UNICEF and USAID have often promoted these programs which have had widely varying degrees of success. Smallpox, formerly one of the world's greatest health problems, has virtually been eliminated through these mass immunization programs. Other similar interventions have proved less useful. It is today somewhat controversial as to how far to take these military-style modes of medical care delivery.

The general argument made here is that these programs do not change people's health consciousness nor change the way they live. In other words, this is an extremely expensive mode which does not get at the cause of ill health in rural villages.

D. Banheri presents the most adamant critique of this model which we have read. He states that while these programs (e.g., malaria eradication in India) are initially very successful the very nature of the way they are carried out prevents the development of a "health infrastructure" which can achieve the final eradication.

This failure has been responsible for a series of setbacks to the National Malaria Eradication Program, resulting in the costly reversion of large segments of the maintenance phase population back to the consolidation or attack phases. Instead of getting rid of malaria once and for all by 1966, as it was envisaged in the late 1950's, 40 percent of the population have yet to reach the maintenance phase. (Banjeri, p. 75)

Another author writes:

Moreover, the few rare and rapid tours to the bush made by more zealous doctors and nurses are often ineffective, so difficult, if not impossible, is contact between an urban official who arrives unrequested and a peasant who merely sees him come and go. (Fornier, p. 130)

It is interesting to note that these transitory interventions can be largely ineffective even when they are tied to relatively local "community" hospital centers. One such case is described by David Ross in Sierra Leone. (Contact 49, Feb. 1979, p. 2)

Another example which points to the problems of this "hit and run" approach is offered by an AID evaluation team who studied a sanitation project in Guatemala. The original project's goals were to "improve the quality of life of rural Guatemalans by creating sanitary and hygienic living conditions, and by having communities involve themselves in self-improvement projects" (USAID #5200231). This was to be done by building latrines and water systems in various rural communities. It was assumed that this would improve health by providing potable water and eliminating the breeding material (human feces) for disease-carrying flies. Two years later the AID evaluation said:

Unfortunately, communities are not benefiting to the extent they should from this project. Systems installed have never been revisited by the IRS's. Many faucets leak, creating muddy and unsanitary conditions. Failure to provide community Pilas for washing clothes also creates unsanitary situations since women must either wash in tubs near their homes with no drainage or walk long distances to traditional but contaminated water sources. Indications are that once USAID ceases, programs will deteriorate since GOC will appoint less qualified personnel and not maintain present wage levels forcing local experts to seek employment elsewhere.

The weakest part of the program, however, has been a deficient educational system. Community members need to be more extensively taught the benefits of using latrines. Most Guatemalans prefer defecating in their fields believing this benefits crops. Until proper sanitation is understood, the use of latrines will continually meet with resistance (USAID #5200231).

These interventions fail when they do not establish and maintain linkages to the village community. While immunization and sanitation programs are obviously important, the means chosen to deliver these services is fundamental. Attempts to accomplish these goals through mobilization of the community have clearly met with greater success, and as one might guess by now, the "village-based" approach is a significantly more effective means of attaining this project-community linkage.

Clinic-Based Systems

The next two sections will describe what are patently "better" approaches to the delivery of health care in the Third World. These are the "clinic-based" and "village-based" models. While we see an obvious distinction between these two models, one does not often find in the literature an elaboration of what each of these models might mean. The clinic system is an attempt to improve upon the traditional hospital-based system by decentralizing the delivery of health care. This model is usually characterized by a network of regional hospitals and village clinics staffed by a wide variety of health personnel, including doctors, nurses, midwives and an assortment of auxiliaries. The village-based model, on the other hand, at least implicitly brings into question the notion of "delivering" health care. As we mentioned before, "health" or "well-being" is much more a product of the social, economic, and cultural environment in which people live than it is a product of high technology (or even low technology) medicine. The village-based model, then, attempts to mobilize the community itself to attack

its own health problems. By creating new community organizations or motivating existing organizations the village-based model becomes involved in promoting social change at the village level rather than "delivering" curative medicine.

Still, there are many similarities in these two models. Both attempt to combat the problems of both the high cost of traditional medical care and questions of "inappropriate technology" by utilizing "auxiliary" or "community" health workers (CHW's). These new health workers have several advantages over doctors. The first is economic; while the education of an M.D. costs over \$84,000 at Dakar (Bryant, p. 260), it costs less than \$25 to train two village health workers in nearby Niger (Newell, p. 131). Moreover, with this minimal amount of competency-based training, it is highly unlikely that the illiterate village health worker will move to the United States or London, as is the case all too often with Third World doctors. This is a serious and prevailing problem in much of the Third World. For example, in 1965, 50 percent of the graduating class of Thailand University of Medicine moved to the United States immediately upon graduation (Bryant, p. 75). Iran has an annual 30 percent loss to the U.S. (Renaghy, p. 428), and India usually loses 27.5 percent of its M.D.'s to England or the U.S. each year (McGilvray, p. 16)j.

However, as compelling as the economic advantage of using paraprofessionals, auxiliaries, or village health workers in addition to doctors is, this new type of health worker has several advantages which in the long run may prove to be far more important than simply economics. To begin with, their training, precisely because it is new, is highly manipulatable. This means that the education these workers will receive can be made to best fit the needs of the local communities. Western medical education whose standards are understandably high is often impervious to the needs (medically as well as economically) of the rural poor. The story is all too often told of the ambitious and well-meaning M.D. who in

going from his medical school to the bush finds himself incapable of delivering the care he was trained to deliver. Without "adequate" supplies, equipment or facilities and unable to communicate to the rural villages--who are often socially, culturally, and linguistically completely separated from the M.D.--he goes back to the city to start up a curative-care practice. The auxiliary, on the other hand, is usually chosen from the village itself and is not trained in the use of high-technology medicine. Hence this worker has no (or at least fewer) linkage problems vis-a-vis the community. This allows much more open communication which is often necessary for patient education as well as diagnosis. Sheldon Margen has noted that auxiliary health workers are sometimes better at early detection of diseases such as leprosy than are M.D.'s.

However, though both models utilize these auxiliary health workers, the way in which they are used is fundamentally different. In the clinic-model the village health worker (VHW) is an extension of the clinic. His or her job tends to be to assist "qualified" professionals or to make "interventions" into the village. These interventions hopefully will draw villagers to the clinic or facilitate care for those who will not or cannot come to the clinic. In a village-based system, on the other hand, the VHW is based in the village and can be seen as an employee of the village and not of the clinic.

The major breakthrough normally comes when the community rather than the clinic becomes the actual focal point of program concerns and activities. Field workers consider their communities rather than their clinics as their primary bases of operation, and the clinic moves to the role of a technical back-up system. Field workers no longer simply promote and deliver on a one-to-one basis, but rather concentrate on building a network of community members who take on the promotional and delivery roles. (Korten, p. 4)

Thus these two models are different because of the nature of the linkages, not because they look different on an organizational chart. In fact they tend to look quite similar. What is different between the two is the relative importance

of which linkages. The "clinic system," as in India, stresses the linkages between structural units in the system. The clinic and/or regional hospital is the basic focus of attention. The "village-based" system stresses the linkage between the village health worker or team and the village. Though clinics are important to this model, the focus of attention is at the village level. The village system is primarily oriented towards "well-being;" the clinic system seems primarily oriented towards "medical care." We must remember, however, that these are not mutually exclusive concepts.

An additional note: It is important to realize that balanced analyses of these systems is very difficult to come by for the obvious reason that either of these systems is such a significant improvement over the conventional hospital system described above that few observer-participants are willing to portray them in negative light. To quote D. Kerton, "The experiences of the newer systems involved are more diverse and it's something of a problem to distinguish between plans and accomplished reality." (Kerton, p. 19) We attempt to highlight the problems as well as the "successes" of these systems in the hope that this will indicate the areas for linkage improvement.

India's history in the health sector, as in all sectors, has been much influenced by its colonial past. In India, like French Africa, there was a two-tier system of medicine at the time of independence. In 1947 there were 30,000 "medical bachelors" and 18,000 medical doctors (i.e., postgraduate education). And, again like French Africa, one of the first major health decisions of the new government was to abolish the three-year bachelor's degree in medicine. However, the new government, due to "political commitments made during the struggle for independence, [i.e.] the provision of health services to the vast masses of the people, particularly those living in rural areas" (Banjeri, p. 73), was forced to expand massively its output of medical doctors. Hence, since that time India

has opened 103 medical colleges with an annual admission capacity of 13,000 and has increased the number of doctors in the country to over 138,000. The MOH has also established an extensive system of national modern Western hospitals, 5,200 Primary Health Centers (PHC's) staffed by qualified doctors and 32,000 subcenters staffed by auxiliaries. (The system ideally is supposed to operate on a referral basis in which a patient who has an illness beyond the capacity of the auxiliary will go to the PHC; if the illness requires it, the patient will then go to a full-scale hospital.) Additionally, the government has--perhaps reluctantly--begun to finance 9,000 ayurvedic traditional Indian health care dispensaries and 195 ayurvedic hospitals with the roughly 150,000 registered ayurvedic practitioners. Thus, on an organization chart the Indian health system would look like a model to be emulated by the rest of the Third World. With multiple, redundant structures, highly trained staff and a genuine national political will to get health care to the rural poor, "success" would seemingly be a foregone conclusion. . . . But it is not.

According to Sheldon Margen, M.D., who has worked with the health care system in India, "The Indian system is a failure." Another analyst, J. A. McGilvray tells us "Each of the five-year development plans has been modelled on this approach and it has failed." (McGilvray, p. 8) The reason for the discrepancy between plan and reality is simply that organization charts do not deliver health care. Though the Indians have developed a strong institutional infrastructure, the individual practitioner's participation and hence the villagers' faith in the system is extremely tenuous. Moreover, the means of communication and referral of patients between tiers in the system is very poorly worked out. Hence, from the perspective of the ill villager who is referred from a rural health post (subcenter) to the PHC, "Why bother? They may walk for days to get there, only to find that the doctor has gone to New Delhi" (Justice 1980).

Thus the linkages between structural units are weak at best.

Two other problems are outstanding. First, the linkages between the practitioner and the villager is extremely weak, and secondly, the link between practitioner and the center (or city) is too strong.

One of the saddest ironies of the medical education system of India is that community resources are utilized to train doctors who are not suitable for providing services in rural areas where the vast majority of the people live and where the need is so desperate. By identifying itself with the highly expensive, urban- and curative-oriented Western style medicine, the Indian system actively encourages doctors to look down on existing facilities within the country, particularly in rural areas (Banjeri, p. 73).

Eric Ram makes much the same point when he tells us:

Even today the training of young doctors does not take the realities of the Indian situation into full consideration, and what is taught has little relevance to the social, cultural and economic needs of the majority of the people among whom doctors work."

The results of the inadequate communication between the provider and the patient, or for that matter between the doctor and his staff, are not only the alienation of the patient from modern medicine, but also the alienation of the M.D. from the rural village. Hence there is a powerful tendency for doctors to move to the cities or to the U.S. The urban population of India, which is 20 percent of the nation, has access to 80 percent of the doctors. This, of course, is not unique to India. Obviously it is a problem in the hospital-based systems which we mentioned above, but it is also a problem in many countries which have attempted decentralizing the health care systems. In many cases, as in India, there are real problems in simply keeping the M.D.'s at their health posts. (See, Ronaghy 428, Korten p. 16) Iran is another example where one-half of all the country's 10,000 doctors live in Tehran, while 3,500 live in the other major cities. (Ronaghy, p. 427)

McGilvray elaborates on the problem in India:

In a recent conversation with the director of Health Services of the state of Mysore in South India, with a population of 39,000,000, I was informed that there were at least 1,000 doctors in the state who consider themselves unemployed simply because they are unable to secure employment in the two larger cities of the state but refuse to go elsewhere because the locations did not match their expectations of what a doctor should do and should earn. In spite of this, I was assured that several of the primary health centers in the state, which should have a complement of two doctors each, still had no doctors at all. (McGilvray, p. 8)

There has been much discussion in India as to how to solve these problems. The solution fought for by the elites of the medical establishment has been to upgrade Indian medical services.

These foreign-trained doctors have been pressuring the community to spend even more resources to attract some of them back to the country by offering them high-salaried prestigious positions and very expensive super-sophisticated medical gadgets. These foreign-trained Indian specialists, in turn, actively promote the creation of new doctors who also aspire to "go to the States" to earn a lot of money and to specialize. Emphasis on specialization, incidentally, causes considerable distortion of the country's health priorities, thus creating further polarization between the "haves" and "have nots" (Banjeri, pp. 73-74).

The result, then, of this tension between the professional's desire for prestige and "quality medicine" and the politically dictated need for rural care and "social medicine" defines the character of the Indian health service. The "institutional infrastructure" is firmly in place (though clearly still sparse), but the practitioner commitment to providing care in this structure seriously undermines its utility. Moreover, because of this lack of commitment and the "skewed" orientation of practitioners in the field, the goal of preventative medicine is all but forgotten. Those doctors who are out in the field are horrendously overburdened with pressing, if not life-saving, demands for curative care. Clearly, when the demand for immediate care is as overwhelming as it is in these clinics, even those doctors who are "preventative-conscious" are unable to spend the necessary time for patient education, no less for social mobilization.

Thailand is another example of a clinic-based system of health care delivery. Here again we see a carefully worked-out plan for medical infrastructure but poor linkages between providers, the rural clinics, and the population. These rural clinics (PHC's) are the main channel for providing health care to the rural 80 percent of the population. The average clinic would, ideally, serve a population of approximately 50,000 people and cover an area of nearly 600 square miles. The staff of each clinic should number 37, including those manning the various satellite centers. The health team consists of a physician, two nurses, a senior sanitarian, a number of auxiliary midwives, sanitarians and nurses (Bryant, p. 75).

However, as students of administration have come to admit, plans are often poor predictors of reality. Of the nation's 600 districts, only 216 have these PHC's, and of these only 135 have physicians. While the doctor-to-inhabitant ratio in Bangkok is 1 to 940, in many rural areas it dips as low as 1 to 200,000. Despite the fact that Thailand was never colonized, the medical system's orientation towards scientific hospital-based medicine is unmistakable. This in turn encourages the all-too-familiar "brain drain." As we noted above, in 1965 50 percent of the graduating class of medical students immediately moved to the U.S. upon finishing their internship (Bryant, p. 79).

There are also important linkage problems between the community and modern medicine.

The difference between the inundated use of health services in middle Africa and the light use in Thailand is extraordinary. For example, the difference in per capita out-patient visits is nearly tenfold. (A physician serving a population of 100,000 usually sees only five to ten patients a day. The reasons for this light usage in Thailand are not clear. Clark E. Cunningham has observed that there is often considerable social distance between the government physicians and the people, a distance the people may be unwilling to cross. Or, possibly, the people do not see that effective health care is available at the health centers. They have alternatives--the traditional herbal

physicians, the priest, the spirit doctor, the pharmacist, the "quack" doctor or injectionists, traditional midwives, friends, and relatives-- and they are willing to pay liberally for their help (Bryant, p. 78).

This social linkage problem is especially important when we see that doctors are unwilling to go into the village even though they have no work in the clinic.

Finally, these clinics have problems of communication in their internal organization. Bryant attributes this to the nature of the Buddhist culture. Even though the Thai health plan includes information feedback inside the structure, there seem to be few active feedback loops. Because of the patron-client (or superior-inferior) relationships in this cultural system, "the flow of information is almost exclusively from patron to client" (Bryant, p. 78). The notion of challenge or even suggestion coming from the bottom up is quite alien to this culture. Hence the learning aspect of the implementation process is seriously undermined. (For another elaboration on the problem of patient-doctor communication in Thailand, see Boesch in Diesfeld, pp. 108-122.)

E. K. Kroeger provides us with one of the most penetrating yet simple critiques of what we have called the clinic-based model in his article, "Social Change and Family Health in a Plantation Population." In this analysis Kroeger gives us a description of the "comparatively good health services" available to the poor plantation workers in Sri Lanka.

At almost every plantation there was a dispensary with a qualified midwife in charge. . . . Besides dispensaries and maternity clinics, a number of plantations had their own small hospitals which was usually run by experienced medical assistants. The hospitals were not of a very high standard, which anyway was not necessary, as serious cases and emergencies could always be brought to the next governmental hospital where general doctors and specialists were available. Transportation was then provided in this case by the plantation. (Kroeger, p. 99)

Additionally, the government and the plantation owners have attempted to upgrade sanitation for these workers. They have built piped water facilities reaching 80 percent of the households and latrines for 67 percent at the time of this study.

Yet despite all these efforts studies show that disease patterns (morbidity rates of a wide variety of disease are examined in this study) and infant mortality rates are extremely high and still significantly higher than the general Ceylonese population. According to Kroeger:

These poor health conditions of the plantation populace are obviously not due to a lack of health services. More important is the whole socio-economic situation, the poor living conditions, the traditional behavior of the people, and the extremely low standard of education of the labour population.

In sum, what is clearly needed more than health services is social change.

In this discussion of "clinic-based" delivery systems, I have tried to highlight two basic linkage problems -- between the community and the clinic and between the practitioner and the clinic. As with the "hospital" systems of Latin America, much of the problem stems from the professional orientation of "Western" medical education. Thus we see, even with serious national attempts to establish a rural health infrastructure, the social, cultural, and professional orientations undermine its effectiveness.

Now we turn to the "Medex" system, a prescriptive model which attempts to bridge the distinction between "clinic" and "village-based" systems. The key to this model is the auxiliary health practitioner or the "Medex." This individual provides the institutional link between the M.D. and the Community Health Worker (CHW). The creators of this model (most notably Richard A. Smith, M.D.) see this intermediary as essential because the communication gap between the M.D. and the peasant is too great to be bridged under normal circumstances.

This system is a three-tiered model which places doctors at the top of the hierarchy with the community health workers (CHW) in the village and the Medex worker as the institutional link between the two.

The framework for their model assumes six basic premises:

1. Primary health care must be integral to rural development.
2. Radical reorganization of health services is not feasible in most countries.
3. The most effective way to begin organizational change in health is by the development of adequately trained and deployed health manpower.
4. The community health program must be connected to the next larger government structure if a primary health program is to survive beyond its initiation.
5. The auxiliary worker must be connected through an intermediary to the presently established health system. This has two functions:
(a) gaining acceptance for the rural worker by professionals and
(b) providing mechanisms for supervision, training and patient referral.
6. The program must be seen as one which will extend doctor services to rural areas, not substitute doctors. If this is inversed, you get no help from doctors.

Doctors have two roles in their model: (1) patient referral from less-trained auxiliaries and (2) management and supervision. "This will require retraining doctors in health planning, epidemiology, operations management and evaluation" (Smith, p.23).

The Community Health Worker is the agent of social change, whose role should be communicator-facilitator and promotion-educator. He/she should have a limited curative role, but a high preventative role. The CHW, then, is a

"boundary spanner" who provides the linkage into the community. Dr. Smith and his staff have studied the health systems in 17 different countries and have elaborated on a variety of mechanisms to promote the success of physician extenders. Five of these points seem particularly important to our purposes here:

1. Broad base of support--government policymakers, training institutions, organized medicine and others with vested interest in health care must be brought together in support of the program, else it will wither away.
2. There must be involvement of M.D.s in developing curriculum and teaching of curative medicine. If they are included here, they will be more supportive, i.e. provide a "receptive framework."
3. Workers should have "competency-based training" in rural areas by people with experience. "It is important not to overtrain these people, or they will tend to leave the village."
4. The CHWs should come from the communities they serve. With Medex the location should be determined before he is trained.
5. Evaluation is a learning function and should be carried out on at least two levels. The first is the national or provincial level. Here a panel should be formed consisting of faculty of training institutions, private health practitioners, public health officials, evaluators, statisticians, and if possible health experts from other countries. This panel should ideally be made up of the policymakers themselves but where the national political system does not permit this they can act as an advisory panel.

This it seems to us is an extremely important point. What is being attempted here is both to establish a learning-linkage and to engage national elites in the program and hence secure their commitment.

Secondly, they recommend a "community panel" at the rural health unit level. This panel is to "assess traditional customs and practices affected by health unit activities and the acceptance of the new health practices by the community" (Smith, p.131). Though they do not detail who should participate here, it is clear that local elites as well as Medex representatives and CHWs should be included. Implicit in their discussion is that this level should make policy within the parameters of national or regional policy and should provide an information linkage to the center (Storms makes much the same point on p.27). The most important information in this arena has to do with type and quantity of drugs and supplies.

This point, we should note, is not widely agreed upon in the literature. Foege, for example, argues that the most important information which these local committees can provide upwards has to do with anthropological information. Foege explains that effective health planning cannot leave out the important questions of "What does it mean to be sick? Where do people go when they are sick? Who gives them advice? What is the significance of foods and eating rituals? In other words one must learn the traditions and customs of the people in order to understand their health attitudes and practices." (Foege in Storm, p.31). Other analysts, who we shall discuss later, argue that these village communities should actually be the planners and decision-makers for their health programs.

In sum, the most important linkages in the Medex system are those of training, evaluation, information communication, drugs and supplies. The most unique and attractive aspect of their description is that of the role of the Medex. The Medex is intended to be the personal as well as the social linkage between the modern medical system and the traditional environment of the village. He is both "red" and "expert," to use an analogy, and clearly is intended to

serve the function of "cadre" from the modern world. Moreover, the Medex is intended to be the linkage which legitimizes the system as a whole to the medical establishment. The use of the term "Medex" or "medical extender" is well chosen. It is important to see that from the point of view of the medical establishment, the Medex is not intended to, and cannot, in fact, replace the doctor. Actually, the function and even prestige of the doctor are somewhat upgraded in this system.

We have spoken of the Medex model up to this point in a rather uncritical fashion. A few caveats should be added here. To begin with, we have seen only one evaluation of Medex systems in operation (Gridley, USAID 1980). We are therefore obviously somewhat limited in ability to criticize. We must remember, however, that plans, models and charts do not deliver health care. This leads us to our major point of skepticism. That is, Medex is a health plan which appears overly oriented toward organization structure as the crucial variable. We see this as a drawback because the Medex model does not at the same time allow for the redundancies which would help protect it from problems due to the bad linkages (communication or otherwise) which are perennial in the rural Third World. Thus, once set out in the real world we would tend to suspect that this system would be seriously hampered by linkage problems or barriers not foreseen in the model (see Landau). The USAID evaluation by Gridley et al. lends support to this point of skepticism (see Gridley pp. i-iv, 1 and 24).

Village-Based Systems

The next model we shall discuss covers what we have termed "village-based" systems. This system stresses planning and policymaking at the village level rather than (but not to the exclusion of) organizational structures. The first nation to engage in this form of health organization was, of course, China. Today there are over one million "barefoot doctors" (BMDs) in China. This is an especially

remarkable accomplishment given the fact that 1965 was the first year such a program was even discussed. These BMDs are members of their respective communes and work part time in the field with their "comrades" and part time as deliverers of health services.

The most significant aspect of the Chinese system for our purposes is that these BMDs are explicitly intended to provide an institutional link between the center and the periphery. Moreover, due to the strength and administrative capacity of the Party and the social organization of "New China," these "medical cadres" are able to provide a charismatic leadership function in terms of health. Thus these BMDs are both centers for community health mobilization and subtle tools of the national government in the exercise of health policy decisions (see Schurmann, New, Sidel, in Newell and Djukanovic).

Even though the Chinese model has in many ways been the point of departure from traditional models of rural health care delivery experience has shown that this case is unique. Due to the strength of the Party the linkages from the center to the BMD and the BMD to the village are not necessarily "reproducible" in other Third World settings. Roganhy and Solter (Lancet, p.74) point out in their study on Iran that even the selection process of BMDs or village health workers (VHWs) must be different due to the differences in Iranian culture. "Collective decision making," a central element in the Chinese system, was apparently not easily applied to the Iranian context.

One cannot easily generalize from this limited experience. Iranians are highly individualistic people with a limited history of cooperative enterprise, whereas the Chinese have a long history of close cooperation made imperative by intense crowding in the great river valleys. . . . (p.1332)

Thus, they conclude:

On the basis of our limited experience in Iran, we believe that the Chinese barefoot doctor is not easily transplantable to Iranian

soil and that auxiliary training in Iran must take into account the realities of the Iranian situation. (Ronaghy & Solter, 1974, p.1333)

We shall, then focus on attempts made in the direction of "village-based" health care in more typical Third World settings. The first example in this mode, and probably the most successful attempt at this form of delivery, is in the Comprehensive Rural Health Project of Jamkhed, India (Djukanovic, p. 70-88; Newell, pp.70-91). This project was started by two young Indian doctors (husband and wife) who had received degrees in public health from Johns Hopkins University (this is no small point). Once they returned to a rural hospital in India they began to realize that 70 percent of the diseases they were treating were preventable and that once "cured" the patient almost always returned to the unhealthy environment which caused the illness in the first place.

These two doctors (Mabelle and Rajanikant Arole) first obtained funding from the Christian Medical Commission to set up their "total health care" system. They started with four basic assumptions:

- 1) Local communities should be motivated and involved in decision making and must participate in the health program so that they ultimately "own" the program in their respective communities and villages.
- 2) The program should be planned at the grassroots and develop a referral system to suit the local conditions.
- 3) Local resources such as buildings, manpower, and agriculture should be used to solve local health problems.
- 4) The community needs total health care and not fragmented care (as is the case in the rest of India, see above); promotional, preventative, and curative care need to be completely integrated, without undue emphasis on one particular aspect (Arole in Newell, p.71).

Their second task was to gain entry into the community. When they first approached, the villagers were hostile, assuming that the Aroles were simply Westernized doctors who would exploit the community. However, the Aroles saw

this initial entry as especially important because they wanted to gain the villagers' commitment to, not just acceptance of, the project. Thus they went to several communities with their plan and chose the one whose leadership seemed most committed to the project goals. Their experiences in other communities varied widely. In one village the community leader tried to sell the "foreign-returned-wealth" doctors land at very high prices. In another village the practitioner of indigenous medicine "successfully prevented any dialogue between us the people" (Arole, 1975, p.72).

Once a village with a sympathetic leadership was selected, these elites were used as the initial entry vehicle into the community. An advisory committee was formed which consisted of elites from all castes and political parties. "Their function is to guide us in health care programs and provide a liaison between the villages and the project" (Arole, 1975, p.74).

They then hired nurses, auxiliary nurse midwives and paramedical workers totalling about 20 people. The community provided the land and built the facilities for the clinic. This was considered very important for it reinforced the commitment between the villagers and the project. Surrounding villages also got into the initial process by providing volunteers and rebuilding roads between Jamkhed and their communities.

In October 1970 they opened the clinic and were immediately inundated with chronic patients. Initially 200-250 patients visited the clinic daily. This number decreased after the "backlog" had been seen. Still the clinic was swamped, which proved to be quite unsatisfactory to the Aroles. Here were those enlightened Johns Hopkins M.D.s and M.P.H.s providing nothing but curative care. But with a good deal of effort they were eventually able to make it out of the clinic and into the village. (Note how different this is from the traditional system in India described above.)

Popularity and reputation gained in clinical service had to be used as a springboard for launching community health programs. Acquaintances made at the center were useful as points of entry to the villages. A child cured of whooping-cough or tetanus was used as a demonstration case for health teaching in his own village, and the community was motivated to organize a mass immunization program (Arole, 1975, p.5).

This point cannot be overstressed. The Aroles used their proven curative powers to gain the initial linkage to the villagers. They then expanded this linkage to other realms which the villagers would normally be less likely to accept, i.e., preventative care.

Having established the initial linkage to the villagers, they expanded it to other functions. Most importantly, they used their informal contacts to gain information as to the "felt needs" of the community.

When the project began, the area was facing a drought. We would visit a village in the late evening over a cup of tea just to talk to the village council members and other leaders. These intimate contacts soon made us realize that their priorities were not health but food and water (Arole, 1975, p.75).

Taking seriously their stated goals of "grassroots" decision-making, the Aroles decided to switch the attention focus of their project temporarily to the attainment of food and water. Their success in organizing in these areas became a foundation upon which they could expand back into traditional health services but more importantly into preventative health campaigns. This is to say that the community organization and leadership which solidified around getting food and water could later be used to achieve goals which were not originally high priorities for the villagers.

As this project began to grow, they came to realize that there was a need to link up with the practitioners of traditional medicine in the village. Hence they contacted these providers and invited them to the center. They then

elaborately explained that they did not want to compete with them but wanted to help them by providing them with simple drugs, enhancing their skills and providing facilities for their patients. "In return they were to help us with regard to nutrition programs, immunizations, and the care of patients referred to them" (Arole, p.77, 1975, emphasis added).

The project then attempted to establish two additional linkages to the surrounding villages: the mobile health team and the Community Health Worker (CHW). The health team, consisting of a doctor, a nurse supervisor, a social worker, auxiliary nurse midwife, driver, paramedical worker and village health worker, were to visit villages roughly once a week. It quickly became obvious to these teams that the villagers related far better to the drivers and village health workers than they did to the "professionals" who were not of the same cultural or class background. These "lower-rung" workers, then, were given special training in health promotion.

The team's basic function was to seek out the ill in the periphery. It was apparent to the project leaders that the costs and inconvenience of transportation prevented villagers from coming to the clinic unless they were very seriously ill. (Then it might be too late, or impossible, to travel.) The team could then provide transport for the ill, seek out health information, and give preventative education. (Again note the difference between this approach and the classical Indian clinic system.)

The need for continuous care in the periphery quickly became obvious. For as open as the health team might be, villagers could still resist these weekly intrusions by outsiders. Though they originally intended to send some of their auxiliary nurse-midwives and/or paramedics, they soon found that these people were unwilling to go. (Note here that even the bottom rung of health professionals

resist being "stuck out in the boonies.") Therefore the project decided to get volunteers from the villages to come in for CHW training. This was an unintended, yet major, success.

A person chosen from the community and trained is readily accepted, and health promotion can be easily achieved through her. The village health worker feels important because of the new role she plays in the village. Having once convinced herself of the various health needs she is able to bring about change much faster than a professional. The volunteer being part of the community does not need a separate house, protection, or special allowances. Since her incentive is not money but job satisfaction her services are not expensive and are within reach of the community (Arole, 1975, p.80).

Each village submits four candidates, usually women beyond childbearing age, and the project leaders select among them. Most of the CHWs are illiterate and receive their basic training two days a week at the center using flash cards, flannelgraphs, and other audiovisual aids. The CHW also gets on-the-spot training during the weekly health team visits.

In the village her duties consist of gathering health information (births, deaths, causes of illness when possible, etc.) and health promotion in preventative health education and distribution of oral contraceptives and condoms. The CHW has a health kit containing contraceptives, simple drugs, dressing materials, eye ointments, etc. She is paid an honorarium of RS 30.00 a month. Food, transportation, and training cost approximately RS 50.00 a month (RS 1.00 buys a cup of tea in India).

There is little doubt that the Jamkhed project has been a great success. It is, however, difficult to factor out how much of this success is due to the unique personalities of the project's leaders and how much is due to project infrastructure itself. An independent team of WHO and UNICEF representatives concluded:

Several factors are relevant to success. One of the most important is that the project is based on the recognition, particularly by

the project leaders, of the priorities determined by the community. To the community, health is not a number one priority; agriculture, water supplies, and housing are more important. The project has therefore identified itself firmly with agricultural improvement, acquiring a tractor to be hired out to farmers and providing assistance in dairy and poultry farming and irrigation schemes. In effect, it appears that in such communities, which have a low economic status and per capita income, doctors and health services will need to identify themselves with the community's priorities in order to fulfill health objectives (Djukanovic, p.77).

The second case we shall examine in this category is the national "simplified medicine" program in Venezuela. It is important to note the differences between programs which are instituted nationally and grass roots organizing projects like Jamkhed. The most glaring contrast we shall see is in growth rates. Clearly few national programs that can hope to gain the luxury or full cadre of committed innovative personalities like the Aroles. Though the Aroles performed a great many administrative functions, their personal leadership was used instead of the bureaucratic form of authority.

The Venezuelan case is especially important because it is one of the relatively few cases where the national government has attempted to establish a comprehensive health care system for the rural poor. This point may in itself undermine the goals of the project as well as bring up the question as to whether this can truly be called a 'village-based' system. However, the Venezuelan case does illustrate several important points.

The "simplified medicine program" emerged in Venezuela as a result of the leadership of a nucleus of high-level professionals in the Health Ministry. The initial experiment was conducted in a remote region to overcome the objections of regional medical groups. The results of this experiment and other similar efforts in LDCs were presented to the medical profession at its national meeting and stress was given to the need to extend health services to rural populations which had not been previously covered. Support from the national group was obtained.

The program is linked to ongoing regional health center networks. The program itself aims to deliver certain basic health care "through a cadre of auxiliaries working within a system that ensures continuous training, supervision, and referral" (Gonzalez in Newell, p.178). The auxiliaries attend a four-month training course held in district health centers. The program has gradually been institutionalized as a regular activity of the Venezuelan health services. Supervision by doctors was not found to be sufficient because of a lack of interest on the part of some of the doctors, infrequent visits, and an excess of consultations. So a regular system of supervision by one or more regional supervisors of simplified medicine has been instituted. They "are based in the regional health office and devote their whole time to the supervision of a number of dispensaries" (Gonzalez, p.185). "The supervisor's approach is of the in-service training type; he observes the auxiliary on the spot, corrects his errors, and completes his instruction" (Gonzalez, p.186).

Gonzalez concludes his excellent analysis of the development and growth of the Venezuelan system with several important points. In addition to stressing the success of the village health workers in terms of integration into the community and the medical system he repeatedly stresses the importance of "support, supervision and referral" (p.189). But the most telling argument he makes has more to do with the community than it does with medicine.

It is axiomatic that the goal is to encourage local communities to play the most active role possible -- in other words, to obtain community involvement. Experience has shown that this ideal cannot be achieved within a short time. On the contrary, it demands a great deal of perseverance and patient educational and promotional efforts, which will, however, achieve little if at the same time other elements of equal or greater importance than health care for the improvement of the overall status of those communities are lacking. These include changes in land tenure systems, improved housing, increased agricultural output, and tax reforms. In other words, no community involvement for health can be expected from communities in which the economic substratum is very small or even negligible. (Gonzalez, p.190)

This point is gaining support in much of the primary health care literature. For example, Behrhorst makes a very similar argument in her description of the Chimaltenango development project in Guatemala (Behrhorst, Journal of Tropical Pediatrics and Environmental Health).

A particularly significant aspect of the "simplified medicine" plan is that it received the blessing of the Venezuelan Medical Federation. We must remember that despite the seeming logic of a system which extends the reach of modern medicine, no other Latin American nation has implemented such a plan. Even though Guatemala developed a similar approach, their medical association vetoed it. The obvious question is: why the difference? Obviously, the historical structure of rural care in Venezuela was important but it was far from unique in the Third World. What seems critical was the existence of a School of Public Health (most countries have no such institution; this function is supposedly carried out by the medical schools). If our earlier argument about the orientation of the medical profession and its impact on national policy is correct, then clearly the existence of other professional elites with different perspectives (i.e., public health) should also affect national policy. Moreover, since a high percentage of public health officials are M.D.s, it is reasonable to expect that some of this orientation could filter back into the "medical" establishment. If this were the case, this informal linkage may have been the single most important factor determining the successful development of "simplified medicine."

Clearly there is a need for closer examination of these points. It seems inevitable that a better understanding of how and why Venezuelan elites chose this route will shed light on how other nations might be encouraged in this direction. Newell, Djukanovic, Blum and many others argue that innovative national systems are eminently more cost-efficient and effective than specific

donor-sponsored projects. If this is true, then we need to understand better what kinds of elite linkages will encourage the development of innovative health programs at the national level. Moreover, as is probably obvious, even if donors step in and set up a program, a commitment from national elites is essential for the program's continued success (see USAID, #5200230). Still we must be aware of the fact that this in itself may present problems. The major criticism of the Venezuelan system up to this point is that it too is becoming overly "structured," and hence rigid and removed from community decision-making. The point here is that the balance between too little supervision and too much outside control is a very difficult one to strike.

This point is illustrated exceptionally well in an article describing the Klampock community health project in Central Java. Here even after two years of efforts to bring the community into the decision-making process the project director said:

The community only participates when we ask it to. This type of participation has no firm roots in the community and will last only as long as we are there to maintain it. (Hendrata, p.3).

In the director's view the principle problem in Klampock had been too much input from the outside. Still, for a modern intervention into traditional society to sustain itself it must have support (linkages) from the modern world. It simply does not work to give basic training to a villager, send him or her back into the village and expect him to hold onto what he has learned -- unless you provide continuous support for this "boundary spanner." In organization theory terms, the external unit, without continuous linkages to the center, will establish linkages with the environment to the point where it may lose its original "purpose" (e.g., T.V.A.) On the other hand, as we pointed out

earlier, too strong a linkage to the center tends to stifle the essential ingredient of community participation in decision making.

We can understand the importance of this point only if we remember that these interventions involve social change. It would be the height of Western chauvinism to assume that these traditional peoples will drastically alter their lifestyles simply because some Western professionals told them it was "unhealthy." Instead this social change process must take place slowly and developmentally. As we have seen with the Jamkhed project, the initial intervention must be one which proves its worth via curative powers, and only then can the more difficult tasks of health promotion and prevention be tackled. Thus the village health worker must establish his/her worth in the community and receive continued support and education in order to promote the social change cycle.

A variety of important points brought up by these experiences are highlighted in another attempt at community based health delivery in the Philippines. Sr. L. Barrion describes three successive attempts at establishing a viable program in the Makapawa district. While the structure and performance of the third and most successful attempt are interesting we shall instead focus on the reasons for the failure of the first two programs. The weaknesses of the first attempt are listed as 1) Inadequate social preparation of the communities. This had a variety of maleffects: a) the basic principles of the "community based" program were ill-defined and hence not understood by the community itself. b) As a result of this the roles of the community health worker (CHW) and the health committees remained ill-defined. c) The program failed to deal with "health" in the context of the economic, social, cultural, and political structures of the community. And d) the CHWs did not necessarily have leadership potential. The second major weakness of this program was "a fixation on health

service activities." The basic consequences of this was that the program did not get to the "root causes" of illness in the community. Curative care became the operating norm and "health care (was) still seen as a dole out." Finally, Sr. Barrion tells us that the program remained "staff and leader-centered." This he tells us resulted in little commitment from the community, and a dependent relationship by the villagers towards the health project.

The next program which was set up, then, tried to account for the problems of the first. In this case the focus was to decentralize the organization of the project and also to enter the community more as a religious service than a specifically "health" service.

These efforts however resulted in their own disfunction. First, because there was only one "Community Organizer" (CO) per area, the CO tended to develop "a little kingdom" and the community became dependent on the CO. Secondly, because the project was not introduced as principally a "health" project, a long process ensued before "health" was voiced as a need, thus wasting health expertise. (One should note that this is a point of major controversy in the field; see Berhrost, and Storm.) Thirdly, Barrion tells us that what community participation was received tended to come from the upper stratum of the community, thus undermining the goal of "grass roots" of the project. (For similar point see Ranoghy, 1975.) This in turn resulted in the needs of the very poor not being articulated and hence not met. Finally, the decentralized nature of this attempt fostered a lack of coordination (read poor linkages) between subunits of the project. The result, then, was that the CHWs received too little supervision, and the health centers did not receive adequate medicines.

The failures of these two Makapawa projects, then, point out some major obstacles to the establishment of a "community based" health program. It seems

to us (without having firsthand experience with the project) that the problems in each of these projects can be seen as having two roots. The first program, from inception through implementation, was based on the "insight" of the program planners, not the community. The second attempt failed because its motive force was the CO, not the community. These cases highlight problems in both a centralized and decentralized approach to implementing community programs. What we see here is that even though these actors had the interest of the community in their hearts...this is not enough. The problem is not one of defining the community and its interests, but rather the problem is finding mechanisms which facilitate the communities own self-definition and the articulation of its own interests. Sr. Barrion concludes with these insights:

There is no hard and fast rule in the implementation of a CBHP* if it has to be people-oriented rather than programme-oriented. Instead, the programme must start at the present level of the people and respond to their needs in order to become relevant and acceptable to them. Failure to do so results in the people viewing the health programme as a commodity they can use in time of sickness or in an emergency. Many tend to feel and think of it, particularly the preventive aspect, as an outside imposition being forced on them rather than a help. Such programmes only create much dependency. What is important, therefore, is that the various processes employed are periodically evaluated and given direction. These evaluations, shared with other interested groups, will help them in their own search for a CBHP that is truly by and for the people. (Barrion, p. 9); (See also McGilurdy, p. 14)

Community Participation?

The major problem we have had when examining the literature on "community" health programs is that it is rarely if ever specified what "the community" is. While we, like most authors concerned with this subject are obviously in favor of this "community" based approach, we do not see that, once the approach is adopted, all our implementation problems will be solved. Quite the contrary,

we would argue that when this approach has been adopted a whole new set of problems open up. The first of these problems is defining "the community." Do we mean everyone in a particular village or district? Or do we mean just the poor?

The problem with defining the community as "everyone" does not really become apparent until we begin to grapple with the issue of "community organization." Almost all villages have some form of social and political "community organization." Moreover, the local elites by definition dominate these organizations. While there are cases of more or less egalitarian social and political structures in rural communities one would be naive at best to assume that all traditional village elites are intrinsically more "socially conscious" than are elites in a modern setting. The experiences of rural cooperatives around the globe demonstrate that local village elites can, and often will, use "foreign" programs for their own betterment irrespective of, and sometimes to the detriment of, the local poor. (See Peterson, Chapter II.) What, then, is to prevent these same elites from using their power and influence in the community to direct the "village health committee" and/or "community health worker" towards the delivery of curative care--which they can dominate or get the most benefit from--and away from preventive care? Moreover, "social change," as we and others have said before, mandates a change in the social and economic well-being of the poorest segments of the village. The disappointing results of the "basic needs" approach to rural development draws attention to the difficulties in accomplishing this end. This difficulty is in no small part due to the ability of local elites to dominate "community" organization and manipulate the organization's goals to meet the elites ends. (See Ronaghy Lancet, 1973.)

Additionally, several analysts have pointed out that villages are often composed of several "communities" which can be ethnically, culturally, linguistically, and developmentally quite distinct. (See, for example, Gridley, p. 31 or Ronaghy, p. 78.) Moreover, the Indian experience highlights the point that the divisions in these villages may be highly inegalitarian. (We cannot assume that "democracy" or "equality" is somehow sketched into the subconscious of the world's poor.) The problem, then, is Can you have a "community organization" which will speak for those elements which are at the bottom of the social hierarchy? Perhaps, a more viable solution is to have several such organizations in a village where there are several "communities." At any rate, an across the board solution is not adequate; a much closer look at what "the community" is is clearly needed in each individual case.

Many authors have pointed out that the primary felt need of the rural poor is certainly not preventive medicine--it is doubtful that even curative health care is high on the poor villagers' priority list.

For example, Carroll Behrhorst, M.D. who participated in a community health project in Chimatenango, Guatemala, writes that one of her first problems was to realize that the community did not necessarily want the things which she was trained to do. "We think they need triple vaccine and more protein in their diet, and while it is true that they need these things, they are probably much more interested in, and need other things altogether." (Behrhorst, p. 296, 1974.) Dr. Behrhorst argues that the priorities of the Guatemalan rural poor with which she has come in contact are social and economic injustice, land tenure, agricultural production and marketing, population control, malnutrition, health training and curative medicine. "You notice that I put curative medicine at the bottom, which is where we regard it on our list of priorities." (p. 296)

But the very notion of village-based health care implies local planning and participation. Does this mean that we must abandon hope for this idealistic notion of decentralization? Not really...rather it necessitates that we take a more realistic approach towards both what we aim to accomplish and how we attempt to do so.

All too often the literature on primary health care uncritically heralds the benefits of "community" participation. Writers like Arole and Behrhorst claim that the crucial factor in the success of their programs has been this "community participation." While we do not mean to denigrate these obviously progressive programs we do feel that a much closer examination of what this participation entails is desperately needed.

Clearly, the training of the village-health worker can be scaled such that the threat of elite usurpation is minimized. The VHW can be trained for health promotion, health education, preventative medicine and simple curative tasks. Hence the "goods" he/she has to offer are inherently more of a "public" and less divisible nature. Still, while this is a commendable and by no means easy task to accomplish, it does not get to the root of the health problems of the rural poor.

The major flaw in simply scaling down the technology and/or quality of health care delivery for rural villages is that it is still delivering health care. This is the problem we have seen in the clinic-based approach and the principal cause of failure in the first attempts in Mukapawa Philippines. We only hope to suggest here that the "village-based" approach--which we clearly favor--needs closer examination before it is wholesale applied around the globe. Just as planners saw the rural cooperatives as the cutting edge of the "basic needs" approach only to discover many years later some basic problems; community

health care is today taking on somewhat of a faddish element. WHO, UNICEF, USAID, CMC and many other agencies are now apparently looking to implementation strategies for this new "primary health care" alternative. Again, this model is unquestionably more "appropriate" than the hospital and task force models that we have described. On the other hand, little is really understood in terms of the processes of community organization and village participation other than a few cases led and described by a few highly motivated, altruistic and charismatic individuals. An exceptionally difficult question needs to be asked: Do these cases in fact represent true village participation in health planning and organization? Or alternatively, are they in reality cases of villagers accepting the ideas spawned, pushed by largely dependent upon professionals? Only once we have come to a better understanding of this issue can effective programs be designed on a large scale. This is because affirmative answers to either of these questions implies entirely different planning strategies. If we find that the second alternative is in fact the case, then we need to discover methods to find and train this type of motivated professional. If, on the other hand, we find that there are strategies for the development of viable active decision-making "community organizations," which are not dependent on altruistic outsiders, then these strategies should be implemented.

Our final comment here has to do with the latter approach. The problem with it is that it is not easy to let someone else plan. As one Kenyan M.D. has noted:

In theory everyone wants to support community participation but when it comes to the point, they only want it as a peripheral part of a health program. They do not see that to have real community participation, you cannot draw up a definitive program in advance."
(Black, p. 20.)

If this point is taken seriously then the government and/or donor agency must emphasize facilitative linkages rather than regulative linkages. (See Leonard, Chapter 1.) Because this type of decentralization implies a great deal of local variation, no international program can be definitively described. Our search of the literature does, however, lead us to some suggestions as to the general nature of these facilitative linkages. It is to this which we shall now turn our attention.

Linkages

This analysis looks at the linkages between modern medicine and the rural poor of the Third World, attempting to go beyond the obvious fact that they do not mesh well and discuss more than the communication barriers between modern M.D.s and peasants. By analyzing a series of innovative programs of primary health care delivery, we have explicated various linkage mechanisms which are more effective means of promoting well-being in the village than is classic hospital-based medicine.

Keeping in mind the very important caveat that a particular nation's political setting and stage of development will define the specifics of any successful program, we conclude with some general comments about linkages.

1. Our examination of various health care delivery systems brings us to the same conclusions that Uphoff and Esman have come to in their studies of rural development. Rural well-being, in this case, is best promoted when there are both strong local organizations and effective links between them and national agencies which can support them. Neither rural development (i.e. social change) nor its concomitant "well-being" can be "delivered" to a passive population.

2. The most important point this study has uncovered is that there must be a linkage between modern medicine and the traditional village in the form

of an intermediary. Whether this intermediary is called an auxiliary, extension worker, village health worker or cadre, case after case demonstrates the inability of Western medicine to have more than transitory contact with the rural poor without such an intermediary. The most obvious reason for this is simply an economic one. Most Third World countries do not have the resources required to train an "adequate" number of doctors and to give them the incentives (facilities, salaries, drugs and supplies) necessary to sustain the M.D.'s presence in every village. The second reason is one of culture. M.D.s seemingly always come from the upper-middle or upper classes of their countries. This in itself presents immense barriers to communication between the villager and the doctor. But combined with the training and socialization process in medical schools which inevitably is oriented toward high-cost curative care, the M.D. is often incapable of delivering more than curative medicine, for he is unable to affect the community organization or help facilitate the process of social change.

3. Having introduced the notion of auxiliary as intermediary, we see that we actually have two linkage questions rather than just one. That is, now we can discuss linkages between the intermediary and the medical system and the linkage between the intermediary and the village.

The strength of the linkage between the auxiliary and the rest of the medical system and the linkage between the intermediary and the village may be somewhat inversely related. There is clearly a tension between the notions of strong medical supervision or evaluation of the auxiliary and the notion of local control over health policy. The Jamkhed project points in this direction. There we saw that the project itself altered goals according to the felt needs of the community. It seems likely that, had the linkage to the medical establishment been very strong, this sort of local innovation would have been impossible.

However, in the absence of "leadership" at the intermediate level, the center must establish relatively firm linkages to the intermediary. This is not to say that the dilemma above is false, rather that Jamkhed may have been a rather special case. All other cases we examined which used intermediaries stressed the importance of continued linkages of evaluation and supervision. This linkage is a subtly coercive one.

The simpler the task, the less central "control" is necessary. But this does not mean supervision or guidance can be ignored. Still, if drugs and procedures are quite basic, there is less need to insure against misuse (through elite usurpation or poor allocation by the auxiliary). The less developed and/or the lower the administrative capacity within a nation, the more basic the training and drugs of the auxiliaries should be.

4. There are a variety of linkage mechanisms between the center and the periphery in health. It may be helpful to list them, divided in terms of linkages on both sides of the auxiliary.

Center to Auxiliary

Training (both initial and continued)

Instruction manuals

Medical kits

Transportation

Continued supervision

Periodic evaluation

Drugs (see O. Gish, 1979)

Village to Auxiliary

Selection

Policy committee - (set program priorities)

Pharmacy (i.e., drugs)

Financial support (see Zschock, in Storm)

Facilities

Gifts (not necessarily but this is often the practice)

5. In this chapter we hope we have both sensitized the reader to the meaning of "community-based" and highlighted some of the techniques which have been used to facilitate this development. Community-based health care cannot be "delivered" by M.D.s who come from outside the community and are not intimately familiar with the local language, customs and culture. Rather, this term implies the mobilization of local resources towards the betterment of the local health status. This, however, as we have seen, does not happen in the absence of linkages to outside organizations. "Linkages are the mechanisms by which one organization is tied to or attempts to influence another." (Leonard, Chapter 1) Without these linkages what little health-oriented community organization does arise will tend to emphasize curative care. This curative care will tend to be focused on the local elites and not the local poor. The major health problems for the rural Third World cannot be "cured" by medicine. They are instead problems which evolve out of the style of living, culture and customs of the villages. These health problems can be eradicated only through preventative medicine and equally importantly through social change. It should, therefore, be the goal of those agencies interested in promoting the well-being of the rural poor to use their linkage tools (the intermediary, auxiliary, village health worker or Medex) as manipulators of the agenda of the local health organization. This is to say that the CHW should be well trained (or even indoctrinated) to the value of preventative medicine as well as the techniques of how to provide it. Again, the local organization--which must include local elites--is necessary so that there is something to be

manipulated. The AID experience with piped water in Guatemala illustrates the point that much more than physical alternations are needed to promote well-being. And the Jamkhed project illustrates the importance of bringing in the local leadership to facilitate the villagers' acceptance of new ideas and even new styles of living. As we said before, "leadership is the art of using and manipulating this institutional heritage to make decisions, legitimate those decisions and mobilize resources for their execution." Thus, by including and persuading the extant leadership in the village as to the benefits of preventative care and other social changes the program can make significant leaps forward with the minimum of fiscal expenditure. Make no mistake, however, this is an extremely delicate task.

6. Finally, we have devoted little time to a discussion of linkages between structural units in these health systems, e.g., rural clinic to regional hospitals, because these linkages appear to exist only on paper. While every system studied has an organizational chart stating that patients should be referred from one level to the next...in only case which we have studied does this actually happen (Jamkhed Project). People go to the facility nearest them whether it is the village health worker or a big city hospital. There are a variety of reasons for this: e.g., these countries often have very poor transportation networks, the villager is reluctant to leave the village especially when ill, leaving the village means loss of income, and limited training of auxiliaries or paramedics means lower quality care (than M.D. care), which in turns means the inability to diagnose unfamiliar diseases. Hence the auxiliary will often not know when he/she misdiagnoses an illness.

The Jamkhed project is worth noting here because it is an exception: cases too complex for the auxiliary are brought to the attention of the doctor

during his/her weekly visits. If there is a need for referral the doctor and the health team take the patient back with them. The linkage is direct and simple, so it tends to work better than when the problem is simply left to the patient. (Those of us who have been referred by a G.P. to a specialist and have not gone for reasons of cost or time know this problem well.)

Conclusion

In our introductory chapter we stated that the success of program implementation depends on four variables: A) the program's vulnerability to inequality; B) nature of local elites and their interests; C) nature and variability of interests among national agencies; and D) distribution between national and local organizations of the capacity to meet the program's technical and administrative requirements.

Our examination of the various health care delivery modes most often used in the Third World illustrates these points. (A) As we have seen, health care as traditionally delivered, like agriculture and public works programs, is highly susceptible to inequality on two levels. First, because of the high cost of modern curative care, modern Westernized hospitals consume a very high percentage of the LDCs' health care budgets, often leaving virtually nothing for rural health. Even at the village level, however, traditional type "medical care" is susceptible to inequalities which may hamper the long-run success of the program. For example, if high-cost and highly specialized drugs are available, often what little money the village has to spend on drugs will be used to finance "the best" for those villages with "the most"--power, resources or influence.

The point here is that curative medicine is consumed by the individual, rather than the community. It is reasonable to expect, then, that those with power at the local level will be able to ensure that they are treated first.

This leads to the next point, which is that demand far exceeds supply. Even in the modern industrialized countries of the West there seems to be no end to the demand for medical care. This problem is amplified at the village level many thousandfold. The reason for this, of course, is that quality of care can be constantly improved. At the village level this means that the benefits for the few will be increased rather than spread out to the many. Finally, the delivery of high-quality medical care requires highly trained medical practitioners, which in most of the Third World simply do not exist in adequate numbers to meet the need. Moreover, highly trained practitioners are often unwilling to move into the bush and be separated from their home and community.

On the other hand, the benefits from "community-based" health care which focuses on low cost-low technology-preventative care are much less divisible and more widespread. Moreover, because it is low cost and low technology, health workers can be trained in much greater numbers so that the supply can come closer to demand. On the preventative side, since it is an indivisible "public good," the supply-demand equation loses much of its relevance.

(B) The nature of elites and their interests is clearly demonstrated here. The "successful" program is one which brings the interests of the local elite into some degree of harmony with the poor. Again preventative care is an obvious example. Additionally, as Jamkhed points out, by incorporating the local elite one stands a better chance of mobilizing the community as a whole.

(C) We cannot overstress the impact of national agencies on the long-term success of any health program. (See Kerton, p. 20.) Without firm commitment of the MOH and the national medical association, the programs are doomed to either **total** dependence on a donor agency for support, training and financing or total failure. Unless the national government or some agency is prepared to

commit itself to a "rural-health" or "simplified medicine" approach, the donor is best advised to spend its resources elsewhere. (We must remember that in a very high percentage of Third World nations the MOH and/or the medical association are not willing or even interested in altering their approach to health care.) (see Ugalde, p. 1-7.) For this reason we are particularly interested in the establishment of public health agencies and schools throughout the Third World.

(D) Rarely do the technical or administrative capacities exist in an LDC which are sufficient to meet the needs of the rural poor's health problems. Though there are sometimes (though far from always) enough doctors to begin training and supervising auxiliary health workers, these doctors are themselves almost never trained in management--or for that matter public health. Additionally, and of at least equal importance, rural villages are generally not organized politically in a manner which will readily facilitate the extension of preventive health care, etc. In these cases such organization must be established to provide a continuing linkage mechanism between the village and the external health care establishment. In sum, then, for the program to succeed it needs viable linkage mechanisms between a committed national government or its health agencies and an organized administrative body at the village level. Simply put, "it takes two to link."

Epilogue: Social Change

Here we will consider the tension between "providing" health care to the rural poor and social change. As argued in the first section, "health" or "well-being" cannot be bought from an M.D. (or for that matter, from a CHW). The point, again, was that "well-being" is a product of social change which is only in part affected by medical care. Nutrition, housing and basic sanitation

are far more important in promoting longevity, etc., than is medical technology. (See Berliner, p. 180.) But...the real question is, How long do you promote social change? Indeed, can we (the Westerner or donor) promote social change?

Frankly, what is most appealing about the "village-based" models we describe is that they demand community organization and community participation in decision-making. But they also demand linkages to the center, without which the program will flounder. Thus the community organization is to make policy within the parameters of national or regional policy. Moreover, through training, retraining and supervision the implicit notion is that the community organization will have its agenda manipulated by the center, or at least by the intermediary. In fact, we would argue that the whole point of this model is to provide a linkage so that the community's agenda can be manipulated. We must remember that almost all peoples, no matter how remote, have providers of health care--witch doctors, herbalists, spiritualists or quacks. What we are saying is not that we want to provide the rural poor with something they want but do not have, but rather that we want to change their felt needs so they will want something different from what they now have. We want to replace some aspects of traditional health care with modern health care which includes modern notions of sanitation and preventative medicine. This is a process of social change.

We have seen how programs of placing clinics in the periphery (as in India or Thailand) or building water systems and latrines (as in Guatemala) have been failures. They have failed because they have induced no social change. These technologies are inappropriate when there is no concomitant social change.

If the CHW or Medex or whatever is to be an agent of social change, his or her role must balance between control from the top and participation at

the bottom. He/She must be a cadre. The only way we see of striking this balance is to give the CHW both technical training and some degree of ideological indoctrination in favor of the betterment of his/her community. It must be made clear that this "betterment" will occur with preventative medicine. This is precisely what socialist party systems have been so successful at doing. Once "indoctrinated," the CHW can work to channel local participation in the direction of his/her training. It is important to see that the demands made on the CHW by villagers will be for curative care. Only after manipulation of the villagers' felt needs will there be much interest in preventative medicine and sanitation. This manipulation can come only after the CHW has established his/her worth in terms of curative care. On the other hand, the demands made on the CHW by the medical system will be in favor of preventative care. Ultimately, then, since this end of the linkage is doing the manipulating, they must be sensitive to the CHW's dilemma. (See S. Bedaya-Ngaro, p. 26.)

We close with an old Chinese poem:

Go to the People
 Live among them
 Learn from them
 Love them.
Start with what they know
Build on what they have;

But of their best leaders
 When their task is accomplished
 Their work is done
 The people will remark,

"We have done it ourselves."

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Chapter VI
SMALL-SCALE PUBLIC WORKS, DECENTRALIZATION,
AND LINKAGES

Jose M. Garzon

Introduction

Historically, public works¹ have played an important role in economic development and state building. They have done so not only because of the intrinsic value of particular projects, but also because of their contribution to creating employment, community development, and securing political support.

What concerns us here is the impact of these projects upon the poorer half of the rural population in LDC's. Recently, a number of papers have suggested that a decentralized administration of rural public works projects is conducive to a more efficient use of national resources, and a greater distribution of benefits to this stratum. Four reasons are advanced in support of this argument.

Labor intensive employment. One of the chief goals of rural public works is increasing off-season employment, particularly during times of drought. Local organizations are more likely to utilize labor-intensive methods, since projects will be of smaller scale, technical capacity will be minimal, and the projects are politically attractive at this level (Tendler, 1979:42-44). Since the projects are locally based, they can employ where unemployment exists--in the local villages.

By contrast, central agencies prefer large-scale, capital intensive projects, which employ less labor overall and less unskilled labor in particular. In addition, such projects require greater technical capacity, but engineers and other influential professionals tend to admire high technology, and elites find such projects politically attractive. (Tendler, ibid; Brokensha and Riley, 1980:2). Finally, because these agencies are based in the capital and larger cities, they have a bias toward working in

or around urban areas, thus defeating the objective of expanding rural, unskilled employment.

Administrative capacity. A frequently cited problem in public works is the deterioration of projects as a result of poor maintenance. One reason for this is a lack of available technical capacity, especially at the local level, but another is a lack of incentive on the part of central agencies.

Decentralized administration of rural public works projects is seen as conducive to better maintenance. Local groups have an interest (in projects' intrinsic value) and thus are concerned with their proper maintenance. Also in states where administrative capacity is weak, localities possess potential resources that the state can rely upon in planning, organizing and monitoring projects (Tendler, 1979:42-44; Thomas, 1973:16). Furthermore, decentralization permits greater flexibility for adjusting to regional variation (Thomas, 1973:16).

Political empowerment. Related to the above arguments, advocates of decentralization suggest that decentralized administration provides opportunities for the poor to pursue their own interests by choosing projects of greater utility, and implementing them with a consideration for local needs and conditions (Pickering, 1969:2.7-9).

Institution building. Finally, national elites often use public works programs to stimulate community development and organization efforts. This policy is usually part of strategy for gaining local political support and establishing the legitimacy of the state.

This paper will not test the validity of these arguments. Rather, it will focus upon the linkages among organizations involved in rural public

works in LDC's. While we are generally concerned with linkages between the center and decentralized units, we will also devote some attention to horizontal linkages among organizations of equivalent status. We will approach the subject of linkages from three standpoints. First, we will examine the nature of public works projects in terms of their vulnerabilities and invulnerabilities to inequality. Second, after reviewing the case material, we will consider the "program context:" how elite interests and the distribution of administrative capacities influences the performance of public works programs, and the context within which they function is critical for determining the appropriate type and degree of linkage. Finally, we will focus on some of the linkages themselves, in order to determine how different types of linkage influence the outcome of public works programs.

We will assume that decentralization is an appropriate (or at least desired) organizational design, and that what is at issue is the appropriate linkage strategy for a given situation. Hopefully, this will contribute to a more complete understanding of decentralization and public works.

Decentralization and Linkages

Decentralization of a national public works program could conceivably take many different forms. However, based upon the cases to be presented and others reviewed, four strategies appear likely.

Self-help. National or international agencies contribute to self-help activities, and may even take part in organizing them (a form of debureaucratization or philanthropy).

Prefectural. Resources are distributed to regional authorities who assume general responsibility for governmental operations, especially law enforcement and tax collection, in a given area (deconcentration).

Development districts. A national network of local organizations is established with the express purpose of assuming responsibility for development projects, especially public works (functional devolution).

Local government. Finally, the state may assist, directly or indirectly, projects carried out by general-purpose local governments (devolution).

(These situations are ideal-types: actual projects, while relying upon one strategy or the other, frequently combine elements of different types of decentralization.)

Each type of decentralization implies a relationship with the national government. The focus of this paper is on the character of this relationship, i.e., the linkages between these two levels..

There are several different linkages available to a national administration to influence a decentralized unit, or vice versa. These linkages may be grouped into seven categories:

- 1) Formal linkages--laws, regulations, plans, performance criteria.
- 2) Financial linkages--grants, material transfers, revenue sharing plans.
- 3) Representation--either (a) on official committees, (b) through elected representatives, or (c) through appointments.
- 4) Information--evaluations, audits, access to projects.
- 5) Contracts and informal agreements.
- 6) Technical--equipment, personnel.
- 7) Enforcement powers--control over local police.

Public Works and Program Vulnerability

We have delineated the arguments for decentralization, as well as the dominant forms of decentralization and linkage. Before presenting our case

material, we want to characterize public works in terms of program vulnerability, one of the four variables which was presented in the introduction as influencing the choice of type of decentralization and linkages.

A program is more vulnerable to inequality under four conditions:

(a) if the household is the unit of consumption, (b) if demand far exceeds supply, (c) if quality can improve at the expense of quantity, and (d) other scarce inputs are needed to use the good.

The first situation (divisible consumption) is certainly possible, especially in water projects. Unfortunately, the case material does not permit an analysis of divisibility, since in no case do we encounter an instance where access to a public work is distributed on a household or individual basis.

Conditions (b), (c) and (d) present a different problem in public works. With respect to condition (b) (demand exceeds supply), the demand for a public road (e.g., a road) may outstrip the number a ministry or other agency can build. This is precisely the condition that exists in Kenya, and it leads to intensive lobbying on the part of M.P.'s (Brokensha and Riley, 1980:9). The problem here is not that the poor are denied resources, but that a poorer region may be denied because of its lack of economic and political influence (Ibid).

Conditions (c) and (d) are closely related to each other. A works program of high quality requires more expensive technology--a scarce input. This hypothesis (goods of higher quality, and those requiring expensive inputs are more vulnerable) is simply a restatement of the arguments cited above for labor-intensive, small scale works as opposed to larger, capital-intensive projects.

If a works program is indivisible, then access to a more expensive project will not be denied to the poor. Rather, following the arguments for decentralization, the projects will be located closer to areas of greater political and economic importance (especially urban areas), will create fewer jobs, and will not serve the needs of the rural poor. On the other hand, if it is divisible, the high price of services will further restrict the flow of benefits.

Unlike other program areas, public works are sunken investments; once built, the terms of access can be changed only if a fee or toll can be levied, and this is not always possible or profitable. It is in the planning and implementation stages that they are most vulnerable. Linkages therefore must be directed at influencing these phases. In cases where a local organization is charged with a general responsibility for government or development, decisions turn not only on project characteristics, but upon the types of projects to be selected. The type of project selected may well determine the beneficiaries (or conversely, the future beneficiaries may well determine the type of project). In East Pakistan, during the 1960's, Union Councils preferred road projects to water projects, even though the Comilla Academy had recommended that the Works Programme emphasize the latter. In this particular case, the poor majority had little surplus to market, so roads were not particularly beneficial to them. Their need was for a water-control system that would prevent the flooding that frequently destroyed their meager yields. (Sobhan, 1968:159).

Once a project is chosen and on the blueprint, it remains vulnerable in other ways. We mentioned that public works, by their public and fixed character, are less vulnerable to inequality, thus placing a premium on

influencing their planning. But public works also have another characteristic that makes them highly vulnerable in their implementation and maintenance: multiple objectives. A public works program may pursue any combination of the following goals:

Increased employment--permanent, seasonal, relief.

Increased income for the rural poor.

Greater access to markets and services.

Increased productivity.

Improved administrative control.

Local "community building."

Increased political support for local and national elites.

The fact that public works programs are multi-purpose presents two problems. First, given any setting, some goals may conflict with each other, entailing choices that may not benefit the poor. For example, community development objectives may require voluntary labor, but this conflicts with the goal of increasing incomes. (In an inegalitarian setting, "community development" objectives may be those of the wealthy; "voluntary" labor may in fact be coerced (Thomas, 1973:20).

The second problem is that each goal (with exception of the goal of political support) is both a potential source of benefit for the poor and a potential source of vulnerability. Especially important are the income and employment objectives, for it is here that public works are in fact divisible (condition a) and subject to change. Individuals are employed and fired, and once employed, their wage rates are subject to changes and cheating.

During planning and implementation, political influence may result in an official change in project objectives, technology, wage rates, and conditions of employment, project design, as well as in the project itself. Changes of this order are referred to as program mutation (Thomas, 1974:304). Practices or actions which subvert official policies for private gain are labelled program corruption. In essence, vulnerability is a function of potentials for both corruption and mutation.

To summarize, in two important respects, public works resist exclusive appropriation by local elites. Often, if not usually, works projects are indivisible. Secondly, they are invariably sunken investments; while it is easy to allow them to deteriorate, it may be difficult or unprofitable to change the terms of access once the projects are installed.

But in several other respects, works projects are subject to the same vulnerabilities characteristic of other areas of development policy, and some that are probably intrinsic to public works. (1) A project may be consumed on a household basis (condition a). (2) Since projects are selected and implemented on a regional basis, poorer districts with less influence may receive less than their share of projects. (3) Rural elites may influence the choice of projects, to the detriment of the poor. (4) Project design may be influenced with the same result (e.g., road location). (5) Elites may influence the conditions of employment, or the selection of employees. (6) Program objectives may be revised. (7) Contractors or others supervising construction may lower wage rates, fail to fully pay workers for agreed upon wages, or postpone payment (Tendler, 1979:B). (8) Projects may be subject to corruption (Tendler, ibid).

All of this means that linkages must be used to decrease vulnerability during the planning and implementation process.

Case Studies

Five case studies have been chosen for individual examination. No claim is made to their representativeness, especially since the field of "small-scale public works" is ill-defined, and we do not present cases from Latin America. The selection was determined by their contribution to the issue of linkages, and the limitations of time and availability of materials.

The Kenyan case presents an attempt at centralization. The Tunisian case is a prefectural system, while the N. Yemeni case is an example of a development-district system. Finally, the Pakistani cases combine elements of every type of decentralization listed above.

The discussion of each is divided into two parts: one on the particular goals pursued by elites, and the other on the degree and type of administrative capacity and linkage. Throughout each case, we will examine how elites used linkages to further their goals, and the resulting impact upon administrative capacity to effectively deliver services to the rural poor.

Centralization - Kenya (1970-74)

Goals. In 1970, the Ministry of Works assumed control over most road building and maintenance in Kenya. Previously, this had been divided among the Ministry, which was responsible for trunk roads (25-30% bitumen), County Councils, responsible for secondary roads (5% bitumen), and Area or Urban Councils, in charge of low-grade, "unclassified" roads. The centralization

shifted all existing classified roads and a portion (20-60%) of the unclassified to the Ministry. Other jurisdictions were permitted to continue building unclassified roads. However, the Ministry took possession of the Counties' equipment and staff, which considerably deprived the Area and Urban Councils as well since they usually contracted with the Counties for grading services (Colebatch, 1974:55-57).

According to Colebatch, the centralization was part of a general strategy of political centralization and suppression of groups outside the dominant party, the Kenyan African National Union. If this is the case, the goal of administrative control can be identified as dominant among the constellation of goals we listed above. Secondly, the shift can also be seen as a related attempt to "professionalize" road works by insulating them from local client demands as well as improving their technical quality. Thirdly, given the fact that County Councils were deprived of their resources in this area, and given the technical capacity, past experience, and professional orientation of engineers, one would expect a greater emphasis upon larger scale, capital-intensive construction. This construction is conducive to (and often necessary for) increased productivity of cash crops and industry. Whether or not peasants benefited more from this policy cannot be determined here. However, the shift clearly did not emphasize the "amenity/equity" goals of employment, income distribution, and peasant access to markets and services (Colebatch, ibid).

Administrative Capacity and Linkages

The centralization represents a clear weakening of local strength from the standpoint of formal autonomy (since the counties and localities lost a

function) and available resources. Consequently, the counties lost interest in this area, and self-help groups rarely formed to construct low-grade roads. (Self-help groups, as a rule, only formed in anticipation of government support.) The Ministry was reluctant to contract with such groups to provide them with equipment as the counties had previously, due to the difficulties of collecting for this service. Without such service, half-built roads would not be usable for any length of time (Colebatch, 1973:57).

However, centralization did not completely eliminate local influence in project selection and maintenance policy. Under the new arrangement, the Ministry placed an Office in Charge (OIC) responsible at the district level (coterminous with the county) for the disposition of work teams. While subordinate to the Ministry, several OIC's reported facing direct pressure from the local chiefs, district officers, and district commissioners, and indirect pressure from parliament members through the provincial level. The demands of these figures frequently resulted in diverting equipment and workers from construction to restorative work for lower-grade roads (Colebatch,).

This is not to say that centralization did not have an impact. First, it removed formal points of contact between clients and road-builders, since the provinces lacked formal institutions of representation. The OIC was not nearly as responsive to client demands as his predecessors at the county were. Specific demands could be resisted, although the more diffuse, general demand for restoration could not be ignored. Secondly, by empowering the Ministry, centralization militated against engaging in horizontal exchanges with other agencies that might engage it in small scale road construction.

The Ministry tended to avoid such agreements, because the others (such as Education or Agriculture) did not have sufficient resources to offer in return. Third, increased involvement with foreign aid agencies tended to reinforce the professional orientation toward large-scale projects (Colebatch, 65-66).

A case in point was the feeder roads project of the Migori Special Rural Development Programme, in which the Ministry was to provide equipment and supervision in return for local labor in clearing and maintenance. In order to meet Ministry specifications for eventual incorporation into the classification, the Programme actually had to rely upon contract rather than local labor (Colebatch:58).

Thus, this case lends support to the argument that centralization results in capital-intensive construction, and advances control and productivity goals over "amenity" goals. However, centralization was only formally complete: the presence of local chiefs and elected M.P.'s provided an upward-political linkage that may have blunted the bureaucratic linkages (equipment, staff, and specifications) the Ministry used to implement its program in the rural areas. Note that other national ministries and the SDRP were unable to establish agreements that would have had the same effect.

East and West Pakistan Works Programme (1963-68)

Goals. The Works Programme in East and West Pakistan was closely associated with the Basic Democracies system instituted in 1959. An examination of the stated goals reveals a wide range of objectives. The revised Manual of Instructions of 1966 lists 10 goals:

- "(i) to solve the small urgent needs of the local population;
- (ii) to increase the incomes of the local councils;
- (iii) to develop human resources in the rural areas;
- (iv) to create economic infra-structure in the rural areas (roads, etc.);
- (v) to increase the capability at the local council level for planning small schemes and undertaking their execution;
- (vi) to add to the incomes of the people in the rural areas;
- (vii) to provide employment to surplus agricultural labour, particularly during the slack season;
- (viii) to supplement the development effort of departments busy in large schemes and projects;
- (ix) to provide training to the local councillors in planning for their own needs; and
- (x) to increase both land and labour productivity in the agricultural sector." (Pickering, 1969: 1.3).

In sum, the Programme was to advance all the goals, economic and administrative, listed earlier. Moreover, both the Basic Democracies and Works Programmes were strongly motivated by a need to build a base of support for the Ayub Khan regime (Burki, 1969: 331).

If a program selects a wide range of goals, it increases the likelihood that certain ones will be given priority over others, since some are either easier to pursue or politically desirable to key interest groups. For example, in East Pakistan, in the planning stages of the Programme, the Comilla Academy for Rural Development recommended a strategy of (1) maximum reliance upon the most local level of the Basic Democracy System, the Union

Councils, (2) emphasis upon water projects (to prevent soil erosion, and crop destruction, and enhance irrigation efforts), and (3) phased implementation with a maximum amount of training for local officials. However, this strategy, which emphasized greater productivity and institution-building, conflicted with the political and administrative interests of the national regime. Consequently, the strategy was abandoned by the Academy itself in favor of a rapid road-building program (Sobhan: 109, 110).

Administrative capacity and linkages. The Basic Democracy system consisted of five layers of administration: the Unions, tehsils (West) or thanas (East), districts, divisions, and provinces.² The Union Councils were entirely elected, by universal adult suffrage with chairmen elected by council members. Overwhelmingly, Union Council members were drawn from the top 10-15% income strata in the rural areas (Sobhan, 88). Thana and Tehsil Councils (40 members) consisted of 50% Union Council chairmen, 25% nominated by the sub-divisional officer and approved by the Deputy Commissioner at the District level) and 25% government officials. The District Council consisted of 50% government officials, 25% appointed representatives and 25% nominated from among the Union Councillors (Sobhan, 78; Burki, 334-335).

The membership of the Basic Democracy councils clearly reflects two biases: one in the direction of central control and the other in the direction of elite control. The basis of this bias lay in the political conflicts in Pakistan at the time. Four critical factions can be identified: (1) the orthodox bureaucracies, charged with general administrative control, (2) the technical ("nation-building") departments such as the Agriculture, Education and Housing Ministries, (3) Ayub Khan and the military, and (4) the landed elite (Burki, passim).

The first consisted of members of the Civil Service, from the literary-generalist tradition. Nevertheless, they were concerned about developmental problems, partly because of the government's interest in this area, but also because of the challenge presented by the technical departments to their status. While skeptical of the efficacy of the Basic Democracies (BD's), they worked vigorously in support of it because it provided a means for asserting their claim to leadership in this area (Burki, 328). The technical departments, by contrast, favored developmental programs, but were suspicious of "development from below." They became locked in a conflict with the orthodox bureaucracy for control over the BD's. Ayub Khan and the military saw the BD's as a means of building a new base of support among the rural masses. Finally, for the landlords, support for the system was a concession to the regime and a means for reestablishing dominance in the rural areas (Burki, 330). Thus the centralist and elite bias had as its source an attempt by these factions to control the BD's and the Works Programme, although at different points and with different goals.

Membership on the councils was one linkage the government and elites used to this end. Other linkages also reflect a centralist bias, although (at least in the West) with the intent of establishing the dominance of the traditional bureaucracy and at the expense of the technical departments. The former were represented at the district level under the District Commissioner, the latter at the provincial level under the Provincial Policy Committees, made up of representatives of these agencies.

Financial linkages strengthened the District Project Directors. One-half of the Works Programme grants were distributed to districts equally, the other half on the basis of population. By establishing a set formula, the

government denied the Provincial Policy Committees an opportunity to reward and punish Districts; by allocating 50% equally, the poorer districts received a greater proportion since the districts with lower population densities were also the poorer in per capita income (Burki, 339).³ Another arrangement was more ingenious. Within each district, 75% of the grants were to be allocated to the Union Councils, and only 25% to the Districts. Ostensibly, this was to maximize the influence of the Union Councils and minimize that of the Districts. In fact, it did exactly the opposite. At the District level, the technical departments were represented on the councils. On the Union level, they had no representation. However, the Deputy Commissioners, since responsible for all BD's in this district, exerted direct influence upon the Unions (Burki, 334-335).

If the Unions were receiving 75% of the grant, why were they unable to establish linkages with the technical departments in order to further their own interest? There are several reasons. Paradoxically, the sudden flow of funds to the Unions, which overnight doubled their budgets, made them more, not less, dependent upon the Districts. Often Unions responded to this windfall by lowering taxes or becoming more lax in collection (Sobhan, 89). In this way, they incurred the favor of their constituents. For the same reason, the Unions devoted more attention to the Works Programme, and less to their traditional tasks of adjudication and tax collection.⁴ By reducing their own tax base, they became more dependent upon the grants, which were allocated yearly. Because they were entering new fields of endeavor, they depended upon upper echelons for guidance. Given the formal authority relationship, the support of the District administrators (part of the Civil Service) for the Basic Democracies, and the antagonism for the

same on the part of the "nation-building" agencies, it was only natural that the Unions would fail to establish upward linkages.

The technical departments did their best to establish downward, restrictive linkages. In 1964, the Policy Committee directed the local councils to allocate 50% to rural-link roads, 25% to small drinking water projects, and 25% to other projects. The government, however, through the Basic Democracies Department and the Directorate of Rural Works Programme, watered down the directive to a "guideline." In 1966, the Policy Committee entered a clause into the Manual of Instructions stating that future funding would be determined by performance; this too was weakened, by the same departments, into a directive for "accurate and prompt reporting." Finally, in 1967, the Planning and Development Department recommended that a new department be established for "Rural Works." The local councils would formulate a "Rural Works Plan," but the technical departments would implement it. This demonstrates the goals of these departments; they wanted rural infrastructure, but without community building. The government rejected this proposal (Burki, 340).

While the Districts were able to exert influence upon the Unions, they generally lacked the staff and transport to supervise a widely dispersed number of projects throughout the District. Yet they were charged with the responsibility of technical supervision and evaluation of all projects. This tended to encourage larger and more concentrated projects under the direct control of the District engineer. Furthermore, the Districts, with a few notable exceptions, failed to provide the Unions with the training needed to make them self-reliant (Pickering, 3.8,9).

Unfortunately, the Tehsils and Thanas did not provide this linkage either. Rather, they functioned in two ways. First, they were responsible

for auditing and evaluating the projects. Secondly, they channeled requests from Unions to the Districts. The latter constitutes the only upward linkage from the Unions to the Districts. However, the effectiveness of this linkage (i.e., the degree of influence the Unions had over the Districts) is impossible to determine here.

Within the Unions themselves, administration became increasingly concentrated in the hands of the chairmen, who were primarily responsible for preparing the budget. The increasing dependency of the Unions upon the Districts, for reasons mentioned above, led to more intense ties between the chairmen and higher-level administrators. According to Sobhan, this was reinforced by class ties (the chairmen usually older, wealthier, and better educated than the other councilmen) (Sobhan, 96).

A number of problems were encountered throughout the Programme, all related to financial linkages.

--In the East, the rapid infusion of funding, through the PL 480 program, resulted in a critical shift away from the policies recommended by the Comilla Academy. The Academy had recommended a phased program, with experimentation, training, and an emphasis upon water projects, which were needed to reduce soil erosion and crop destruction. Instead, training was minimal, and road projects received far greater emphasis. Sobhan points out that the latter had a detrimental impact upon the poor, since their need was to increase their surplus so as to avoid debt, rather than to market a surplus which by and large did not exist (Sobhan, 159).

--Again in the East, a matching-effort requirement, in the form of labor, had the regressive impact of taxing the poor for projects that may not have even benefited them. Under conditions of inequality, "voluntary"

labor is in fact usually forced, and produces only alienation and even subversion. Within a year, the requirement was dropped (Thomas, 1974:309).

--The schedule of releases of funds conflicted with the labor seasons in many areas. The need to spend funds before the end of the fiscal year often led to a greater reliance upon contracting⁵ or technical departments to do large-scale, capital-intensive construction, thus defeating the employment and income goals of the Programme. Pickering thus recommends a release of funds coordinated with labor seasons in each district.

All of the above suggest that the timing, duration, amount, and conditions of funding are critical variables affecting the use of financing as a linkage to achieve certain ends.

Pickering claims that a number of measures taken by the West Pakistan Policy Committee, in 1965, had a positive impact. The Tehsils were granted increased funds, Divisional Evaluation Teams, and Research and Laboratory Areas were established, and performance criteria were introduced (although never clearly instituted. These measures, while leading to a greater number of projects at a reduced average cost, did not increase the amount of direct labor. Nor were the institution-building objectives (village leadership and increased capability) met as of the time of his report (Pickering, 3.11).

Tunisia Works Program (1958-69)

Goals. The Food for Work Program in Tunisia originally was a drought-relief program administered by the Ministry of Social Affairs from 1956-58. Its productive impact was minimal. However, in 1959, the program was transferred to the Ministry of Finance and Economics with the intent of expanding

the program's objectives to include the development of infrastructure at the village level (Grissa, 1973:137).

Administrative Capacity and Linkages. Two other levels of administration remained unchanged, however. The program continued to be administered by the governorates (ten in the nation) and no responsibilities were given to the villages. The governorates were critical in project implementation due to the weakness of the Ministry. The governorate council consisted of the governor (appointed by the Minister of Interior and the President), representatives of governmental departments (Agriculture, Health, Education, Housing, Social Affairs), representatives of national organizations, and the citizenry (Grissa, 136). Thus, the council provided both upward and downward participatory linkages.

More significant for the central government was its control over allocations (which consisted of both cash and semolina rations). Each year the governors submitted lists of projects with estimates of work days and costs, upon which the allocations were made. However, once the governors acquired their allocations, the central authorities found it nearly impossible to exert control over them, even through their own departments. The chief reason for this was the lack of central personnel that could be used to supervise work in the field. Apparently, the governorate councils did not meet with sufficient frequency to adequately check the governors' dominance in the program.

This situation had two effects: first, the governors showed little interest in consulting with the national departments or the local villages, and this greatly undercut interest in the program at the local level (Grissa, 136). Second, work was often defective and unproductive, although the projects employed many workers. In other words, the governors emphasized

employment goals of the projects to the detriment of the developmental ones. A drought between 1960 and 1962 led to a rapid expansion of the program. Programs included water and soil conservation, reforestation, and housing. What did not, at any level, expand in proportion were capacities for planning, control and supervision (Grissa, 137). In 1963, the program was divided into a national works program, under the Ministry of Agriculture, and a regional program under the control of the governorates. The Agriculture program was administered at the governorate level by a representative of its ministry. Food for Work allocations, along with other aid funds, were integrated into the national budget to facilitate yearly planning. Allocations were then made on the basis of cost, resources, and the extent of unemployment.

In the regional program, the governors reported back to the planning ministry on the expenditures of the past year. The reliability of these reports, Grissa feels, is dubious. For example, actual expenditures often included unreported costs incurred by villagers (Grissa, 140).

The National Program was unable to overcome the deficiencies of the earlier programs, mainly due to the influence of the governors. The conflict continued between the Ministry's infrastructure-building goals and the governors' desire to employ as many as possible--especially during droughts. In one case, a Ministry engineer refused to approve a forestation project because he knew that the trees could not grow in the area that the governor wanted to have planted. The engineer was dismissed and the trees were planted. In other areas, projects tended to deteriorate rapidly, were poorly constructed, or not implemented. Interest on the part of the villagers continued to be low, and the projects were viewed as nothing more than a means for obtaining needed rations.

In conclusion, this case is further evidence that short-term infusions of aid can work to the detriment of certain objectives. There is a premium upon rapid expenditure which will either result in capital-intensive projects (defeating the employment objectives) or feather-bedding (defeating the development objectives). Secondly, it is another example of the conflict between prefects and technical departments. Third, it stresses the importance of staff large enough to supervise regional authorities, if control is to be exerted.

N. Yemen - Local Development Associations (1963-78)

Goals. In 1963, the emerging Republican government of the Yemen Arab Republic mandated the creation of Local Development Associations (LDA). A Ministry of Social Affairs, Labor and Youth was established in 1968 to certify, assist and supervise them. The Confederation of Yemeni Developmental Associations (CYDA) was established in 1973 to coordinate, assist and represent them, and to approve their project proposals (Samuels, 1979: 1-4).

By 1975, 65 LDA's had been officially recognized, and 20 more were awaiting recognition. Many of these had been organized before the mandate by persons returning after study abroad, some who were civil servants. All are coterminous with existing government districts (qada) or sub-districts (nahiya), although they vary greatly in size (Green, 1975: 1-9).

The LDA's mandate deserves careful comparison with those of previous cases. Essentially, it is to organize and implement local development projects. The LDA's have been directed to concentrate upon the construction, staffing, and maintenance of roads, primary schools, water supplies, and

preventative health services. They are also charged with submitting plans and priorities (particularly for increasing agricultural production) and coordinating with technical departments in fulfilling any development project (Samuels, 1, Appendix I). In one sense, this is a broad (if not overburdening) development mission. But we should consider what is not emphasized. First, they are not responsible for integrated development, and tend to "complete specific projects one at a time" (Samuels, 2), although they are supposed to avoid distorted development (Samuels, cf. 3). They are not responsible for "community building" per se, although this may be an outcome of the projects', nor are they responsible for maximizing employment or income.

On the other hand, there was an explicit concern with maintaining central authority and political stability. Moreover, central authorities were willing and capable of supporting or denying projects on the basis of political considerations (Samuels, 5). In this respect, Yemen does not differ from the other cases. The way in which it does differ is in the type and degree of administrative capacity (and weakness) at the local level, and its linkages (or lack of linkages) with central authorities.

Administrative capacity and linkages. The first factor affecting the performance of the LDA's is a relatively egalitarian socio-economic structure. Land ownership is widespread, local officials require approval by villagers,⁶ and views are freely expressed, even those in opposition to the leadership.

The LDA's themselves consist of a General Assembly of about 150 persons representing each village and tribe, and an executive committee of about 5 to 7 persons. Elections are held every three years. This formal structure is supported by the traditional political structure of the qadas. Two figures

considered critical are the agils (tribal leaders) and amins (tax assessor and collector, appointed by the central government but approved by the villagers). Both reconcile differences; the agils serve as judges, and the amins charged with encouraging participation in the LDA (Green; Samuels, 5). This facilitates both an interest in the projects and cooperation necessary to implement them.

The second factor is an unusual set of informal and formal integrative linkages. As stated above, the amin is appointed and paid by the central government, but must be approved at the local level. The administrative committees often consist, in part, of government officials residing in the capital, but elected by villagers (Green). Another informal linkage is between committee members and any of the eleven governors in the nation. Unlike their Tunisian counterparts, their role is limited to serving as intermediaries between the LDA's and technical departments, and at times, adjudicating disputes and enforcing settlements (Samuels, 7).

Formal integrative linkages are provided by the CYDA, and the LDA coordinating councils at the governorate level. The functions of the latter are still unclear. The former, however, are responsible for project approval, election supervision, advocacy, allocation of government revenues, and obtaining foreign aid. The impact of the CYDA is far from certain, although many LDA's are disappointed with its performance in obtaining aid. It is also one of their formal mandates. Projects have been known to be disapproved; if the LDA lacks the finances or technical capacity to carry out the project, it must accept the disapproval. What is not clear is whether the individual ministries (who give final approval) or CYDA is more important in this process.

The third factor, which is critical, is the financial linkages, or perhaps the absence of them. There are three sources of funding, excluding foreign aid: voluntary contributions of money, labor and supplies, governmental support, and the LDA's own tax revenues, which are the most important. Each LDA receives 50%⁷ of the zaqat tax collected on crops, along with 5% of the value of national imports, divided among all the LDA's (Samuels, Appendix I). The funds are maintained at the Yemeni Bank for Reconstruction and Developments, and once a project is approved by the CYDA, they may be withdrawn for the project. The significance of this is that there is a stable tax base upon which the LDA's not only implement, but plan as well.⁸

Central government financing is categorical and negotiated on a case-by-case basis. The CYDA plans expenditures of foreign aid, but there are complaints that it does not comply with its own plan (Green).

The third source, voluntary contributions and local taxes, is very important in maximizing the LDA's autonomy. There is no consistent pattern in either, as practices vary by the village, and there are no guidelines governing them (Samuels, 10).

The comparison with Pakistan is striking. There, a rapid infusion of foreign aid led to decreased incentive for tax collection and greater dependence. "Voluntary" labor requirements were rescinded because of the program's involuntary nature, which resulted from the inegalitarian social structure. In Yemen, assistance is minimal, but initiative is high, and organizing voluntary labor entirely a matter for the local level. Also, projects tend to be implemented in stages: relying first on voluntary contributions, then LDA funds, and finally governmental or foreign aid (Samuels, Appendix I).

The fourth consideration is the lack of technical capacity at the LDA's, which frequently requires private contracting. There is a great need for "middle technology" such as explosives and bulldozers used in road building. In addition, there is a need for training. It is in this category that both the LDA's and the central government are weak. In one LDA, it was reported that the Highway Authority did not carry out its commitments, and that its work was slow and of such poor quality that the LDA had to buy its own equipment. The same complaint was voiced regarding the Ministry of Education (Green). The complaint that ministries do not live up to their commitments is common. As for the CYDA, only a small portion of the 1000 requests from LDA's could be met (Samuels, 8).

The ability of the government or the LDA's to maintain interest in the LDA is directly associated with the ability to deliver projects. Three points should be noted. First, villagers eagerly want projects, especially water projects, and those that link them with the capital where jobs and other resources are. Schools and roads therefore also receive high priorities. Second, LDA officials frequently complain that there is a misunderstanding amongst villagers regarding LDA functions: villagers believe LDA's are to deliver desired projects without the corresponding self-help effort expected. Third, support for the LDA, which is reflected in villagers' comments, LDA elections, and willingness to contribute resources, is greatest in those villages where support for projects have been promised and delivered (Green, passim). What this suggests is that both community building and developmental objectives are furthered where self-help is supported. The irony is that participation is high where developmental goals are pursued, and low where institution-building received emphasis as it did in Pakistan.

One final consideration, to which we will give further attention in the analysis, is the problem of corruption and diversion of benefits. The democratic nature of the LDA's, along with the egalitarian social structure, served as an insulation against the abuse of the projects for personal or client uses at the local level (Green, 35). Between the local and national level, political ties, especially between sheiks (tribal leaders) and national elites, presented a different problem. At one point, the sheiks had been given one-half of the zaqat taxes for welfare purposes. The order was rescinded when it became clear that they were appropriating the funds for their own use. However, in one LDA, they used their ties with the Prime Minister (head sheik for the area) to continue receiving this portion. In another, the sheiks insisted on receiving food allocations for a Food-for-Work project. This led to a stalemate between themselves and the LDA, during which the food was warehoused and the workers went unpaid. Eventually, the LDA contracted the project out (Green, 32).

The Yemeni case provides an example of a relatively successful public works program. The reasons for this success lie in certain characteristics of the setting, as well as the linkages established between the center and the LDA's. The society is relatively egalitarian at the local level, and the national elite appears to be genuinely interested in rural development. Financial linkages in the form of a revenue-sharing plan (the zaqat and import tax shares) provide a stable source of income for the LDA's. Close ties between national and local elites generally facilitate implementation. Participation, on the other hand, does not facilitate implementation so much as it results from successful implementation. It appears that participation is highest where there is the promise of future benefits, and these benefits require participation.

Linkage Issues: Elite Interests and Administrative Requirements

A comparison of the case analyzed here illustrates and elaborates upon how the four variables presented in the introduction apply in the area of public works. Since we have already addressed one of these, program vulnerability to inequality, we will focus here on the other three: Local elite interests, national elite interests, and the program's administrative and technical requirements.

Local elite interest. Local elite interest is a function of the degree of inequality, which may in turn be a function of the pattern of agriculture. Where there is a lack of common interest between elites and non-elites, organized competition from non-elites and strong linkages between these organizations, and a sympathetic center may compensate.

Our research suggests that this general pattern indicated in the introduction is true with respect to public works. However, two qualifications should be made. First, local units responsible for works typically include elites in dominant roles. Given the fact that works projects are allocated on a regional basis, exclusive organizations of the poor are neither likely nor feasible. Thus the question of exclusive vs. inclusive organization, which is important in the area of agriculture, is less important here. Secondly, materials on N. Yemen indicate that certain high status groups may influence project implementation in both positive and negative ways, despite a relatively egalitarian distribution of wealth. In N. Yemen, religious and village officials (agils and amins) facilitate the operation of development cooperatives, while tribal leaders (sheiks) have often tried to subvert their objectives (Green, 1975:).

National elite interest. The introduction suggests that national political elites will support programs for the rural poor when (1) ideological

reasons, (2) inter-elite competition, or (3) the need to establish a political base compel them to do so.

Ideological motivations are likely to play a role after a change of regime, especially following a revolution or war of independence. But if this is the case, we are also likely to encounter a condition where elites desire to establish a base of support (condition 3). In our study, all but one of the cases, Kenya, fall into this category. But in each case, different objectives are stressed. These objectives depend upon the elites' definition of development and state-building problems of their nations, as well as the actual problems that exist. In Pakistan, community development and nation-building were stressed; in Tunisia employment goals displaced all others, while in N. Yemen, amenity creation and agricultural productivity receive priority. In the first case, the Ayub Khan regime sought to incorporate the peasantry and end what it considered to be petty politics (Ashford, 1968). In the second, local governors apparently feared the impact of unemployment on local stability. In the third, elites returning home from foreign study as well as others trying to establish the legitimacy of the new republic saw backwardness as the chief problem.

Condition 2 (elite competition) applies to all cases except N. Yemen. In Kenya, competition is institutionalized in an elected parliament, and its high turnover attests to the intensity of the conflict. One of the chief mechanisms for obtaining support is through the pork-barrel (Brokensha and Riley, 1980:9). In Pakistan, the Civil Service saw the Works Programme as a means of asserting its superiority over the "nation-building" departments (Burki, 1969:328). Meanwhile, the military, led by Ayub Khan, was trying to break the power of landed elites and local politicians. In Tunisia, armed

conflict was taking place in the south between the government and its rivals, heightening the crises caused by occasional drought (Ashford, 1967:73).

Particular agencies. The interests of supervising agencies are determined by their external alliances (a form of horizontal linkage) and professional and institutional patterns of socialization.

The question of appropriate supervisory agency and professional orientation remains an unresolved issue. Besides engineers, and public works ministries, whose high technology bias is already known, what other agencies are available? Which are most capable and willing to promote objectives consonant with the interests of the rural poor? The literature does not provide us with any clear answer on this regard. Here we can only cite the types of agencies and the possible drawbacks associated with each. Four types of national agencies may be identified: (a) prefectural administration (governorates, provinces, districts), (b) technical departments (e.g., ministries of public works), (c) rural development agencies, and (d) departments of local government or community development. Some form of prefectural administration is found in all of the cases presented here. Where prefects are actively involved (Pakistan and Tunisia) they view works programs as a means for intensifying administrative control and maintaining stability in their region. Therefore, they exert strong control over the projects, thus squelching local initiative (Pakistan) or defying central government directives (Tunisia).

The problems of technical departments have already been cited: while highly competent, they are oriented to capital-intensive work and often do not give sufficient attention to maintenance. Rural development agencies must develop supportive linkages with other agencies. In doing so, they may

compromise their commitment to small-scale works. If they do not, they may be subject to antagonistic political forces (Thomas, 1973:). Departments of local government or community development may give greater emphasis to community development objectives than employment and income objectives. As stated earlier, in an inegalitarian setting, both objectives may be jeopardized (Thomas, 1973:20). While ministries of interior seem an unlikely source, Thomas points out that they often serve as a recourse against officials acting unfairly (Thomas, 1973:20). Be that as it may, one wonders if they bring a technical capacity and ideological orientation appropriate to a small-scale works program. Certainly we could not expect an emphasis upon community development or participation in such a case.⁹

Administrative and technical requirement. Two organizational capacities mentioned in the Introduction are problem and opportunity identification, and solution identification. These capacities are especially important during the construction phase. Unforeseen circumstances require the generation of new ideas which may or may not be forthcoming. However, we did not encounter such circumstances in our research; consequently, it is impossible to determine the extent to which Hirschman's (1967) "Principle of the Hiding Hand" is in fact applicable, or under what conditions.¹⁰

The remaining organizational capacities and requirements are certainly important for the planning, construction, and maintenance phases in public works. However, different types of decentralization are likely to require different kinds of organizational capacity. Self-help organizations face the problem of inducing independent individuals to contribute resources, particularly when they are scarce (Popkin, 1979:24-27). Furthermore, individuals who attempt to organize villagers may be looked upon with

suspicion by elites and non-elites alike (Grindle, 1977:159-163). Consequently, in a situation where commitment (vi) is an important requirement, leadership and institutional capacities (iii, iv, v) are likely to be low.

This problem may be overcome by two types of linkage: information or reliance upon local elites. In the former, the national government could make known its spending priorities for the following year. Self-help groups are known for their willingness to respond to such signals (Holmquist, 1970; Tandler, 1980, xii). They are also known for their willingness to complete works started by the government. In short, it is likely that more participation can be generated by the center informing the locals of its desires than by taking requests it cannot or will not fulfill, which is the more typical pattern.

The second alternative is dangerous where the structure is highly inequalitarian, since voluntary labor can be coerced. Where wealth is more evenly distributed, however, certain elites may find it in their interest to encourage self-help for the common good. (See Yemen case.)

Besides a lack of leadership capacity, both self-help groups and local governments generally lack technical and financial resources (v and vi) needed to implement projects without assistance. Moreover, local governments may face severe restrictions by the national government in an effort to keep them politically neutral (Ashford, 1967).

The most salient facts about development districts is that typically they are recently organized and are expected to be politically neutral. Secondly, development districts lack expertise, experience, technology, and financial resources for particular tasks. Third, they are often recipients of large infusions of governmental or national aid, and are expected to immediately

engage in developmental programs. All three conditions create dependency between local and national authorities. The relationship between the amount and timing of aid and decentralization is parabolic: too much too soon may be as harmful to decentralization as too little too late. (See Pakistan case.)

Prefects have the greatest degree of administrative capacity compared with other decentralized units. However, their capacity may not meet the requirements of desired projects.

One capacity they do not lack is the capacity to resolve conflicts (iii). This capacity stems from the wide-ranging authority granted them by the national government backed by the coercive apparatuses, their administrative experience and degree of legitimacy, and the technical and financial resources they command.

In Tunisia, the governors, who were responsible for administering the works program, relied heavily upon their broad powers. In Pakistan, where responsibility was shared among layers of government, the district directors relied upon their experience, legitimacy, and technical and financial resources to maintain control over the local Union Councils.

An important though yet-unresolved issue relevant to administrative capacity is the appropriate distribution of administrative tasks among and within levels of administration. The reason this issue is important lies in the symbiotic relationship between centralization and decentralization. Pickering's (1969) and the World Bank's (1976) studies point out that decentralized units require knowledge of the options available to them, benefits of research, technical support, education and coordination. The simple channelling upward of requests does not constitute participation. Without strong support from the center, participation declines because there is little incentive for it (Pickering, 1969:III; IBRD, 1976:68-69).

Given the list of task requirements (technical skill, scale, complexity involvement of extra-organizational actors, size of resources, and commitment) we must determine the optimal order of responsibility within a public works program. From the literature we can identify three levels of administration: (a) implementation, (b) technical support, and (c) administrative supervision and control. In the case of Pakistan Pickering argues this should correspond to the Union (lower), Tehsil (middle), and Division (upper) level, respectively (Pickering, 1968:IV). The pattern actually followed was Union, District (intermediate), and Tehsil. Whether this pattern is case-specific or should be followed universally is an important issue for inquiry.¹¹

Linkage Types

What becomes clear upon reviewing the cases is the weakness of formal linkages--rules, plans, and performance criteria--and the importance of linkages which provide material resources (money, information and equipment) or control over program administration. The latter is obtained chiefly through representation (either elected representatives, committees, or appointments). In addition, control over the police or other enforcement powers may make a critical difference.

Where a system of national representation exists, as in Kenya, elected representatives provide an upward linkage for self-help groups and local governments. In Pakistan, representation on committees and through appointments was the chief linkage used by national and local elites to control the Basic Democracy system. Prefects, on the other hand, tend to rely upon control over the local police as well as their wide-ranging powers. Since

power tends to concentrate in the hands of the prefect, representatives on committees responsible for works programs possess little influence.

A number of additional issues raised by the case material merit special attention. These concern financial, participatory, and horizontal linkages.

Additional Linkage Issues

A number of additional linkage issues raised by the case material merit special attention.

1. Financial linkages.

a) Funding patterns. There are at least three funding patterns. In the categorical-grant pattern, funds are negotiated for a specific project. In the block-grant pattern, funds are granted yearly for a wide range of projects determined at the local level. In the revenue-sharing pattern, a fixed percentage of tax receipts are guaranteed to the locality.

If there is a serious effort at creating a permanent, decentralized public-works program, whether through local government, development districts or prefects, these units must have a stable source of revenue with which they can plan and organize. The revenue-sharing pattern provides a relatively stable source. From the standpoint of decentralization, the stability of resources is more important than the amount. In N. Yemen, the LDA's remained viable because they were guaranteed a small percentage of the zaqat tax. By contrast in Tunisia and Pakistan, the rapid infusion of Food for Work funds created a centralizing tendency. Where local units lack experience, capacity, and legitimacy, and where public works are part of national political strategy, power and initiative will concentrate upward.

b) Timing of allocations. At the regional level, funding ought to correspond to labor needs in a particular area. If increasing employment is an important objective, a way must be found to reconcile the fiscal year with the natural year and to provide the flexibility needed to respond to regional variation. Again, the simplest way might be to institute some pattern of revenue-sharing, even if it only provides a fraction of the funds actually allocated. At minimum, local bodies could maintain a "seasonal adjustment" or contingency account.

At the project level, funds must simply be allocated when promised if local interest is to be maintained. In N. Yemen the LDA's and villages that received the most support were the most active, and vice versa. However, a problem encountered there was that villagers understood the LDA's to be a means for obtaining projects from the government. They did not readily accept the government view that they were cooperative efforts. When they did contribute their own efforts, it was to complete a half-finished project. The point here is simply that a decentralization effort requires education and reliability on the part of both parties: therefore a government should neither promise what it cannot deliver nor deliver more than promised. While it is unrealistic to expect work's projects to become depoliticized, it should be possible for both parties to live up to specific agreements.

At the level of the individual worker, procedures must be established to ensure that the amount owed is paid at the agreed upon time. Workers bear the cost of corruption when pay is withheld by contractors or others. If pay is delayed, they may be forced to sell their produce at lower prices. Linkages aimed at preventing cheating would inform workers of the exact amounts owed at a specific time, provide simple mechanisms for monitoring

payment and reliable means by which discrepancies can be rectified. If possible, common sources of corruption can be avoided through direct wage payments, or payments to his account at an established credit union or bank. Wage performance can also be monitored by supervising agencies (Tendler, 1979B:82).

2. Participation and information. Where the social structure is highly inegalitarian, participatory linkages may have a regressive impact, since elites will dominate national and local councils. One linkage that can compensate for this is information. Tendler, for example, argues that villagers can be trained to monitor construction. They are close to the project, interested in it, distrustful of officials and contractors, and available during the non-agricultural season (Tendler, 1979B:47-52). She also states that where there is a possibility of funding, they will contribute resources (Tendler, 1979A). This is borne out in self-help experiences in Kenya, as well as Yemen. If this is the case, then it seems useful for villagers to have a knowledge of the kinds of projects the government is capable and willing to finance, as well as for the government to know what villagers are interested in.

3. Horizontal linkages. Where regular coordination is required, as is often the case in public works, attention must be focused upon horizontal linkages. The literature is unfortunately not very helpful in this regard. There are always comments on the need for more coordination: just how or why units should coordinate is not always clear however. According to Lindblom, coordination may be achieved through a central coordinator, negotiation, agreed set of rules, or common discussion (Lindblom, 1965). The problem observed in Kenya and Pakistan is that there is little incentive

to negotiate or discuss where technical departments are antagonistic to decentralized units and professionally disdainful of them. On the other hand, plans do not achieve coordination either because they are vague, resources are lacking (Yemen), or not accepted as binding. What is required then is either standard procedures, or case-by-case arbitration enforced by a central coordinator. This, of course, assumes that it is both necessary and desirable to coordinate; that the interests of the rural poor are served by such an arrangement. If coordination simply establishes a set of obligations upon the local unit without reciprocal privileges, it would be inappropriate.

Conclusion

This paper has attempted to present a preliminary conceptual framework of decentralized rural public works in LDC's. Taking for granted the desirability of a decentralized approach, we have adumbrated the common forms of decentralization and linkage. We then analyzed the problems of vulnerability intrinsic to public works. After reviewing the case material, we considered three other sources of vulnerability mentioned in the introductory chapter of this book: local and national elite interest, and administrative-technical requirements. Finally, we considered the problems associated with financial, participatory, and horizontal linkages in public works.

At the outset, we stated that historically, public works has been an important and attractive element in development and state-building. Works projects provide physical amenities, create employment, and contribute to other social and political objectives. The nature of this area is such that

it seems that the possibilities for directly improving the welfare of the poor in LDC's exist to a greater extent than in other areas of development policy.

But if possibilities abound, so do pitfalls. Projects are vulnerable to neglect, mutation, and corruption, and any program designed without thoughtful attention to the type of linkage issues raised here leaves it vulnerable to such failures.

FOOTNOTES

1. By "public works," we refer to officially-sponsored construction and maintenance of physical infrastructure and community amenities, such as water projects, roads, parks, soil conservation projects, and schools. Not considered here are the activities that rely upon the operation of these works after they are constructed, such as irrigation management, which deserve separate attention.
2. In West Pakistan, the average population of the unions was 16,000; Tehsils 24,000; districts, one million; and divisions, four million (Burki, 331). Ashford, using both provinces arrived at smaller figures for the Unions (4-15,000) and much larger ones for the Thara/Tehsil (150,000). Each Thara/Tehsil consisted of 13 union and 165 villages (Village: 800-1,500 pop.) (Ashford, 1967:).
3. "Thus . . . between 1963 and 1966, in per capita terms, the Chavgai district (2 persons per square mile) received 8 times as much funds as the Lahore district (1,310) (Burki, 339).
4. The Divisions, Districts, and Unions existed long before the Basic Democracy system. The Basic Democracy system only added the Tehsil/Thara level of administration. Of greater significance was the Work Programme, since it created new resources and tasks for these bodies.
5. In 1963-4, 45% of Union Councils' funds were paid to contractors. In 1965-6, 71% were (Pickering, 3.3).
6. Despite this requirement, the positions of agil, amin, and sheik (see below) are usually inherited. At least the first two are usually the most literate and considered the most administratively competent, however.

7. Samuels reports 75%, page 10.
8. Central authorities have been known to interfere with disbursal (Green).
9. Even if an interior ministry is a recourse, it is likely that petitions are made by elites. If this is the case, the interests of non-elites must first be "filtered" through those of elites before they can even be heard, much less acted upon.
10. Hirschman (1967) views these unforeseen circumstances and uncertainties as a resource in and of themselves, since they force creativity. See "The Principle of the Hiding Hand."
11. With respect to the latter, the Chinese follow a principle of a "3-in-one-combination," consisting of experts, experienced peasants, and administrators. The extent to which role is most authoritative depends upon the scale, national importance of the project, and availability of experts (Nickum, 1978:183).

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Chapter VII

CONCLUSIONS

David Leonard

CHAPTER VII

Rural development requires a new type of decentralization. What is needed is not power for either central government or local organizations but complementary strength in both. Central government agencies, intermediate organizations and local groups all possess resources and capabilities that are needed by the others. The challenge is to link these institutions together in such a way that their weaknesses are counterbalanced and their comparative advantages are used. By so doing a contribution can be made to development which neither local nor national organizations could achieve alone.

The process of rural development depends on combining the resources and skills which are scattered among organizations of different types and sizes. There are a variety of reasons why it is difficult to find all the essential components for a development initiative in one organization. One of them is that different processes have contrasting economies of scale and thus function best in units of dissimilar size.

A few examples may help to illustrate the point. The preliminary processing of coffee requires a small "factory." Large estates will have their own but the operation of one is impossible for a small-holder. The Kenyan experience suggests that the optimal "factory" serves about 2,000 small growers. Any economies of production that would come from a larger unit are more than offset by transport costs for the growers. Such factories have become the basic unit of cooperative organization in central Kenya and are managed independently of one another. Nonetheless, these primary societies have difficulty retaining competent accountants and so they turn to the district cooperative union for these services. Similarly, the

international marketing of the coffee produced is far beyond the resources of even a district union. This function is performed by a national cooperative organization. Coffee small-holders thus are served by a three-tier cooperative system, each level with its distinctive competence and linked to the others in a complementary manner.

Another example concerns the interdependence of the community health worker and the M.D. in rural health care. In Chapter V we outlined the economic and social reasons why para-medical personnel were generally more appropriate than doctors as the basic providers of health services and education in the developing world. Yet these community health workers will be ineffective if they are not closely supported by M.D.'s in the larger medical system. Each has an appropriate role and scale of operation.

Finally, the construction and maintenance of rural roads involves links between community organizations and intermediate levels of sub-national government. The local group is needed to organize voluntary labor for construction and to oversee and/or provide maintenance. It also can make extremely helpful contributions at the planning stage in order to ensure the optimal fit between local use and road lay-out. On the other hand, the engineers to design the road and the earth-moving equipment to do the heavier construction work must be found in a supra-local organization. Rural works projects function best when each is communicating with and is in support of the other.

These examples simply re-emphasize our theme of the partnership of central and local organizations in rural development. Now we want to draw together the conclusions about linkages that have been developed in the preceding chapters. We will start with the general lessons. Afterward we

will turn to responses to major contextual constraints on improving the welfare of the rural poor--unprogressive central and local organizations and low administrative capacity.

Organizational Interdependencies

When several organizational units are linked to one another in the provision of a service, the performance of the whole depends upon the operation of each component part. If any one unit in a linked chain fails, the whole service system is ineffective. In an important sense all the organizations that are joined in the provision of a service to rural dwellers are dependent on one another. Coffee processing factories are pointless without marketing channels and vice versa.

The reliability with which each component part of a service chain operates is of first importance. Especially when only one organization is performing an essential task, ineffectiveness will have spread-effects throughout the whole service system. In the Sudan, for example, the entire governmental health system is dependent on the Central Medical Stores for its pharmaceutical supplies. When that one unit recently lost its capacity to keep essential drugs and vaccines cold, much of the rest of the medical system was rendered impotent--no matter how well it was being run (USAID, 1980).

Especially when we are dealing with essential services or their component parts, organizational effectiveness--not efficiency--is the first criterion of performance. The important point is to do the job. Only after that is assured does attention turn to lowering the costs of doing it. "Efficiency" dominates the vocabulary of organizational virtues and it is easy to forget that its importance is subordinate to that of effectiveness. In much rural

development work the effectiveness of critical units is in doubt and therefore must receive primary attention.

Effectiveness is assured by redundancies. Reliability is provided by back-up features that will take over the performance of a function when the first, or even second, method fails. Just as one wants a hand brake as a safety feature in a car in case the hydraulic ones fail, back-up facilities are needed in essential organizations. Such redundancies are functional.

A well-endowed organization assures its effectiveness by maintaining a certain amount of slack--personnel, talent and resources that are redundant in normal operations but which can be employed when the unexpected crisis or break-down occurs. The problem for developing countries is that precisely because they are poor they very often lack enough resources to provide slack in their organizations (Caiden and Wildavsky). The consequence is frequent break-down in services. In the agricultural sector such organizational failures lower farm productivity, adding to the vicious circle of poverty.

Redundancies in service systems need not always be internal to the providing organizations. From the point of view of the user--the sick, the farmer--the service needs to be available somewhere but not necessarily from the same organization every time. Redundancies can be provided by several units offering the same service. Back-up can be either internal or external to the organization.

The materials we have examined in Chapter III on marketing and farm supplies suggest that external redundancies may be easier managerially and cheaper in resources than internal ones. In a resource-scarce environment agricultural services seem to be more reliable when provided by competing organizations. "Common sense" suggests the opposite--that when skills are

short they should be concentrated in a single organization to assure their most efficient use. Thus country after country has created parastatal or cooperative monopolies at various levels in their agricultural sectors. The weaker a country's administrative resources, however, the less its ability to provide internal redundancies and the more likely these monopolies will break down, with negative consequences for production. Contrary to "common sense," competition (be it between private or public units) is less demanding of scarce administrative talent. The market is itself an administrative mechanism but one that doesn't use administrators.

Reliability is important in any organizational system on which one is dependent, whether one is looking up at it as a client or down at it from a government ministry. If the state needs the foreign exchange which coffee produces, it is dependent on the quality of the organizations which service the crop. Usually when a government has any reason to doubt the reliability of an organization on which it is dependent, it seeks to gain control over it. If the problems of the organization are modest, state control may be able to assure that additional, adequate resources are committed to the essential tasks, thus providing it with internal redundancies. Reliability which is gained by control is purchased with the loss of organizational flexibility and adaptability, however.

The alternative to control is the choice provided by external redundancies-- the existence of more than one local or intermediate organization for each function in every area. Choice is far less costly to exercise than control and it doesn't destroy the adaptability of the organizations over which it is exercised.

When dealing with critical services, monopolies are dangerous to the community and to the state. Both then are dependent on them. If their performance is in doubt--as is often the case in resource-scarce environments--there will be a struggle to gain control over them, a contest which the state as the stronger party usually will win. Local flexibility then will be lost and the state will enter into the extremely difficult enterprise of using control to gain effectiveness (Landau and Staudt). When choice is lost, domination usually follows. Reliability and thus redundancies are valuable at every level of the linked local, intermediate and national organizations servicing a sector.

The Allocation of Functions by Organizational Priorities

The second general theme of our studies is that different organizational units will tend to give priority to different aspects of a service sector. Thus we conclude that it is best to allocate primary responsibility for a task to that entity which treats it more seriously. Organizational value propensities are distinct from their technical capacities, although they sometimes are related. When the necessary technical capability to perform a task is to be found in more than one organization even if it is only minimal in one of them, it generally is best to allocate that function to the unit which gives it the higher priority.

In education, for example, local school committees, in comparison with the levels above them, tend to be more concerned with physical plant facilities and manifest results, especially on standardized examinations. The educational professionals at the intermediate and particularly at the national levels, on the other hand, generally care more than the locals do about standards,

curriculum development, and diffuse educational objectives. This suggests precisely the kind of division of responsibility between local school committees and super-ordinate units which has been adopted in most countries. The local community plays a major role in financing school buildings and can be trusted to press for teachers that will produce success by the more obvious educational indicators. At the intermediate and national levels the educational professionals set standards (and thus determine who can be hired as a "qualified" teacher) and define a great many of the success indicators (i.e., write the exams) on which communities rely. These higher levels also are best suited for the demanding support role of curriculum development.

With respect to health, local communities care most about the availability of curative health practitioners and pharmaceuticals. Elites and M.D.'s tend to give priority to the quality of curative medicine, at the expense of quantity if necessary. Public health professionals are oriented by their training to the promotion of healthful living conditions, to preventative medicine and to the wide distribution of health services. This latter set of issues are the ones which actually have the greatest impact on health status. Thus the interests of the rural poor are generally better served the greater the extent to which public health professionals are able to define the nature of the health care system and to influence the allocation of resources within it. Yet it is very rare for public health practitioners to control a national medical system. Usually the most they can do is to gain overall responsibility for rural health. There they can set program parameters such that there are adequate means for wide distribution. For example, the drugs that rural health centers are permitted to stock can be limited to the most critical, relatively inexpensive ones. This assures that everyone has access to that level of care

which the system can afford. Otherwise the few would be likely to receive expensive drugs and the many, none at all. Similarly the training requirements for community health workers can emphasize the development of health promotion and preventative skills, so as to socialize them toward the benefits these offer. Within the parameters of such a system the demand of local communities for wide availability of curative services and the drive of M.D.'s for high quality are functional. Thus local governments and communities can be given responsibility for financing their facilities and M.D.'s can be allocated the role of supervising the work of para-professionals and handling referrals.

Unfortunately the literature on health care systems does not indicate whether this combination of guidance by public health professionals and a strong drive to expand the system is more likely to be found among intermediate local governments or national rural health services. Elected rural local governments are more prone to press for the wide distribution of health facilities and to do successful battle with urban interests for the resources to support them. These intermediate organizations may be less receptive to the professional guidance which is needed to maintain a public health orientation, however. Further research is needed on this point.

The allocation of functions between local and intermediate cooperatives and the state poses somewhat different issues. Accounting is a nearly universal problem for cooperatives. In the larger and intermediate cooperatives there is the danger of misallocation of funds by the leadership. In small coops and limited local organizations the members usually lack accounting skills. Thus the books are badly kept or are turned over to local elites--again raising the danger of misappropriation and perhaps forcing the poor to accept elite leadership unnecessarily. Only in coops with a membership that is both fairly

sophisticated and relatively homogeneous is accounting not a weak point. In recognition of this problem the involvement of external agencies in cooperative bookkeeping is widespread and appropriate. Intermediate cooperative organizations usually have their accounts audited by or under the supervision of the state. The weaker primary cooperative societies and limited local organizations generally are wise to obtain bookkeeping services from district cooperative unions or field officers of the state--both of which are intermediate organizations. This division of labor has several advantages. Those providing financial monitoring are in organizations that are more removed from the opportunities of profit from mismanagement; the state and secondary cooperative organizations often depend for their income on the performance of primary societies; accounting and auditing are provided at organizational levels where those skills are usually more easily found; and the assumption by an intermediate organization of the inherently bureaucratic accounting responsibilities permits the local organizations to be more informal and therefore more accessible to control by their poorer members.

The cooperative and primary health care examples suggest a more general rule. For those aspects of a program that are particularly vulnerable to inequality and where local elite interests are likely to diverge from those of the poor, external controls from the intermediate or central level are appropriate. Nonetheless, control over some aspects of a subordinate organization's performance should not mean control over all. Appropriate control is a service to the local organization's constituency and it is important to provide it only for those areas where the service is needed.

Effective control is based on four requisites: first, it depends on social distance. Where the controller is close to the people he is monitoring,

he is likely to become a part of the problem as well. Where the center needs both to control an organization and to have good feedback from it, separate control and support agencies are implied. In the case of financial controls this can be done through the retention of private firms or separate government departments for auditing. The second requisite for effective controls is some political backing. If a problem is identified but nothing is done about it, the monitoring is for naught. Part of the problem in the Kenyan cooperative movement has been political protection for leaders identified by the Department of Cooperatives as having misappropriated funds. Third, controls must be accompanied by a deconcentration of authority to administratively competent field agents. Otherwise adaptability and the entire rationale for a decentralized structure is lost. Taiwan does this deconcentration well in monitoring its farmer associations. Often the problem with controls is not that they exist but that the controllers have inadequate flexibility and discretion themselves. Fourth, external controls generally should be seen as a service to the organization's constituency, protecting it from its own internal weaknesses. Otherwise the controller loses sight of the purpose for which the organization exists and destroys its ability to function.

In assessing external controls special attention must be given to the needs of local organizations. These serve as a link between the formal governmental system and the face-to-face community. This tie between the formal and informal structures of society is what the state most needs from these local organizations. Generally there is a tension between the strength of the link to government and the tie to the community. Our studies of primary health care and irrigation organizations in Chapters V and III have particularly stressed the need for local organizational autonomy. In general

the greater the need for a close tie to the face-to-face community the more important it is to loosen government controls. To the extent that control is needed it often can be achieved indirectly through the intermediate organizations that provide services to the local ones. Thus Taiwan is able to guide local irrigation associations through its control over the intermediate, supply-providing, farmers' associations. Generally intermediate organizations need less autonomy to preserve their downward links, as they already are more removed from the community.

When controls become too expensive any local sense of responsibility for the organization is lost and with it much of the ability of the organization to function well. One cannot define when controls become too tight in the abstract, for the issue is more subjective than objective. Some cultures, such as those in East Asia, expect high degrees of state control and will continue to feel responsible for a local organization under levels of external supervision that would quite discourage other peoples. "Too much control" then is a culturally relative concept but the point at which it is reached can be determined by observing organizational behavior in the society concerned. (For more on expectation levels and the related idea of relative deprivation, see Blau.)

Assistance Linkages

Despite the need for supportive and equalizing controls in some areas, the basic emphasis should be on assistance from the center to intermediate organizations and from both to local ones. We have placed a great deal of stress on selecting organizations with the right set of institutional interests for a program. Nonetheless, a large proportion of appropriate local and

intermediate organizations fail in implementation due to incompetence or a weak resource base. Assistance linkages are vital in overcoming these shortcomings. In our opinion, the need for the center to maintain a service orientation and to provide assistance beyond simply finances to intermediate and local organizations is the great decentralization lesson of our generation.

One of the advantages of assistance linkages over control ones is that they facilitate the internalization of the basic value orientations of a program at the local level. This emerges clearly from the United States' experience with poverty programs. Central controls set up resistance and create an adversary relationship. Training, professional advice and the like are (properly) seen as assistance, are more readily accepted, create less psychological resistance and have a socializing effect on local program content. Thus equalizing and redistributive assistance linkages often produce more results among resistant organizations than controls do.

Despite its advantages, an assistance orientation is not an easy one for the center or intermediaries to maintain. It is costly for the unit providing it. Even non-material forms of assistance impose heavy personnel and administrative burdens. While assistance internalizes costs for the providing organization, controls externalize most of the expenses and impose them on the receiving organization. Of course, the super-ordinate organization must still bear the expenses of administering the controls but most of the costs are borne by the subordinate one, creating the illusion for those above that controls are cheaper than assistance. For the system as a whole, however, they may actually be more expensive, for resources then are spent on inter-organizational conflict as well as on getting the job done. Controls are frequently needed but often assistance is the better alternative and is discarded for reasons of false economy alone.

A footnote concerns the subtle boundary between control and assistance linkages. Certain forms of assistance have the potential for turning into controls--supply channels, marketing services, professional advice and services, etc. The clearest signal that the assistance may be turning into a control is the desire of the providing organization to monopolize it. The program designer and institutional analyst want to pay special attention to this transition and be sure that it is appropriate. Controls may well be needed and then their being clothed in the form of an assistance monopoly makes them more palatable. Where they are not truly necessary, however, this transformation of assistance lowers the effectiveness of the service system by imposing hidden, indeterminate costs and by reducing the redundancies in service channels that are so vital to organizational effectiveness.

There can be too much of a good thing. Assistance linkages can be enfeebling instead of supportive. When an organization is provided with too much assistance or receives it too fast, it becomes overwhelmed and the locality's administrative capacity and sense of responsibility are destroyed. The discussion of the rural roads program in Pakistan in Chapter VI illustrates this problem particularly well. Emergency relief programs and large international donors are more likely to provide enfeebling assistance than other central organizations are. Their good intentions may need to be checked on occasion, in the long-term interests of development.

Constraints: An Unprogressive Center

To this point we have dealt with linkage lessons for the developing world as a whole. The appropriate form for linkages varies tremendously with the context of their application, however. Even in the best of circumstances

effective inter-organizational links are difficult. The American implementation literature makes it clear that some discrepancy between central intention and local action is inevitable and usually is useful. Now we want to look at the contexts where deviation is as inevitable but is less frequently desirable. We will deal in turn with the three major constraints on programming for the rural poor which we have identified--an unprogressive center, benefit diversion by local elites and poor administrative capacity.

An unprogressive center is defined by the absence of a national organization with both a positive commitment to deliver a particular service to the rural poor and the resources to do so. To be missing a progressive central organization is to be attempting program development under inauspicious circumstances indeed.

In general one responds to such a constraint by devolving responsibility to lower, progressive entities, by turning responsibility over to private businesses or philanthropies, or by giving up on this particular form of program intervention altogether. The last alternative is not to be ignored. A system that is uncongenial to one form of assistance for the poor majority may have adequate central support for another. The international aid merchant who travels from country to country with only one brand of assistance for the poor does a disservice by installing programs that cannot provide them with benefits in that context and by diverting attention from program possibilities that would.

When there are local or intermediate organizations that have a progressive orientation toward a program area and central organizations that do not, the autonomy of the former from the latter is quite important. Nonetheless even here there are certain forms of links to the center that can be encouraged.

It is the independence of the local and/or intermediate organizations which is critical. Control linkages will jeopardize that independence and are to be avoided, but some types of assistance do not.

Reasonable amounts of assistance for local capital expenditures are appropriate as long as they do not create dependence on the center for recurrent funds. Moderate capital fund assistance usually can be cut back or not repeated without threatening the ability of the organization to maintain its programs. A loss in assistance for recurrent expenditures almost always creates a crisis, however. Recurrent fund grants therefore create a dependence while capital assistance need not. Once the habit of recurrent fund subventions is established, the prospect of its withdrawal will be quite threatening and the recipient organization very well may give up its commitment to the welfare of the poor if that is a condition for continued aid.

Grants for capital expenditures that have large recurrent cost implications may be even more threatening to the independence of a local or intermediate organization. Once the facility is in place funds will be needed to operate it. If the required level of expenditure is beyond the means of the organization, it will seek recurrent assistance from the center without even having the bargaining advantage of precedent. The danger of dependence on an unprogressive center will be especially great if the grant comes from an international donor and includes enough money to start the operation of the facility. The state then has no commitment to the support of the program and the local organization will be anxious to keep it going. Compromises that would be seen as unacceptable to local or intermediate leaders in other circumstances are likely to be made in these.

The most attractive form of capital assistance to an organization that needs to maintain its independence is one that creates a recurrent source of income. All organizations and donors are keen to have someone else bear the recurrent cost implications of their program investments. Someone ultimately must pay the bill. When the YMCA in Kitwe, Zambia conducted its campaign for building funds it wisely raised more money than it needed for its program facilities. It built a block of shops and put its services above and behind them. The rent from the shops then produced much of the income that was needed to run the programs. This kind of creative use of capital assistance for local revenue generation is especially important when the center is not a reliable source. Services for which community health workers can charge, bridges which villages can charge tolls, crop storage facilities for which local coops can charge rent, etc., are the kinds of ideas for capital assistance that should be promoted in this setting.

A related linkage question concerns the role of unprogressive professionals in programs for the poor. Engineers are inclined toward more capital intensive projects and doctors tend not to have a public health orientation. Yet the exclusion of the relevant professionals from a project or their isolation on it seem to be dangerous. The rural works projects in Tunisia suffered because the engineers were denied a central role. A rural health project has to have doctors in supervisory and consultative capacities and the opposition of the medical establishment to such a program is usually enough to kill it. The secret is to put such professionals in the central roles they deserve but to do so by incorporating them into institutions which have the appropriate sets of values for the program. When professionals are surrounded by others who are oriented to the program's goals, they can be co-opted.

Even sympathetic professionals, however, will undercut a program if they are situated in an organization which is dominated by their own profession and has values inappropriate for the program's goals. Thus one wants engineers on a labor-intensive public works program but probably in a Ministry of the Interior, Office of the President or county government, not a Ministry of Public Works. Similarly an M.D. probably will serve rural health needs better if he is situated in a separate Community Health Service than if he is in a conventional Ministry of Health.

Constraints: Benefit Diversion by Local Elites

Implementation also is extremely difficult when local or intermediate elites have quite different interests from the poor in a program area. The "natural" leadership of a community is difficult to by-pass and it always puts strains on a program to attempt to do so. Where program alternatives exist that do not put the interests of the poor and the better-off in conflict, it usually is best to pursue them first. One always tries to incorporate the local elites whenever it can be made compatible with the program's objectives.

Nonetheless, in regions where serious rural inequalities exist the time and the programs come when the conflict of interest between the poor and their local elites is unavoidable. As long as these local elites dominate the intermediate organizations of the area, as they generally do, action by a strong and progressive central organization is necessary in order to accomplish anything. If this does not exist, it must be created, probably through political action, before programs that are vulnerable to inequality can be safely attempted.

Even with the support of a strong, progressive central organization the program implementation problems and the linkage issues are difficult. After all, nothing less than social change is implied by action in this context. The combination of a progressive center and a local leadership unresponsive to the poor probably is inherently unstable. Over time either the local socio-political structure or the progressiveness of the center will be transformed. The comparison of Egypt and China is instructive here. After their respective revolutions both supported programs of social change that would transform the economic and political structure of the rural areas. China succeeded (Schurmann, 1966). Egypt initially made great inroads but ultimately failed. The pre-revolutionary small landlords have re-emerged as the rural elite; the state under Anwar Sadat has lost its former commitment to the rural poor; and programs of benefit to the less-advantaged majority sometimes seem as difficult as before the revolution (Harik, 1974; Adams, 1980). The consequences of the United States War on Poverty represent an intermediate case. Local elites have been made somewhat more responsive to the interests of the poor than they were before and the national government is no longer as progressive. All three cases suggest that over a 15 to 20 year period of conflict the central and local political forces will converge on a common point.

The preceding analysis leads us to suggest the replication of what we see as the implicit parallel linkage strategy of the U.S. poverty programs. This strategy presumes both the need to use new organizations and national controls to avert benefit diversion by local elites and the inability of the center to sustain this effort forever. It creates limited local and intermediate organizations to serve as channels for new program benefits

for the poor and to place new demands on the local political systems. At the same time it pressures the elite-dominated inclusive local and intermediate organizations to change, implicitly recognizing that ultimately they will gain control over most of the new programs.

With the parallel strategy the links between the center and the new limited (or alternative) organizations of the poor are extremely close. The assistance to these organizations must be ample. Most of them could not survive their early years without this support. With the exception of accounting, the control content of the linkages to the limited organizations is low. These entities are being supported because of their affinity for the interests of the poor and high degrees of control would inhibit their natural growth, adaptation and strengthening. These local and intermediate limited organizations are the major channels for program benefits in the early years.

Simultaneously the established inclusive organizations at the local and intermediate levels are used as subsidiary channels for new programs for the poor. The financial assistance provided comes with very stringent formal controls aimed at assuring that the intended beneficiaries are reached and at stimulating a reorientation toward the new clientele. Judging from the U.S. experience these formal controls will be less tight in practice than they are on paper. It will be difficult to be strict about them in the face of local political pressures. Nonetheless, they give the center something with which to bargain and enable it to maintain some influence. Accompanying the control linkages should be extensive assistance ones in the form of personnel, advice, and training. The secondment of staff from a progressive center to an intermediate or local organization can be a

powerful device for value transformation in the recipient unit. Training and advice have a less potent socializing effect but can be significant when accompanied by the pressures provided by central controls and the competition of limited organization.

The purpose of this parallel strategy is to create a change dynamic in the inclusive organizations. It recognizes that eventually they will gain power over the limited organizations and their programs. It seeks to give the limited organizations real bargaining strength in this ultimate relationship and to create internal changes in the inclusive organizations through the pressure of formal controls and the socializing influence of assistance linkages. The ultimate impact of this parallel strategy on the inclusive local and intermediate organizations is political, producing a change in the responsiveness of its leadership to the rural poor. It is not an explicitly political strategy and sometimes not even a conscious one, however, for it works through administrative and programmatic channels. The strategy is not necessarily efficient at the delivery of program benefits in its early years. But that is not its purpose. It is designed to assure that benefits reach the poor and to stimulate sufficient social change to assure that they continue to reach them in the future. Only once the conflict between the inclusive and the limited organizations over the division of program resources is stabilized can real efficiency be expected.

Constraints: Low Administrative Capacity

Many failures in development programs can be attributed to weaknesses in the administrative capacity of one or more of the implementing organizations. As important as this factor is, however, it must be kept in perspective. It is less important than the commitment of the units and

their personnel. Our review of the U.S. literature indicates, for example, that staff that are "technically incompetent but dedicated" are more effective than those with the reverse attributes (Marshall and Godwin, 1971: 88). Training and technical assistance can substitute for administrative weakness far better than controls can overcome a lack of commitment. Nonetheless, administrative problems are pervasive and serious in development. Technical assistance as a solution for them does presume that administrative capacity exists somewhere within the society. Programs also still have to be adapted to the capacity that does exist and the allocation of functions between organizations arranged so that it can be used where it is to be found.

In Chapter II we presented evidence on the effectiveness and impact of technical assistance in the U.S. poverty programs. Through its use it is possible to compensate for low administrative capacity in the recipient organization in the short run and to build its competence in the long term. Close supervision and evaluation by a committed, competent central or intermediate unit can be an extremely effective form of assistance to a weak local organization. Nonetheless, such assistance is not easy for the superordinate body to provide. It makes intensive use of the provider's administrative and personnel resources; an assistance orientation has to be kept in the forefront; the temptation to invade the recipient organization's autonomy must be resisted; and resources have to be committed to long-term, low visibility efforts of diffuse impact even when immediate, readily apparent, focused results are being rewarded. These are demanding requirements and many central agencies have difficulty meeting them. One of the more difficult, but important, forms of international aid is that which institutionalizes a central organizational capacity to assist local

organizations. Donors have found it hard both to help local organizations and to teach national central agencies to do it too. This is one area in which American domestic experience may be especially helpful. In the War on Poverty the national government funded intermediate organizations whose sole function was to provide technical assistance to weak local bodies (Finney). This model deserves further study for possible replication elsewhere. The technical assistance model of response to low administrative capacity does contain two assumptions that are not always valid in the developing world, however. It presumes that administrative strength exists somewhere in the system and that the necessary administrative skills eventually can be incorporated by the assisted organization. When these assumptions are not warranted, technical assistance is not the appropriate response.

There are a number of other ways in which a program can be adapted to shortages in administrative skills. One is to reduce the complexity of the program or its components to the capacity of the units that will implement them. Our research has indicated six maxims that can be followed in reducing complexity and administrative demands.

1. Single-function organizations are less complex than multiple-function ones.
2. Small units are less complex than large ones.
3. The greater the number of hierarchical levels the larger the complexity.
4. The market is administratively simpler than a hierarchy.
5. It is much more difficult to administer benefits that are targeted for a specific clientele than those that are general.
6. When administrative capacity is in doubt, simplicity outweighs all other virtues in organizational and task design.

As simple as these maxims are, their application would reduce the administrative problems of development.

Another strategy for dealing with administrative shortcomings is to move the more complex functions to those organizations or levels that have the capacity to handle them. Some organizations never will be able to develop certain forms of competence. Even in Brazil and India where there is a large supply, doctors resist working in rural clinics and their services are unavailable in the more remote villages. Similarly, small rural cooperatives find it very difficult to retain adequate accountants for their needs. In circumstances of this sort, it is best to face reality and not to assume that these shortcomings can be remedied. If they are approached with professional training programs the organizations will simply lose their staff once they are qualified. Instead of pouring resources into a bottomless training bucket, one should move the function in question to an organization that can retain the relevant professional and then construct a link between it and the needy local organization. Thus many local cooperatives have their accounting provided by district level intermediaries. Sometimes the demand for accountants is so great that no public organization can retain an adequate supply of trained ones. This is the case in Kenya today. Then methods of linking public and cooperative bodies to the services of private accounting and auditing firms have to be created. Similarly primary health care systems have abandoned the attempt to place highly qualified medical staff in the villages and are using them as the trainers, supervisors and back-up for those that are willing to work there.

It isn't always possible to solve the administrative problems of a weak organization by linking it to the services of a stronger one. Central and intermediate agencies can become overloaded easily too, especially in societies short of skilled personnel. In these circumstances administrative simplification is all the more imperative.

The final response to administrative weakness which we recommend is to let failing organizations die. It is important to make reasonable efforts to assist weak organizations but when these are unsuccessful it is best to let the organization collapse. When malfunctioning organizations are kept alive by unending infusions of assistance, there are four negative consequences. (1) The society must continue to endure poor performance in an organization from which it presumably needs good service. (2) The organization acts as a continuing, unproductive drain on central and local resources. (3) The example of assistance provided to an ineffective organization acts as a disincentive to others to perform well. (4) As long as the malfunctioning organization is kept alive, it inhibits the rise of an alternative, stronger one. Administrative problems often are institutionalized in a particular organizational structure. An alternative organization operating in much the same functional area might well not have the same problems. Indeed the collapse of a malfunctioning organization often is a positive learning experience for a community. The causes for its failure will be remembered and are less likely to be repeated in the next attempt. Organizational death helps to teach society how to administer and it releases scarce administrative resources to those agencies and groups that can use them more productively.

Overwhelming Constraints

The theme of our analysis of constraints has been that problems in one area can be compensated by linkages to organizations with competence and commitment. Burdens can be shifted from the weak to the strong, however, only so long as strength exists somewhere. There are situations in which

we have to accept that the constraints really are overwhelming and that nothing can be done to help the rural poor.

As difficult as it is, it is important to accept inaction in the face of the clear probability of failure. A program that fails in its objective to help the poor may well leave them worse off than before. If it has tempted the poor to form a limited organization, it will leave them vulnerable to elite reprisals. If program benefits have been diverted to local elites, disparities in rural incomes and power may actually have been accentuated further. Even a harmless, ineffective program may persist by imposing a direct or indirect tax burden on the poor. When something is attempted against the odds, it is important to be able to shut the program down at the first sign that it has aborted in its objectives.

What does one do for the poor in the face of overwhelming constraints? First, one looks for alternative programs that will not be as vulnerable to inequality or which make smaller demands on the society's administrative capacity. That may mean abandoning the idea of any new public activity in one or more rural sectors. This could well be the best of an undesirable set of alternatives. In fact it might even be that already existing attempts at public intervention in an area should be abandoned as well. There are many settings in which a free market may be "the best of all possible worlds." The market allocates resources to those with money, but when it is free it doesn't provide extra dividends to those with power, protect the incompetent, or prohibit the upward mobility of the poor lucky enough to have unusual skills or energy. All of these extra burdens for the poor frequently follow from public action in an inegalitarian or administratively

weak society. In such societies there are many areas in which any attempt by a government to interfere with the operations of a competitive market eventually will reverberate against the poor.

Representation

It is fitting that we now turn to the issue of representation. The presence of overwhelming constraints is a signal that political leaders are unresponsive to the interests of their poor. Measures that will increase the voice of the disadvantaged in these societies are to their benefit.

This book is concerned with the organizational problems associated with service delivery for the poor. A new set of issues would have to be raised and a different literature consulted if we were to discuss the explicitly political strategies by which the representation of the poor can be improved. Here we have been concerned with the mechanisms by which the interests of the poor can be protected given the amount of political power that they do have.

Where the interests of the poor are not represented by their local leaders, we have stressed the desirability of separate, limited organizations so that their views at least can be formulated, expressed, and considered. It seems to us that such a step has to precede more explicitly political action. Where the poor are weak it probably is best for these early stages of organization to be as apolitical as possible so as to avoid repression. Program procedures simply requiring consultation with groups of the poor are as much as is needed at this point. These at least promote organization of the poor and the formulation of their views.

Attempts to give the poor formal control over visible central or local government programs may be counterproductive when the poor are politically

weak. Such control bodies then will be bypassed or manipulated by those who have real power. True consultation of the wishes of the politically unmobilized poor actually may be less when they have formal control than when the only requirement is that they be heard. Of course the grant of formal representation and program control to the poor does increase their influence when they already have sufficient power to use it and adequate organizational strength to protect themselves from co-optation. Our point is that apolitical organization and administrative consultation may be more effective in the first stages of progress toward this goal than are more explicitly political strategies.

Closely related to the issue of representation of the poor is that of the local elite. We have argued that the local leadership should be given control over those programs for which it does represent the interests of its poor. In those program areas where it does not, the appropriate degree of formal representation and control is less clear. Local elites will continue to have influence on decisions that affect them whether they have a formal role or not. When the Kenyan government took over several program areas from its county councils a decade ago, local leaders simply pressed their influence with different actors (Colebatch, 1974). Nonetheless, formal representation generally does lead to an increase in such local influence. This is a disadvantage to the poor when these leaders are not responsive to their needs. On the other hand, elite representation offers the possibility of their being co-opted into support for the program, and such representation is essential if coordination is to be achieved between several programs. On the latter point, coordination is possible only if agreement is reached among those with influence on the content of the

programs. The elites are always among this number and their influence will undo the coordination if they are not consulted. Thus there is a trade-off between strengthening the voice of the disadvantaged, on the one hand, and co-opting elites and achieving coordination on the other. The appropriate choice can be made only in the context of a particular program. The parallel strategy of the U.S. War on Poverty suggests that both options be used simultaneously. Some programs formally incorporated the local leadership structures in order to achieve coordination and to nudge them toward responsiveness to their poor; others kept the elites at a distance: both may have contributed to the increased political influence of the American poor that ultimately resulted.

What Have We Proved?

An end note is in order on the empirical status of the conclusions which we have drawn here. They are neither speculations nor proven propositions. The literature which we have examined on the U.S. is quite extensive; we have drawn on over 25 cases of various types of national service systems in the developing world in the preceding chapters; and we have considered the opinions of those who have treated portions of our problem in a variety of settings. Thus we have good reasons, grounded in experience, for the positions we have argued. Although our beliefs are empirically based, however, they are not proven. In the language of statistics, there is a better than 75 per cent probability that our points are true, but they are not established at the scientifically acceptable levels of 95 or 99 per cent. Neither we nor anyone else has yet attempted the kind of broad and systematic research that would give our

conclusions the status of established truths. Given the tremendous complexity of social change and the system-wide character of many of our points, much of what we have argued is not amenable to any practical, proper scientific test. Of course further research would sharpen our insights and detect errors that are hidden in our analysis, but anything approaching the standards of scientific proof is beyond our reach in this area.

We would like to think of our conclusions as "actionable hypotheses." By this phrase we seek to indicate three things. First, our ideas do represent the best available knowledge on the topics we have covered. Where action is to be undertaken, we would use our conclusions to guide it. Second, our points are not proven, and, even if they were, they wouldn't fit all circumstances. They need to be applied critically and adaptively. We would hope that someone contemplating a development project on behalf of the rural poor would seek to understand our arguments and would consider carefully their applicability. We would not be surprised, however, if, having considered our conclusions, the project designer adapted them for the particular case at hand. In fact, we would be disturbed if anyone accepted or applied our ideas uncritically; our knowledge is not so secure. Third, we believe that further advances in our understanding of linkages and development will come from the conscious testing of our conclusions by researchers and development practitioners. We will learn the most about the reliability of our "actionable hypotheses" through their being applied to actual programs and then critically evaluated. Action and its careful examination will provide the best revision and refinement of our conclusions.

We look forward to the development of knowledge that will come from the tests of experience in aiding the poor.

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