

**THE CONTRIBUTIONS OF PARTICIPATION
TOWARD EFFICACY OF COMMUNITY
ECONOMIC DEVELOPMENT (CED) PROJECTS
IN MORELOS, MÉXICO.**

by
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ABSTRACT

Why do some Community Economic Development (CED) projects succeed while others fail? This study examines the performance and experiences of 5 CED rural projects in Morelos, Mexico. Our results show that Receptivity, Institutions and Evaluation (RIE) were largely important in determining success. 1) Receptive attitudes are reflected in the lack of interest toward entrepreneurial activities. 2) Institutions are important variables because institutions influence stability and trust. Without stability and trust, it is difficult to achieve economic efficiency and growth. 3) Evaluation affects success by optimizing the decision-making process. In contrast to the RIE schools of thought, we argue that RIE frameworks largely ignore the importance of participation as a key element for achieving success. From our perspective, RIE becomes RIPE (Receptivity, Institutions, Participation, and Evaluation), to acknowledge that participation is also an influential element. Our study provides sustained evidence that as CED projects become more participatory the likelihood of success increases.

Keywords: Community Economic Development, Participation, Receptivity, Institutions and Evaluation.

RESUMEN

¿Por qué algunos proyectos de Desarrollo Económico Comunitario (DEC) tienen éxito mientras que otros no? Este estudio examina el desempeño y las experiencias de 5 proyectos rurales de Desarrollo Económico Comunitario en Morelos, México. Nuestros resultados muestran que la Receptividad, las Instituciones y la Evaluación (RIE) son variables muy importantes en la determinación del éxito. 1) las actitudes receptivas se reflejan en la falta de interés hacia actividades emprendedoras. 2) las instituciones son variables importantes porque las instituciones influyen la estabilidad y confianza. Sin estabilidad y confianza, es difícil alcanzar eficacia y crecimiento económicos. 3) la evaluación afecta el éxito pues optimiza el proceso de toma de decisiones. En contraste con las escuelas del pensamiento RIE, Nosotros argumentamos que el marco teórico de RIE ha ignorado en gran medida la importancia de la participación como elemento fundamental para alcanzar el éxito. Desde nuestra perspectiva RIE se transforma en RIPE, reconociendo que la participación es también un elemento importante. Nuestro estudio proporciona evidencia sostenida de que en la medida que un proyecto de DEC aumenta sus niveles de participación, la probabilidad de éxito también aumenta.

Palabras Clave: Desarrollo Económico Comunitario, Participación, Receptividad, Instituciones y Evaluación.

A mi madre y hermanas
por su amor, ejemplo y apoyos incondicionales.
Gracias por haberme brindado la oportunidad
de estudiar tan lejos de México.
También dedico mi tesis
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ACRONYMS

BANRURAL:	Rural Credit Union. (Banco de Crédito Rural).
CED:	Community Economic Development. (Desarrollo Económico Comunitario).
CNC:	Farmer National Confederation. (Confederacion Nacional Campesina).
FAO:	Food and Agriculture Organization of the United Nations
FIRA:	Instituted Trusts in relation to Agriculture. (Fideicomisos Instituidos en Relación con la Agricultura).
INCA:	National institute of Skills Development Within the Agricultural Sector. (Instituto Nacional de Capacitación del sector Agropecuario).
INEGI:	Mexican National Statistics Geography and Information Institute. (Instituto Nacional de Estadística, Geografía e Informática).
PRI :	Institutional Revolutionary Party. (Partido Revolucionario Institucional)
SAGARPA:	Secretary of Agriculture, Livestock, Rural Development, Fishery and Food. (Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación).
SEDESOL:	Secretary of Social Development. (Secretaria de Desarrollo Social).
SEDUE:	Secretary of Urban Development and Ecology. (Secretario de Desarrollo Urbano y Ecología).
SEMARNAP:	Secretary of Environment, Natural Resources & Fishing. (Secretaria del Medio Ambiente, Recursos Naturales y Pesca).

GLOSSARY

- ACTOR:** is a person who makes a decision on matters affecting her/his own interests. It is someone who takes part in any affair; a participant.
- AGENT:** A representative or official of a government or administrative department of government. The agency is an autonomous entity with an ontological commitment and agenda of its own.
- HACIENDA:** A large estate where work of any kind is done, such as agriculture, manufacturing, mining, or raising of animals; a cultivated farm. It was the basic productive unit in the Porfirio Diaz period in Mexico
- NOPAL:** Any of various cacti of the genera *Nopalea* or *Opuntia*.
- PATRON:** A semi-feudal noble or wealthy person in the Mexican hacienda time who granted favours and protection to peasants in exchange for certain services, especially related to the agriculture. Same in English, except that today it can also mean "employer" or "boss" in Spanish.
- PEONES:** In Spanish-speaking countries, especially those in Latin America, where the hacienda system kept laborers from leaving estate, *peon* has a range of meanings related to unskilled or semi-skilled work or manual labor, whether referring to a low-status wage earner in a variety of rural and urban industries.
- PREDACION:** the act of plundering, stealing, or destroying resources.
- RECEPTIVE:** In the receptive orientation of character, a person feels that the source of all good is external, and thinks that the only way to obtain his/her wishes –be it material, emotional, educational - has to be received from outside of themselves. (See Chapter 4)

1 INTRODUCTION

Mainstream discourse in project development has failed to provide a definition of success.

Indeed, much of the current literature has focused on standard causal factors rather than differentiating definitions of success between various cultures and communities.¹ Therefore, a definition of success is imperative to describe the relationship between causal factors and their effects. One explanation why it is so common to find this omission is the modern hegemonic discourse about success, according to which economic progress is the only dimension of the modern society's definition of success. There has been little reflection about the importance of non-economic factors defining success, and cultural, educational, sexual and family dimensions are subordinated to economic performance. Other authors, however, such as Jonathan Fox and Josefina Aranda, define success as "a positive social impact related to poverty reduction."² Unfortunately, this definition is too general for our purposes. How, for example, does one define poverty reduction or positive social impact?

Development projects have traditionally been called successful according to the performance of economic measures, such as greater income, profit, employment, return on investment (ROI) and increases in staffing levels. Jennings sums up this economic method by

1 Andrew Beer and Alaric Maude. "Effectiveness of State Frameworks for Local Economic Development." Geography Department, Flinders University of South Australia; also Shada Kae Le Van. "Integration, Alignment, and Sustainable Governance: Analysis of Sustainable Initiatives From Two West Coast Cities." University of Oregon; and Alan Bojanic Elaine Marshala Adrian Newton Kate Schreckenber Dirk Willem te Valde. "Commercialisation of Non Timber Forest Products : Factors Influencing Success. (A Comparative Analysis of Case Studies in Mexico and Bolivia)." UK Department for International Development (2002).

2 . Jonathan A. Fox and Josefina Aranda. "Politics of Decentralized Rural Poverty Programs: Local Government and Community Participation in Oaxaca." Poverty or development? : global restructuring and regional transformations in the U.S. South and the Mexican South / edited by Richard Tardanico and Mark B. Rosenberg 1, no. 8(2000). p.191

stating, "...Existing studies commonly define success in narrow accountancy terms using criteria based upon financial analyses and ratios such as sales growth, profitability, cash-flow and productivity." ³

Alternative theories, such as Community Economic Development (CED), which is defined as a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives,⁴ recognize that economic factors are not necessarily the only measure of success. Still, even CED theorists emphasise the economic factor as a predominant element of success, defining successful CED projects as "...those activities that bring more money and employment into a community, resulting in increased community control over planning and resources, or creating resiliency to external changes."⁵ Success in CED therefore depends upon the ability of the community to mobilize or access their capacity for development purposes. Other CED authors, such as Gittell and Wilder, prioritize CED project success as the improvement of residents' access to financial resources, physical resources, human resources, economic opportunities and political influence⁶.

Economic indicators are very helpful in standardizing an idea of success and permitting policy makers to look for solutions that are easy to deliver and apply to everybody. Success, however, should be approached more carefully questioning about the difficulties so as to come

3 Gray, J. "Entrepreneurial Decision-Making Style and Small Business Success in Australia". Faculty of Business & Economics Working Paper 08/97. Melbourne: Monash University; also Kalleberg A.L. & Leicht, K. T. "Gender and Organizational Performance: Determinants of Small Business Survival and Success". *Academy of Management* 30, (1)(1991): 136-161; and Jennings, P. B., G. "The Performance and Competitive Advantage of Small Firms: A Management Perspective". *International Small Business* 15, (2)(1997): 63-75

4 Ross, D. and G. McRobie. "CED Centre Feasibility Report." Simon Fraser University.

5 Galloway B. and Hudson J. *Community Economic Development Perspectives on Research and Policy*. Toronto: Thompson Educational Publishing, Inc, 1994.

6 Gittell R. and Wilder M. "Community Development Corporations: Critical Factors That Influence Success". *Urban Affairs* 21, no. 3(1999): 341-361.

out with a practical, universal definition and/or measurements. Locality, specificity of culture, and life objectives are important factors to take into consideration when determining what success is for various communities. For example authors such as Earle Duncan and Jeanne Simonelli, who have analyzed indigenous cases (Maya migrants), see success as the quest for autonomy, where autonomy means local and regional control of governance, resource extraction, development processes and projects, and education and health care in a system that runs largely independent from the official Mexican model. Duncan and Simonelli argue that rural people seek to maintain, regain or increase their control over their land, economy, ecology health, education, decision making and destiny. This idea of success acknowledges that it is important to find a way of articulating communities' own perceptions of what they need ⁷ Success could be seen as a combination of economic but also non-economic measures that are not mutually exclusive but which depend on the values and beliefs of each community.

We acknowledge that the points of view of the different community members are not a substitute for economic goals, but are complementary to them. Moreover, successful CED projects must meet the needs of the present generation without compromising the needs of future generations. From our perspective, success combines not only objective, but also subjective or cultural criteria. However, we acknowledge the possibility of commensurability among different projects while respecting local, community-based definitions and preferences. Policy makers must be especially aware of these non-economic criteria because they have been largely ignored. Emma Van der Klift and Norman Kunc illustrates the importance of listening to the opinions of participants: "... all of these people trying so hard to help me ... all of them hoping for me to ... do well, all waiting to be kind and useful, all feeling how important helping me was. Yet never did anyone of them ask me what it was like for me. They never ask me what I wanted for myself.

⁷ Earle Duncan and Jeanne Simonelli. *Uprising of Hope: Sharing the Zapatista Journey to Alternative Development*. Edited by A. M. Press. California, 2005. p. 1-27.

They never ask me if I wanted their help. I do not feel entirely grateful. I feel, instead, a remote anger stored beneath my coping pattern of complacent understanding ... Before you do anything else, just listen to me..."⁸

Our interpretation of success includes economic and non-economic factors for evaluating the success of CED projects in Morelos. These are outlined below:

I) *Economic measurements*: i) the generation of income superior to the UN poverty line; ii) the creation of permanent sources of employment for peasants, their families and their community; iii) "Big Projects," which from an economic point of view mean that a project can affect the overall local price level depending on the project's levels of production; and iv) projects continuing to operate well after ten years as a parameter of sustainability.

II) *Non-economic measurements*: If we want to know how relevant a project is to participants and what is successful according to them, we must consider the community and participants' opinions about their projects. For this reason we incorporate the following indicators: i) participants and communities consider the projects successful; ii) the project has, according to the locals, developed a positive effect, improving life quality for both the peasants and their families; iii) peasants have achieved the goals previously established.

According to this idea of success, some Community Economic Development (CED) projects experience success while others fail. I examined these questions during my participation in a Community Economic Development (CED) project funded by the Canadian International Development Agency (CIDA). The project was conducted by Simon Fraser University (SFU), Vancouver, Canada and partners in Mexico [Centro de Desarrollo Económico Comunitario (CEDi)], Morelos, Mexico and the Instituto Tecnológico y de Estudios Superiores de Monterrey

⁸ Eva Van der Klift and Norman Kunc. "Beyond Benevolence, Friendship and the politics of Help." Creativity and collaborative learning: A partial guide to empower students and teachers (1994): 391-401.

(ITESM), Campus Morelos, Mexico]. During 2002, I conducted interviews in Morelos, Mexico with peasants, cooperative leaders, government personnel and academic advisors in regard to the factors related to the successfulness of projects.

These conversations led me to suggest that financing, leadership, technology, receptivity (understood as the lack of initiative to intervene in the decision-making process), institutions, participation and evaluation are the important variables determining the success of CED projects. However, we observed that several projects that have received technological packages and financing have failed, in part because of the existence of receptive attitudes. Also we observed that in the short and long run, projects that have appropriated technologies and financing become seriously limited in their possibilities of success due to a lack of “strong institutions.”⁹ So we noticed that it is not just monetary resources, but the way money is spent, distributed and administered, that creates the difference between success and failure, and institutions are largely responsible for influencing money management and procedures. The main argument of Fox and Aranda is that the recent wave of enthusiasm for decentralization that pretends to strengthen local government and community decision making has largely ignored that the devolution of project funding decision making to communities is not likely, by itself, to promote increased accountability. The outcome is promising where local governments are already democratic and responsive to their citizens—in other words, where the institutions were strong. Where these

9 Strong institutions contribute to fulfil and respect the agreements, objectives and mission of the project, while at the same time respecting individual and institutional rights. This will avoid the scenario where a few benefit through norms that guide the interaction of the participants. It will allow the agents to fit their economic expectations marginally creating an atmosphere of stability and trust.

prior conditions do not hold, decentralization can usually reinforce authoritarian rule at the local level; "...Allocating funds does not guarantee antipoverty targeting..."¹⁰

Not all projects that obtain financing or technology necessarily succeed. "Don Pedro" from the peanuts project gives us another example that reinforces this suggestion. A project of pigs started at the same time as the peanut project in the same community and received machinery, financing and infrastructure from the government while the peanut project did not receive anything. Nevertheless, the pig project no longer exists and has totally failed. "Don Pedro" explains that the project failed because all the money and goods were simply distributed among the members of the project without regard to where it would be spent. For example, right away the pig project participants took paid vacations and Christmas bonuses and used vehicles for personal use: they practically devoured all their resources. "...How is it possible," he asks, "that somebody gets paid so well, receives vacations, Christmas bonuses, in a project that is just starting?..."¹¹ These kind of behaviours are not clearly corrupt, because the money was being used within legal guidelines. However, the overall results show that this was not the best strategy to follow. **Predatory behaviour** is a wider concept that involves not just corruption but also opportunism. According to Williamson, opportunism refers to "...efforts to lie, cheat, steal, mislead, disguise, obfuscate, feign, distort, and confuse."¹²

The immediate question is why did the farmers decide on the *predatory behaviours* instead of the production, and why did financial institutions not detect *predatory behaviours* on

10 Jonathan A. Fox and Josefina Aranda. "Politics of Decentralized Rural Poverty Programs: Local Government and Community Participation in Oaxaca." Poverty or development? : global restructuring and regional transformations in the U.S. South and the Mexican South / edited by Richard Tardanico and Mark B. Rosenberg 1, no. 8(2000).p184

11 July 27- Peanut project, "Don Pedro".

12 Williamson, O. E. Markets and Hierarchies: Analysis and Antitrust Implications. New York, 1985. p.51 available at: (http://www.ifama.org/conferences/9/1999/1999%20Congress/Forum%20Papers_PROCEEDINGS/Hansen_Mark.PDF)

time? The answer appears to be that a combination of receptivity, non-participating institutions, and the lack of monitoring and evaluation opened the way for predatory behaviour.

The role of leadership as a factor of success is certainly in most cases the cornerstone to the inception of projects. Without this element, many of the projects in Morelos would never prosper. Up-front initial inspiration and organization by strong community and government leaders is paramount. Institutions such as FIRA (see acronyms) and the Monterrey Technological Institute emphasize the importance of this variable. For example, the peasant leaders in our five case studies were those with the capacity to obtain resources, especially financial ones, which is why the leaders are so relevant. Nevertheless, from our point of view, although in initial stages the leader is important, leaders have the potential to take personal advantage of their importance in the project. In the long term, this is a symptom of institutional weakness, as at a certain point in the development of the project, the leader becomes so indispensable that they turn out to be almost omnipotent, opening potential opportunities to predatory behaviours. Here we return to the problem of the expert, and to the problem of paternalism, where nothing guarantees that the personal interests of the leader are not put before the institutional ones, especially in the context of high levels of corruption such as exist in Mexico. The classic case is the crises that projects face when there are changes in management. In many cases some participants lose privileges, project direction changes, or the leader simply remains in power forever, and thus there exists resistance to change. However, a framework of rules respected by all often helps to avoid this type of problem. Projects such as the Nopal show a serious preoccupation with the leadership problem: they force all members to participate in administration and push all members to assume a leadership role. They believe that this will guarantee the sustainability of the project in the long term because in this manner no one is indispensable to the project's success and because regardless of who leads the project the leader in turn will have the capacity to promote and

respect the agreements, objectives, and mission of the project.¹³ The argument in favour of institutional guidance over leadership is that regardless of whatever economic, political, and technological changes occur, the strategic direction of policy should be stable and not change suddenly. The institutions create and manage mechanisms, agreements, and adjustments accepted and fulfilled by all, thus creating a project atmosphere of stability and trust.

The interviewed projects' members agree not only that success is partly due to the pro-activity of their members, but that it also has to do with the stability and trust that they have developed internally and with their institutional partners due to the institutions' improvements (internal and external).¹⁴ These institutional improvements have created the incentives to get involved in investment, savings and general trade.

1.1 Receptivity, Institutions, Participation and Evaluation (RIPE)

1.1.1 Receptivity

At the outset, we acknowledge that psychological factors can be important in determining success, however, it is not our intention to approach this issue from this perspective, but from a sociological, political and economic perspective. Unlike Erich Fromm, we argue that receptive attitudes are not merely psychological limitations but are rational behaviours encouraged by authoritarian regimes.

The way human beings relate to themselves and each other largely depends on the socioeconomic environment in which they are raised. Thus, the reactions and behaviours of an individual raised under an authoritarian regime will differ from those of an individual brought up in a democratic society. Rational behaviour will differ depending on what the scenario dictates.

13 Nopal project. Agosto 2002.

14 Results from interviews applied in July and August to 28 interviewed participants. All agree that members' pro activity and trust, was important for obtaining success.

For example, rational behaviour in Mexico includes distrust for authority figures, whereas in countries such as Canada military personnel and police officers are often seen as heroes. Hence, authoritarian relationships shape the behaviours of people in a certain direction. In contrast to Fromm's idea of receptivity as a psychological problem, we believe that this characteristic is a rational strategy in order to survive 500 years of authoritarianism.

Authors such as Stephen R. Covey point out that people are a product of their experience, which can have a dramatic impact on the way they perceive things, behave and act. For example, many experiments have been conducted in which two groups of people are shown two different drawings. One group is shown, for instance, a drawing of a young, beautiful woman and the other group is shown a drawing of an old, frail woman. After the initial exposure to the pictures, both groups are shown one picture of a more abstract drawing. This drawing actually contains the elements of both the young and the old woman. Almost invariably, everybody in the group that was first shown the young woman sees a young woman in the abstract drawing, and those who were shown the old woman see an old woman. Each group is convinced that it has objectively evaluated the drawing. The point is that we see things not as they are, but as we are conditioned to see them. Once we understand the importance of our past conditioning, we can experience a paradigm shift in the way we see things. To make large changes in our lives, we must work on the basic paradigms through which we see the world. Similarly, peasants who have been subjected to authoritarianism invariably will have tendencies to see it as normal and thus to acquiesce and to fall back into receptivism.¹⁵

Being receptive has been the best strategy in Mexico for obtaining money from the government with minimum effort, usually in exchange for political compliance. Authoritarianism is full of incentives to be unproductive and to avoid responsibility. Moreover, in extreme cases

¹⁵ Stephen R Covey. *The 7 Habits of Highly Effective People*. Simon and Schuster. New York, 1989.

staying away from the decision making and being apathetic and submissive has been necessary for survival. Hence, being receptive makes good sense in an authoritarian context. On the other hand, receptivity in a competitive, capitalist world is highly unproductive. Peasants' receptivity negatively affects success due to a lack of initiative, passivity and submissive attitudes. This passivity limits innovation, small business development and making decisions for self-improvement. Receptivity also affects the success of the project via lack of participation. The absence, due to receptive attitudes, of peasants' interest in the decision-making process (participation) prevents them from taking control over decisions that affect their lives.

While *real participation*¹⁶ is limited to and by the elite, the peasants will or desire to participate is rarely taken into account. Access to decision-making is important but not necessarily sufficient. Real participation requires peasants' commitment, interest, capacity to take initiative and capacity to protest and act pro-actively in their best interests. Receptivity diminishes productivity and innovation, and therefore, negatively affects the outcomes of a project.

1.1.2 Institutions: The Importance of Stability and Trust

The central argument for the importance of institutions is that they directly affect the economic performance of people by influencing the development of stability and trust. The idea that stability and trust are largely affected by institutions because institutions are the structure that supports human interaction is supported by Joseph Alois Schumpeter¹⁷, an institutionalist pioneer, and more recently by Douglas C. North, who states: "...Institutions are the rules of the

16 We will define real participation as the access to, and concomitant influential involvement in, decision-making proceedings

17 An Outline of the Schumpeterian Theory of the State". *Economic Behaviour and Organisation*, no. Fiscal Sociology (2003).

game in a society ...”¹⁸ “Institutions reduce uncertainty by providing a structure to everyday life... [and] a guide to human interaction so when we wish to greet friends on the street , drive an automobile, buy oranges, borrow money, form a business, bury our dead, or whatever, we know how to perform these tasks... [T]he main role of institutions in a society is to reduce uncertainty by establishing a stable structure to human interaction...”¹⁹

Many classical and neoclassical economic perspectives have assumed that public servants have public spirit, and that there is a frictionless exchange process in which property rights are perfectly protected and specified at no cost and that information is likewise costless to acquire. These assumptions have prevented many economists from investigating existing institutions that govern markets in a more in-depth way. The significance of institutions in the pursuit of development has been recently defended by authors like Jose Ayala Espino (Coordinator of the Center of Economic Studies for Development at the National University of Mexico (UNAM))²⁰, the UK Department For International Development (DFID)²¹ and Douglass Cecil North who published *Institutions, Institutional Change and Economic Performance* (a work that earned him the Nobel prize for Economics in 1993), which brings up the fundamental importance of the institutional framework for development.²² Hernando de Soto argues in his book, *The Mystery of the Capital*,²³ the role of institutions is centrally important. Specifically, he discusses property rights and the effect of these variables on developing stability and trust to make an economy more

18 Douglass North. *Institutions, Institutional Change and Economic Performance*,. Edited by Cambridge University press, 1990.

19 North. *Institutions, Institutional Change and Economic Performance*,. Edited by Cambridge University press 1990.p. 3

20 Ayala Espino J. "Consideraciones sobre el establecimiento de una política de Estado." *Comercio Exterior* 49, no. 3(1999).

21 <http://www.dfid.gov.uk/> look for “Institution and Policy Matters”

22 Douglass North. *Institutions, Institutional Change and Economic Performance*. Cambridge University press, 1990.

23 Hernando de Soto *Op.cit*

efficient. According to North and de Soto, two conditions are indispensable to ensure that the market economy generates prosperity: the protection of individual rights and the elimination of predatory behaviours. These two conditions can be seen in several countries, but prosperity can be reached only in democratic ones where property rights are respected and there are strong institutions (which means that institutions are structured in a direction that allows the development of inclusive interests that eventually develop stability and trust). We are not claiming that property rights necessarily lead to development as stated by North and Soto. Still we acknowledge that the lack of property rights and weak institutions hurt the capability to create and enforce contracts that guide the fair distribution of the usufruct of property, even the communal properties of peasants. Similarly, Jose Ayala Espino,²⁴ argues that institutions restrict opportunistic behaviours and abuses. In doing so, institutions are critical in promoting stability and trust. Therefore, the possibility of achieving stability and trust depends on institutions.

According to North, the political economy of Third World nations is characterized by redistributive activity, creation of monopolies and low investment in education. The organizations that operate in this environment have few incentives to engage in productive activity and more motivation to engage in rent seeking. Transaction costs are high in Third World countries because those countries lack both the formal legal structure and the informal cultural structures that are necessary to promote development. Transaction costs include the costs of measuring the valuable attributes of what is being exchanged and the costs of protecting rights and policing and enforcing agreements. Increasing transaction costs imply increasing production costs, which in turn can lead to a lack of competitiveness in the market place. High transaction costs are usually linked to high levels of uncertainty and predatory behaviours. Authors such as

24 Ayala Espino J. Op. Cit.

Williamson sustain that predatory behaviours such as opportunism minimization refers to the objective of limiting transaction costs to minimal levels.

John Posey summarizes the main idea of North about the institutional problem in Latin America as follows²⁵: the West has prospered while the Third World has stagnated because the West has efficient institutions, whereas the Third World has inefficient institutions. Institutions which are conducive to economic growth will promote the rule of law, neutral enforcement of contracts and the protection of property. North argues that the political system most likely to produce these conditions is a representative democracy with universal suffrage. The classic example North uses is the comparison between England and Spain. North believes that the English monarchy in the late Middle Ages had less power over civil society than did the Spanish crown. As a result, the King of England had to bargain with major property owners, a condition which produced the Magna Carta. This led to the development of a parliament, which in turn spurred limited tax power, an independent judiciary, and secure property rights. All of this was reinforced by the evolution of a culture of individualism. Parliament later established the Bank of England, a move which tied government spending to tax revenue. All of these measures placed England on sound financial footing.

By contrast, the Spanish monarchy had more centralized power and enjoyed a greater ability to extract resources from society by command. There never developed a notion of an independent judiciary or limited government. The forced expulsion of Jews from Spain also diminished the ability of the government to secure financing by negotiating with a prosperous private sector. The interaction of these factors produced an environment less capable of producing a modern efficient financial system. As a result, although Spain entered the

25 John Posey available at <http://pages.prodigy.net/pfsgroup/northa.html> ;also Douglass North. Op.Cit..p.112-116

renaissance era with greater wealth and a stronger monarchy, it was ultimately relegated to second place economic and political status.

North argues that the institutional differences between England and Spain were passed on to many Latin American nations. And even countries such as Mexico, which have a constitution similar to the U.S., have not fared as well because they lack traditions such as limited government, individualism, and respect for property rights. Instead, these nations have kept the Spanish system of centralized bureaucratic control over the economy, a system which has not been as conducive to long-term economic growth. North extends this argument to a characterization of the institutional environment of nineteenth-century Mexico described by John Coatsworth:

The interventionist and pervasively arbitrary nature of the institutional environment forced every enterprise, urban or rural to operate in highly politicized manner, using kinship networks, political influence, and family prestige to gain privileged access to subsidized credit, to aid various stratagems for recruiting labour, to collect debts or enforce contracts, to evade taxes or circumvent the courts, and to defend or assert titles to lands. Success or failure in the economic arena always depends on the relationship of the producer with political authorities...²⁶

Like North, Fox and Aranda argues that development can be reached only in democratic contexts. Even though they acknowledge that antipoverty efforts can be undermined by authoritarian elements and even though they recognize that a high level of authoritarianism exists in Mexico, Fox and Aranda acknowledge a variable that has been largely ignored by North: "... To be successful in mitigating poverty, Mexico's promarket rural reforms require the state apparatus to operate with qualitatively higher levels of accountability than in the past..."²⁷ Still,

26 Douglass North. Op.Cit..pp116-17.

27 Jonathan A. Fox and Josefina Aranda. "Politics of Decentralized Rural Poverty Programs: Local Government and Community Participation in Oaxaca." Poverty or development? :global restructuring and regional transformations in the U.S. South and the Mexican South / edited by Richard Tardanico and Mark B. Rosenberg 1, no. 8(2000). p.179

achieving this accountability has been difficult because societal participation in development decisions remained limited. North, Fox and Aranda recognize the importance of institutions and even make their point in North's vocabulary: "...Accountability in the public institutions that enforce 'the rules of the game' for market activity has been highly uneven across both policy arenas and geographic spaces..."²⁸ However, they highlight a variable that we also consider important: active community participation in project selection and implementation. Moreover, we will add a variable that Fox and Aranda did not take into account and which will be explained in the following section: evaluation.

CED theory also recognizes the importance of institutions achieving success due to the potential of institutions to develop stability and trust: "...Mutual trust and reciprocity throughout reducing the costs of working together bringing as a consequence efficiency of economic relations. Little by little networks and connectedness increase people's trust and ability to work together and expands their access to wider institutions...."²⁹ CED capital assets theory argues that social capital is responsible for the cohesiveness of people in societies where institutions play a very important role. Social capital includes people talking to each other, trusting the intentions of others and thinking from the other person's perspective, all of which allows participatory processes to take place. Social capital is the glue that holds societies together.³⁰

North's institutional theory could be utilized for CED analysis of project success, given that he provides a more in-depth study of Institutions. Nevertheless, even with the relevance of these writers (North, de Soto and Ayala Espino) in our analysis, we still want to be more explicit about the role of participation within this institutional framework. North, Ayala and de Soto do

28 Ibid.

29 DFID (Department for International Development) "Sustainable Livelihoods Guidance Sheets" available at www.livelihoods.org/info/info_guidancesheets.html

30 Stratford E. and Davidson J. "Capital Assets and Intercultural Borderlands: Socio-Cultural Challenges for Natural Resource Management". University of Tasmania (2002).

not discuss the importance of participation in this process; somehow they imply that the importance of institutions arises from the costliness of measuring what is valuable, protecting rights, policing and enforcing agreements. They largely ignore the question of how institutions can protect the interests of a few rather than the interests of the majority, and how they can avoid the abuse of power by bureaucrats pursuing their own gain or the gain of a select few. How can an institution provide transparency? How can institutions improve decision making in a way that promotes stability and trust? How can institutions govern for everybody?

We will argue in further chapters that participation may be one possible answer to these questions that none of the institutional writers have taken into account in an explicit way. Some evidence shows that community participation plays an important role in the regulation of abuses³¹ by exposing and challenging leaders that preside over corrupt behaviour. Participation provides tools both to prevent corruption and catch corrupt officials in the act³². Moreover, institutions that are participatory can increase the voice of the poor in local political processes and governance. In Mexican States such as Tlaxcala, Veracruz, Guanajuato, Puebla and San Luis Potosi, for example, leaders of community groups formed and strengthened, and, with the help of Non-Government Organizations (NGOs), they are increasingly being elected to leadership roles in local government bodies.³³

Professor of Anthropology Richard W. Franke, together with sociology professor Barbara H. Chasin, have studied participatory planning, and they argue that participation would contribute to transparency and accountability, hopefully preventing corruption and reducing cynicism

31 Jefferson Fox, Muljadi Bratamihardja & Ir Poedjorahardjo. "Social Forestry Planning: Searching for A Middle Way". Social Forestry Network, available at: <http://www.odi.org.uk/fpeg/publications/rdfn/10/rdfn-10d.pdf> (1990).

32 Wescott, C. "Combating Corruption in Southeast Asia". (2002).

33 Raul Olmedo. *Experiencias Municipales Repetibles*. Instituto de Administracion Municipal. Mexico, 1999.

towards government among people. They advise, "...Don't leave development to politicians only. Local planning and participation moreover puts forward the best way to take the contextual aspects of development into consideration, to create a sustainability of the resource base...."³⁴

Generalized apathy of the masses increases opportunism and predatory behaviours by the elite. Where apathy exists, it is more difficult to organize and to maintain a political opposition, which is an essential ingredient of the defence against tyranny. With the application of unsuitable policies, predatory behaviours and abuse of power occur not just in institutions, but also in organizations within development projects. Without an atmosphere of stability and trust, talking about participation can be difficult because the actors would prefer not to interact with other actors or agents. They would exclude themselves from decision-making processes, putting political life into the hands of a few and generating a feeling of discomfort that would provide fertile ground for cooperative character projects to fail and predatory behaviours to thrive. Stability and trust are the *sine qua non* factors to get involved in investment, savings and in general trade. However, participation is also essential to remind to those on power that they must do their duty and serve the participants.

1.1.3 Evaluation

Evaluating the impact of institutions on CED projects is a final key variable to understanding CED project success. The generic goal of most evaluations is to provide "useful feedback" to a variety of audiences—including sponsors, donors, client-groups, administrators, staff, and other relevant constituencies—to improve their projects. Most often, feedback is

34 Eva Wramner. "Fighting Cocacolanisation in Plachimada: Water, Soft Drinks and A Tragedy of the Commons in An Indian Village". Lund University, 2004. p.18 available at: http://www.svalorna.org/pdf/Fighting_Cocacolanisation_i.pdf

perceived as "useful" if it aids in decision-making.³⁵ In a project setting, evaluation is a systematic and continuous estimation of the value or potential value of a program or project with the objective of orienting the decision making related to the future of the projects/programs. The objective of evaluation is to sustain decisions, qualify options, and identify improvements. Participation is about influencing decision making while evaluation is about influencing the decision making in the best way.³⁶

Evaluation has several distinguishing characteristics relating to focus, methodology, and function. Evaluation (1) assesses the effectiveness of a program or project in achieving its objectives, (2) relies on the standards of project design to distinguish a program's effects from those of other forces, and (3) aims at program improvement through a modification of current operations.³⁷ How can we demonstrate that a program or a project is making a difference? How can we demonstrate that the decision we made was the best? How can we demonstrate that we have succeeded in our programs or projects? Some authors think that evaluation is a discipline that tries to provide answers to these questions. Effective evaluations are never a one-time, end-of-project event, and the collaborative process is important from the beginning of a project and continues throughout the life of the project. The argument in favour of allowing participation in the evaluation process is related to incorporating relevant information from the experiences of the participants in the analysis. If the participants' experiences are left out of the analysis it is called a specification error in statistics. A specification error is when an important variable is left out of the equation. This is also important because government planners, NGOs and peasants have the opportunity to discuss what variables, from their point of view (economic and non-economic), are

35 William M. Trochim. "Introduction to Evaluation". Cornell University, 2002.

36 Horacio Santoyo, Pablo Ramírez and Murari Suvedi. Manual Para la Evaluación de Programas de Desarrollo Rural. Mexico: FAO, 2000.

37 Center for Program Evaluation available at:
http://www.ojp.usdoj.gov/BJA/evaluation/glossary/glossary_e.htm

essential for the project. Participation encourages a mutual learning process that includes all the parts involved in the project: peasants, institutions, and NGOs and ensures improved planning for the next project. Most importantly, if evaluation also happens at a local level, rather than only at development or government agencies, it will enable corrective action to be taken at the lowest and most immediate level. As a result, the need for costly external interventions to address emerging evaluation problems is minimized.

Participation should continue beyond plan development, and could cover a variety of activities, including taking action to help achieve plan goals and objectives, contributing to ongoing information assessment, conducting activities on their own initiative, and helping to monitor goal achievement and evaluate the plan's effectiveness. The evaluation process is ongoing and includes ways to let all participants use the information from the evaluation throughout the project, not just at the end or at the beginning.

Authors such as Earle, Duncan and Jeanne Simonelli argue that "...giving agency to those to be 'studied' as part of an equal partnership does not mean that we cease doing those things that we are trained to do... we bring to the partnership those skills that each of us has and from this derive a modified research design that emphasizes symmetry in the research endeavor and attention to community concerns surrounding how and when information should be shared..."³⁸

A traditional approach to evaluation is to estimate what happens with the program or project in place versus what would happen without it. Extensive social science research methods

38 Earle Duncan and Jeanne Simonelli. *Uprising of Hope: Sharing the Zapatista Journey to Alternative Development*. Edited by A. M. Press. California, 2005. p.11

have been designed with this problem of attribution in mind. And an evaluation study probably remains the best way to address this problem, if one has the time, money, interest and expertise.³⁹

In practice, development project evaluation is quite difficult. Richard D. Bingham and Robert Mier⁴⁰ provide six reasons why:

- 1) Project evaluation is hard because it is difficult (but necessary) to determine what would have happened to the program participants if the program did not exist. The evaluator wants to compare what actually happened with what "would have happened if the world had been exactly the same as it was except that the program had not been implemented." Such evaluations also require the collection of extensive quantitative data over a period of time from both the evaluators participating in the economic development evaluation and the comparison group.
- 2) These data collection and design efforts may not only be expensive in direct budgetary costs, but may also require extensive administrative time and be disruptive to the staff setting up the program.
- 3) A third reason for the paucity of comparison/control group evaluations is that more rigorous evaluations will have a disproportionate part of their benefits go to groups other than those paying for the evaluation. Hard quantitative evidence on the effectiveness of a particular approach to economic development will have benefits to all state and local areas, not just to the state or local area that has the program and is funding the evaluation.

39 John Mayne. "Using Performance Measures Sensibly." Office of the Auditor General of Canada (1999).

40 Richard D. Bingham and Robert Mier. "Can Economic Development Programs be Evaluated?" Significant Issues in Urban Economic Development (1997): 246-277.

- 4) A fourth reason for the difficulty implementing rigorous evaluations is that such evaluations too often seem to avoid telling program administrators how they can improve their program.
- 5) Frequently governmental agencies and consulting groups do not have staff that is trained in how to do studies that correct for selection bias due to a non-randomly selected comparison group.
- 6) A final, and perhaps most crucial reason that more rigorous evaluations are rare, is that program administrators fear the political consequences of a negative evaluation. If a program is not evaluated, one can always claim success.

There is a large academic consensus on how important it is to evaluate and how positive an impact evaluations have on decision making.⁴¹ In fact, most of the academic discussion is based on the advantages of scientific procedures applied to decision making. What ultimately matters, however, is what peasants or other target groups think about evaluation rather than what academics or evaluators think about it. As the target group, peasants should participate in the different phases of the evaluation.

1.2 Objectives

The primary objective of this study is to identify the most important contributions of real participation in the quest of success for CED projects that involve peasants in Morelos Mexico. Specifically the objectives of this study are the following:

1. To examine the role of participation in contributing to the success of CED projects in Morelos, Mexico.

41 Horacio Santoyo, Pablo Ramirez and Murari Suvedi. Manual Para la Evaluacion de Programas de Desarrollo Rural. Mexico: FAO, 2000; and William M. Trochim. "Introduction to Evaluation." Cornell University, 2002.

2. To identify the impact of receptivity, institutions, and evaluation in the success of CED projects.
3. To identify the major factors that contribute to establishing successful CED projects involving farmers in Morelos, Mexico, especially those factors that may impact participation.

1.3 Hypotheses

1. Morelos' authoritarian history has limited participation, creating receptive character orientations, weak institutions, and poor evaluation and making it hard to establish successful projects.
2. Participatory institutions create more possibilities for establishing successful CED projects, because participatory institutions generate an atmosphere of stability and trust.
3. Participation plays an important role in the success of CED projects. Effective participation exists only when there is a feedback mechanism: that is, an evaluation of project decisions takes place that includes beneficiaries. This is an alternative approach to success, involving local knowledge, participation and identity issues.
4. Receptivity, institutional changes and evaluation are key variables to the success of CED projects. However, these factors require effective participation to lead to successful projects.

2 RESEARCH METHODS AND METHODOLOGY

This work is based on secondary data, field observations from successful existing rural CED projects in Morelos, semi-structured interviews (See appendix 8.1), and a survey (See appendix 8.2) derived from five successful CED projects involving peasants (see section 2.1) in rural areas of Morelos Mexico.⁴²

The purpose of this study is to understand the most important contributions of participation toward successful CED projects in rural Morelos, Mexico. Using a case study design, this study combines subjective and objective concerns, such as receptive attitudes, income and disposition to pay for evaluation services. The five selected rural CED projects from Morelos were chosen because they were successful and sustainable according to a variety of outcome criteria, as noted in Fig. 1-1 below. The projects that have failed no longer exist. Not being able to interview unsuccessful project participants, we must focus on why projects succeeded rather than why they failed.

Our study suggests that Receptivity, Institutions, Participation, and Evaluation (RIPE) are the key factors for project success. I surveyed peasants that belong to our 5 chosen projects in regard to character orientation. I also conducted semi-structured interviews to compare the attitudes of peasants at the beginning of the project and the character orientations of current peasants. Ultimately, we find evidence that shows how projects have to enhance participatory processes among their participants in order to become successful.

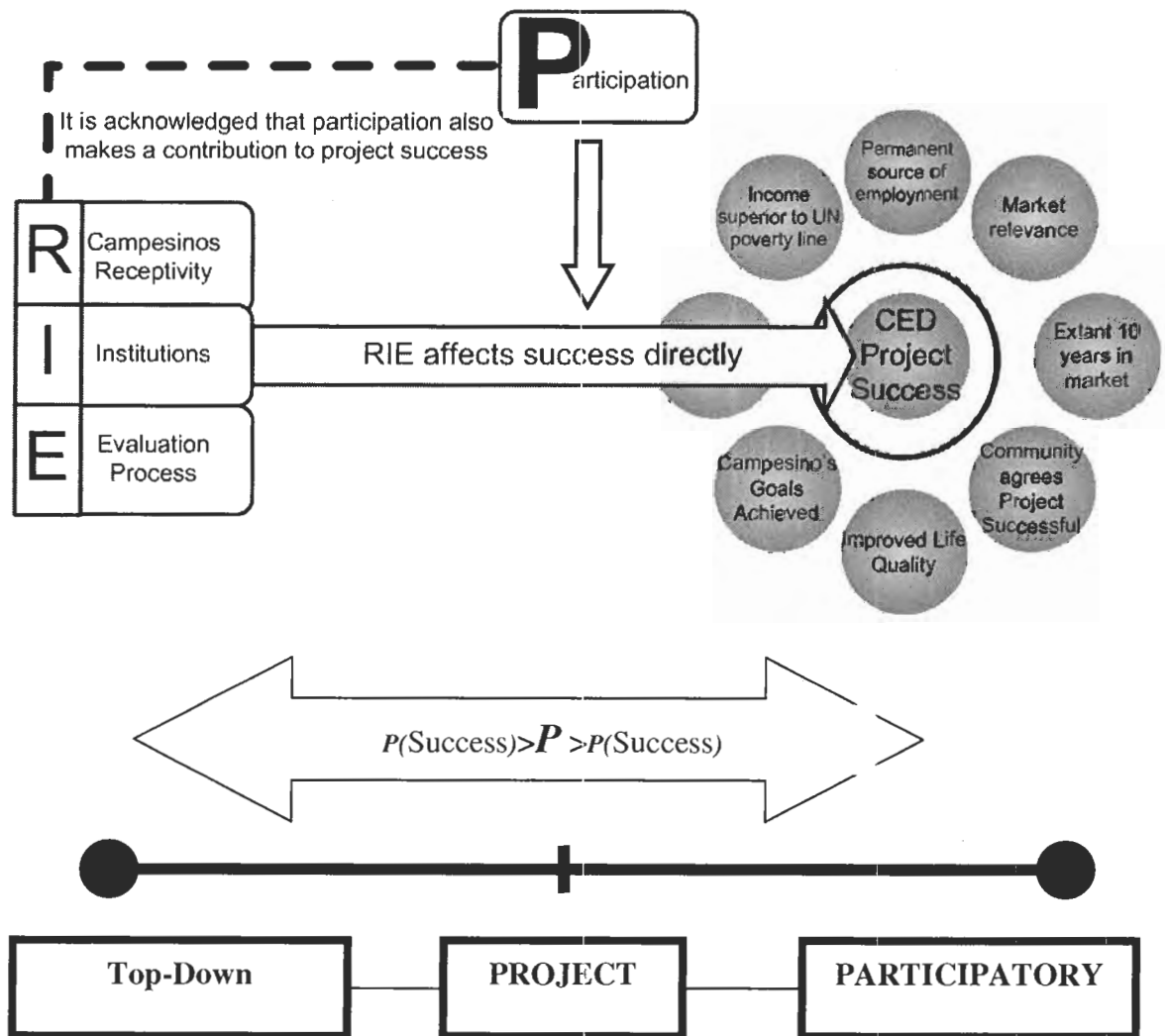
⁴² The appendix contains a brief summary of the projects for which interviews were conducted. Appendices II and III include the semi-structured interviews and questionnaires used.

Semi-structured interviews were also used to identify institutional changes that directly affected our selected projects and determine how these changes affected success. We looked at project experiences and interviewed government authorities, university professors and peasants themselves. Semi-structured interviews (See appendix 2) and surveys (see appendix 3) were then analysed. The purpose was to identify what effect institutional changes have on our projects while the rest of the variables remain relatively “constant,” meaning that they did not change dramatically. In regard to evaluation, the willingness to pay for evaluation services is an indicator for understanding how important evaluation is for our interviewed projects. Academics largely agree that evaluation practices can reduce the risk of making wrong decisions during the project lifecycle; however, for us what really matters is whether successful interviewed peasants agree with this idea of evaluation in practice. The willingness to pay for evaluation implies two outcomes: 1) If our successful interviewed projects pay for evaluation services, it is because they consider evaluation as an important and useful service that might contribute to success. 2) Paying for evaluation services implies a paradigm of change where the element of change is inward to outward. This means that they have discovered that being proactive rather than receptive (expecting the government or other institutions to be responsible for evaluation services) in a changing context is also a rational way to take action.

Figure 1-1 offers a quick review of our analysis and shows the relationship of the variables we have described so far (RIPE). We show that RIE affects success directly; however, we recognize that participation is a variable that has been largely ignored, but that nevertheless plays an important role in achieving success. Moreover, we quickly summarise the indicators that we use to measure success on the right hand side of the figure. The central bottom axis of figure 1-1 rates projects from less participatory to more participatory, while the ends represent the ideal participation or the absolute top-down situation. I argue that as the measure of the CED projects

in Morelos moves towards the right end, the possibilities for success increase. Nevertheless, the possibility of moving either way through this axis is largely conditioned by RIPE.

Figure 1-1: Success probability figure.



With respect to data collection, the interviews and questionnaires are based on the principles of respect, voluntary participation, and informed consent. All information received as a result of these interviews will be kept strictly confidential with regards to their origin. Participation was voluntary and subjects had complete freedom to accept or reject being interviewed. Furthermore,

their physical and psychological safety was assured. The interviews were conducted in the months of July and August 2002.

2.1 Description of Five Selected CED Projects (Case Studies)

The following 4 Morelos agricultural and forestry CED projects were selected based on success criteria (see figure 1-1). Morelos is one of the constituent states of Mexico. It has an area of about 4,941 km², making it one of the country's smallest states. It is bordered by the states of México to the north and west, Puebla to the east, and Guerrero to the south. In 2003 the estimated population was 1,616,900 people. The capital of Morelos is the city of Cuernavaca. Morelos was named after José María Morelos, one of the heroes of Mexico's war for independence. Morelos was also the home state of Emiliano Zapata. It is important to begin our discussion of the projects reviewed with an overview of FIRA (Agricultural-Related Trust Institute), which is the primary funding agency behind our case studies and behind small-scale rural agricultural projects generally, the effectiveness of which can also be gauged in terms of participative-ness.

2.1.1 FIRA (Agricultural-Related Trust Institute)

FIRA is a governmental program that supports hundreds of predominantly farming projects. Its goal is to increase the certainty of the success of investment projects of banks, companies and producers, and to distribute greater elements in order to increase sector productivity and competitiveness. FIRA started as an alternative to BANRURAL, which used to be the main institution financing rural projects related to agriculture. FIRA started in 1976 and was dissolved on June 30, 2003⁴³, and it plays a double role in this investigation. On the one hand it was an institution that financed the other 4 interviewed projects. However, on the other hand, it

43 For more information about BANRURAL history see <http://www.banrural.gob.mx/>

was started as a pilot project that became one of the most important financing governmental institutions in Mexico today in relation to agriculture. As a project, it was interesting to understand why FIRA succeeded in financing CED projects while Banrural did not. This is related to our RIPE framework.

FIRA offers the following collateral credit services:

1. **Guaranteed Service**, complementary to the guarantees provided by the credit solicitors themselves, gives security and confidence to the bank to operate projects previously evaluated and determined to be viable in conditions of a calculated and protected risk. According to this guarantee, FIRA will partially back the recovery of any lost funds. This guarantee service is for operations with or without discount (redescuento), in either national funds or U. S. Dollars.
2. **Bank Stimulus System**. A mechanism that allows the compensation of transaction funds for small operations.
3. **Reimbursement for Integral Technical Assistance Service**. This service covers, in conjunction with the developing producers, the cost of technical assistance contracted by the producers to either a person or a consultant's office.
4. **Producer Training**. Technicians of the bank and technical agents contribute to the distribution of knowledge and relevant innovations for the farming development of the country.
5. **Development, demonstration and training in agricultural, agroindustrial, and farming techniques** in order to provide the transfer of accessible, reliable, and economical technologies.
6. **Information specialized for the banks, technical agents, enterprises, and producers.**
7. **Organizations of producers for production, risk management, and administration.**
8. **PC Software in support of project evaluation and rural administration:**
 - Parametric statistics for agriculture
 - Evaluation for bovine livestock
 - Evaluation for dairy cattle projects
 - Evaluation for pork projects
 - Evaluation for agricultural projects
 - Simulation of project risk

9. Managerial accounting system and rural administration.

2.1.2 Peanut Project

The Peanut Project is a co-op in Morelos dedicated to increasing the value of the peanut (cacahuete, *Arachis*) through industrialization. The co-op currently produces more than 40 different peanut products and owns its own installations, machinery and vehicles. The idea for this project was generated in 1979. Presently, this project has consolidated a good market for its product, gives permanent work to members of the community, and is experiencing growth. Furthermore, it has been recognized on several occasions by the government of the state (Morelos) as a model project. For this study, this project is perhaps the classic model of CED projects that have gone down the long road towards success. This project through hard lessons shows the importance of RIPE framework (Fig 1-1) achieving success. It is a classic example because it was developed in a rural area, and because the principal actors are peasants. Step by step, as we will explain in further chapters, the peasants overcame receptive attitudes among their members, improved the levels of stability and trust within their organization and partnerships, and enhanced their evaluation methodologies, with the result that they achieved success. This group also participates politically and, as such, influences the decision-making process of the community due to the level of organization and prestige it has achieved throughout the community.

2.1.3 Nopal Project

This project is made up of a group of producers from Morelos that have formed a Mexican enterprise that produces and commercializes the nopal⁴⁴ for the national and international markets. The enterprise is founded on the following fundamentals:

1. Human beings and their environment should live in harmony.
2. A great community sense, expressed in every activity undertaken, is important.
3. The peasant can and should be integrated into the company activities and modernization.
4. This is an enterprise that wants to stand out in a social context; it is integrated by peasants that have a great vision of the future of their community and their country.

This nopal project was created August 14, 2001, as a result of the joint effort of two groups of producers. Prior to this union, the two groups indirectly exported the cactus; however, several inconveniences developed, such as the intermediaries not receiving proper presentation and inadequate packaging that diminished the quality of the product in the eyes of the consumers. Therefore, the two producers initiated actions that allowed them to achieve national and international commercialization by the enterprise's own members. During the year 2002, the company exported its product to the U. S. and worked on commercializing the product to the rest of the world in two forms: fresh and powder.

2.1.4 Non-Timber Forest Products

This project is particularly community oriented in that the project involves all of the peasants in the community working on community property. This project was officially created in 2002 and is dedicated to the extraction of non-timber forest products such as medicinal plants, resins, mushrooms, rattans, growing medium (soil) and other non-timber goods obtained from

⁴⁴ Nopales are a vegetable made from the young stem segments of prickly pear, carefully peeled to remove the spines. Nopales are generally sold fresh or canned, less often dried. They have a light, slightly tart flavor, and a crisp, mucilaginous texture. More information available at: <http://en.wikipedia.org/wiki/Nopal>

forests. However, even though the creation of the project is recent, this group of peasants have been developing projects together for over 10 years. While its formal beginning is recent, this group of producers has attempted to get this project off the ground for the last 6 years without success until now. It is worth noting that this group has achieved more than one joint-effort project, such as the purchase of fertilizers.

The growing medium (soil) that this group produces is taken advantage of primarily by the nursery men of Morelos. Aside from the fact that this project has recently started to be fruitful, it has achieved many things in a very short period of time, such as, among other things, securing the market for its product, generating permanent well-salaried positions for the community, and taking advantage of a resource that had not previously been able to be used regardless of permission from the Secretary of Ecology at the time.

2.1.5 Nursery Project

This group of nursery men belongs to a much older group that is the principal and most important group of nursery men in all of Mexico. The group primarily produces ornamental plants, fruit trees, and trees for reforestation. In contrast to other projects, many of these nursery men are corporate rather than peasant in nature. FIRA has been an important player in financing the project, and this is perhaps the project of which FIRA is most proud, given that it produces the most economic benefits among the chosen projects. The project also has supported a head agricultural engineer paid by the group in order to have a permanent consultant.

2.2 Outline

This thesis is comprised of 7 chapters, including the Introduction as Chapter 1 and Methodology as Chapter 2. Chapter 3 presents the theoretical framework. It provides four basic ideas or lines of discussion. Firstly we will develop the debate on "participation" itself, making a map of the different concepts and ideas that exist around participation. Secondly, we will speak

to the impact of participation on institutions, developing the main ideas of institutional theory and showing how participation influences institutions and how, once the institutions get fortified by participation the basis to create successful CED projects is generated. Thirdly, we will talk about the problem of participation in Mexico. This section shows that despite the advantages that can be derived from participation, the particular form in which the actors, agents and the State in Morelos have historically and structurally related makes it difficult to establish participatory processes. Finally we will approach some of the main ideas about evaluation and discuss how evaluation contributes to the creation of successful CED projects. At the same time, we will approach the new paradigm of evaluation and its challenges.

Chapter 4 deals with the historical structural problems that have affected participation in Morelos, Mexico and how these problems have made the creation of real participatory processes that might lead to success difficult. Using examples derived from the interviews, this chapter shows many of the main forms of repression against participation and how these problems affected the interviewed project managers, leading them to serious errors. Some of these obstacles are the result of historical authoritarian models. Chapter 4 examines not only the obstacles that project managers face but also the way they have dealt with these adversities.

Chapter 5 shows evidence derived from the interviews and questionnaires about how important institutions are in the quest for success, especially in terms of the influence these institutions have in encouraging or discouraging stability and trust related to economic performance. At the same time, we show how participation makes a positive difference with respect to the quality of institutions, and how consequently it brings about a major advantage for the next generation in their ability to experience stability and trust. Firstly, we show how participatory institutions can develop stability and trust that can potentially favour an environment more adequate for economic coordination. Therefore, stability and trust favour an economic interchange with fewer possible costs, leaving room for success. Throughout these

scenarios, we analyze the role of participatory institutions in the economic performance of the studied projects. These scenarios exemplify the presence or the lack of strong institutions and the consequence that this has on the projects when other variables remain constant. Finally, we analyze the relevance of institutions on information as a key element in generating an atmosphere of stability and trust, while information also improves the quality of the decision-making process. Chapter 6 focuses on evaluation, specifically on how the natural processes of participation demand scientific methodologies for optimization. This means making processes more efficient and ever improving in terms of the decision-making process, where evaluation takes this exact role. We explain how participation has generated a paradigm shift with respect to evaluation shifting from a threat to a necessity. Chapter 6 explains how a change in the evaluation paradigm makes the path to success more efficient. Moreover, this chapter shows the process of reciprocity between evaluation and participation, which generates a multiplying effect that leads to success and how the scenarios in Morelos are changing in respect to evaluation.

Chapter 7 covers the conclusions and recommendations. The conclusions emphasize the probabilities of success in CED projects where participatory relations exist. In addition, we include the main conclusions about our most important variables 1) receptivity; 2) institutional change and 3) the contribution evaluation makes toward the success of CED projects.

3 THE IMPORTANCE OF PARTICIPATION

*"...Participation is a basic human right
and ultimately, political democracy
cannot flourish without social and
economic democracy..."⁴⁵*

In this chapter we analyze some fundamental elements of participation around two basic lines of discussion. In the first place we will develop the debate of "participation" itself that includes the main traditional concepts of participation, as well as some alternative concepts, including the most important concepts related to Community Economic Development (CED). In this first plane we discuss whether participation influences the success of CED Projects or not, and if it does, in what way it does. As a second line of discussion, we approach the main problems of participation in the CED Projects in Morelos, Mexico.

3.1 Participation

There is a big debate about whether or not participation positively influences the success of development projects. Some authors are optimistic in this regard while others are not.⁴⁶ David Sills⁴⁷ has provided a very good comparison of these two currents of thought⁴⁸. According to him, those who are not so optimistic about participation argue that universal participation is not

45 Trade Unions, a. D. P. i. E. "A Scenario for the 21st Century." Gerard Kester and Henri Pinaud. (1996): 296.

46 David Sills. "Enciclopedia Internacional de Ciencias Sociales".

47 Ibid pp. 633

48 Dahl Robert. "Further Reflections on "The Elitist Theory of Democracy." American Political Science Review 60:(1966): 296-305; and Jack L Walker. "A Critique of The Elitist Theory of Democracy." American Political Science Review 60(1966): 285 - 295.

desirable because including uninformed individuals will not improve and could even be detrimental to the project. Sills describes how the authors that are not so optimistic about participation argue that uninformed individuals may be mistaken in their judgment of what is good for society and/or their own interest and may even be subject to manipulation that could ultimately damage society. Hence, in these cases, apathy is better than participation. For example, if we talk about political participation as it is reflected in voting behaviour, this can be used to choose a Hitler as well as a Churchill or Roosevelt. These authors argue that even in a democracy, a citizen has the right to ignore participation.⁴⁹

Authors like Robert Dahl⁵⁰ think that generalized participation is also not desirable, because a very active participation can make it difficult for experts to make those decisions that they are indeed the most qualified to take. A high level of participation could lead to controversy, fragmentation and instability. The existence of indifference, on the other hand, can provide more flexibility. In turn, Bobbio⁵¹ argues that not only is generalized participation not desirable, but it is also not possible. Norberto Bobbio asserts that participation must be learned, and in order to learn people must have a capacity, motivation, opportunity and atmosphere of liberties. In order to participate it is necessary that people express themselves, and expression is the opposite of repression. In some social layers, all these requirements do not exist. In addition, Norberto Bobbio argues that participation is a methodology, and as such, it can be used to achieve determined objectives: "... If we know that participation is an instrument we will know, then, that like any other instrument, it could be manipulated to different purposes, subordinated to the

49 David Sills. "Enciclopedia Internacional de Ciencias Sociales".

50 Dahl Robert. "Further Reflections On "The Elitist Theory of Democracy". American Political Science Review 60:(1966): 296-305.

51 Bobbio N. Diccionario de Política. siglo XXI, 1952.

intentionality of who is using it. Hence, that intention will be very important in determining the final results....”⁵²

On the other hand, Miranda⁵³ and Way⁵⁴ are in general optimistic about participation. However, like Norberto Bobbio, they warn that participatory methods can be used to fortify vertical structures and that it “...is very easy for external agencies to abuse participatory methodologies. Many were concerned that the use of such methodologies does little more than legitimate state activity and pre-defined objectives...”⁵⁵ For example, in 1973 the Economic Commission For Latin America considered that participation is considered a voluntary contribution by the people in one or another of the public programmes supposed to contribute to national development, but that the people are not expected to take part in shaping the programme or criticizing its content.⁵⁶

Authors that are more optimistic in this regard argue that a more participatory bottom-up approach will lead to more relevant and effective projects. However, these authors argue that in order to achieve these goals participation is not simply a methodology, or way to doing things, in which set rules and techniques can be learned and then put into application in the field.⁵⁷

Participation, in order to be real, presupposes influencing decision making, and “...participation emphasizes the decision making role of the community....”⁵⁸ Participation is based on the

52 Sills,D. Op.Cit.

53 Miranda B. Laderas "¿Como Facilitar Procesos Participativos? Proyecto Regional IICA-Holanda/." laderas@es. com. sv.

54Sally-Anne, Way. "Critical Reflections On PRA and Participation in México". Institute of Development Studies (1999).

55 Sally-Anne, Way Op.Cit.

56 David Archer and Sarah Cottingham. The Reflect Mother Manual:Regenerated Freirean Through Empowermentvcommunity Techniques. Actionaid, 1996.

57 Anil Hira and Trevor Parfitt. Development Projects for a New Millennium. PRAEGER. Westport, Connecticut, London, 2004.

58 Fleming, S. "Between the Household: Researching Community Organizations and Networks". IDS Bulletin, no. 22(1991): 37-43; and Archer, David and Sarah Cottingham. Op.cit.

principle that all participants are actors promoting their own reality. In this view, participants are conceived as active subjects of the process. This stands in contrast to the view of authors who are not so positive about participation and who perceive the project experts as being the protagonists of these processes, the only ones with the capacity to contribute, giving to the peasants the role of beneficiaries, the role of passive receivers, which means that the peasants are the objects of the process.⁵⁹ Cohen and Uphoff make similar points, arguing that participation should entail the following elements. First, people at the grassroots should have a voice in deciding what a project will do. Second, they should be fully involved in implementation. Third, they should share in the benefits of any project. Finally they should be involved in evaluating the projects.⁶⁰

The optimistic writers also argue that it is difficult to sustain the notion that "the experts" are more committed to the truth or the efficiency rather than their own interests. Any expert in power, like any politician, usually tries to maximize power. And power doesn't always go together with economic efficiency or justice.⁶¹ The optimistic writers argue that the lack of participation is reflected in those who do not participate because they are not suitably represented. The lack of participation is an obstacle for the administrations in order to reach a larger support. Moreover, it is an obstacle to learn from non-participants own experience. In a democracy, participation is power. The question of legitimacy is not only the origin of power, but its effective exercise. Without the support of the popular bases, which comes from participation, legitimacy could be a problem, and at the same time could cause a governability crisis. Roseland

59 Miranda B. Laderas Op.Cit.

60 Uphoff, N. "Understanding social capital: learning from the analysis and experience of participation" Cornell University. Available at www.exclusion.net/images/pdf/778_ratur_uphoff.pdf

61 Trejo, G. "El rey filosofo." Nexos, no. 267(2000).

and Pierce indicate that the possibilities of success increase to the degree that decisions are made based on good quality information and a clear participatory process.⁶²

Even if we agree on the importance of participation, there are many doubts about how to include it in projects. Some concrete questions about participation are the following: who participates? (e.g., an elite, or broader range of people), what do they participate in? (e.g., broader range of decision making), how do they participate? (e.g., as benefit recipients of project or as designers) and for what reasons do they participate? (e. g., as a means toward other objectives or as an end itself). Some clear examples of these dilemmas were found in our interviews. For example in the Nopal project, when the project was just taking off just 2 people of the 14 interviewed directly took part formulating the project. The rest of the people just took part in the interviews, and that is one of the reasons why they believe their project was created in a participatory way. This does not mean that nowadays they do not participate. The immediate questions were: was this project created in a participatory way and how many should have participated directly in order to be participatory?

Participatory democracies certainly are slow and frequently make mistakes. But in the long run they have fewer propensities to the errors of the expert and the dictatorship⁶³, and in addition, participation creates a learning process. Even if the opinions of the participants were wrongly based, there is no better way to improve the quality of their judgments than the experience of participation. The process of participation itself is forced to acquire the necessary knowledge for a based judgment and for the realization of the participants' own interest, but also to learn how the system works. Participants also learn which principles and beliefs are valuable.

62 Mark Roseland and John T. Pierce. "Promoting Community Economic Development for forest-based communities." CED for Forest-Based Communities (2000).

63 Trejo, G Op.cit.

3.2 Participation, a Means or an End?

Most of participatory approaches see participation essentially as a means to achieve project objectives.⁶⁴ Some of the reasons why participation is seen as a means is because it implies getting involved in the decision-making process. Decision making includes numerous activities that precede a decision (analysis of the context, problem sensing, formulation and framing), and that follow the making of the decision (decision announcements, implementation, evaluation). Participation implies responsibility, meaning the capacity or ability to respond to challenges or problems. In order to succeed within a participatory atmosphere, peasants must get involved in a problem-solving routine that eventually will develop experience, skills and learning processes, in contrast to an authoritarian environment where the decision making is the exclusive duty of one person or a small group of people. Moreover, participation proposes democratic, horizontal routes that allow diversity that would include points of view of women, children, indigenous people and other groups and that could improve the decision making by taking into account different perspectives.⁶⁵ Finally, participation could be an important tool in developing an atmosphere of stability and trust that eventually would allow prosperity, for participation reminds those in power that they have a duty to serve the participants. This perspective focuses on the consequence of participation (getting involved in the decision making) rather on its determinants. Participation as an end in itself has to do with the idea of a democratic society and ensuring the well-being of individuals and communities. Writes Moser, "People have the right and duty to participate in the execution (i.e. planning implementation and management) of

64 Hira and Parfitt, *op. cit.*, and Diana Conyers. "Rural Regional Planning: Towards An Operational Theory". *Progress in planning*, no. 23(1989): 3-66.

65 Richard A. Guzzo. *Understanding the Dynamics of Diversity in Decision Making Teams*. J. Bass. San Francisco, 1995.

projects which profoundly affect their lives.”⁶⁶ Participation as an end is closely linked to questions of empowerment and control over decision making.

3.3 The Challenge of Participation in Mexico

Many authors have pointed out that participation in Mexico is very limited and that the authoritarian processes are predominant. For example, Catalina Eibenschutz⁶⁷ discusses the limitations that Mexican civil society has in accessing governmental decision making. Authors such as Steven W. Hughes and Kenneth Mijeski⁶⁸ qualify the decision-making process in Mexico as authoritarian and technocratic. Other experts maintain that the exclusion of people from decision making especially affects women, indigenous people and children and that “...the exclusion of the decision making regarding economic social and political issues in Mexico has a face of women, youth, indigenous people, and children...”⁶⁹ Organizations such as UNICEF⁷⁰ maintain that excluding vulnerable groups of the population, such as children, from the decision making process affects the lives of those excluded and diminishes the development of fundamental aptitudes, such as the capacity to express themselves, negotiate differences, take important decisions and take care of themselves, their families and their communities.

A lot of people make well-structured and convincing speeches about participation in Mexico. However, very few sectors of the population have genuine access to a space in the

66 Caroline Moser. "Gender Planning in the Third World : Meeting Practical and Strategic Gender Needs". World Development, no. 17(1989): 1799 -1825.

67 Catalina Eibenschutz Hartman (16-18 March 2000) Gobierno Autoritario, Ciudadanía Incompleta. Miami, Florida.

68 Steven W. Hughes & Kenneth J Mijeski. Politics and Public Policy in Latin America. Boulder: Westview Press. London, 1984.

69 Foro de la Sociedad Civil de las Americas 1999. Toronto, Canada, http://www.web.net/comfront/cf_docs_lexclusi%F3n_social.htm.

70 <http://www.unicef.org/spanish/sowc03/presskit/PR63.html>.

decision-making process.⁷¹ So only these small sectors of the population have access to real participation. The lack of participation does not come from out of the blue, but is a result of the historical relationships that have been established among agents and actors. Therefore, we will dedicate the rest of this chapter to explaining these relationships.

3.3.1 The Relations of Power

Participation (influencing decision making) is determined by power relationships. The access to resources (education, technology, capital, health, even the media) empower some groups over other groups that are at a disadvantage (no capital, no education, no technology, bad health). These groups with advantages (usually called elites) normally use this power to benefit their own interests by influencing decisions in favour of their own interest. In fact, in a study conducted by the UN on the gap between rich and poor, Mexico had the biggest gap among 176 countries. In 1995, the fortune of the richest man in Mexico was about US \$ 6,600 million, equivalent to the combined incomes of 17 million of Mexicans living in poverty⁷²

The lack of participation in Morelos and in Mexico in general is not mainly a theoretical problem or a misinterpretation of the concept of participation; it has to do with the relationships that have historically been established between actors and agents (see glossary). The groups in power will fight to maximize its power and will use all their resources to do so. The agents and actors who see advantage, comfort and prosperity in the present situation will try to maintain their power. This idea also differs from the classical and neoclassical assumption about "public spirit" where a good will to defend the interests of all groups exists among groups.

71 José Luis Piñeyro. "Gobernabilidad Democrática y Fuerzas Armadas En México Con Fox". Latin American Studies Association, LASA (2001).

72 Programa de las Naciones Unidas para el Desarrollo. "Informe." Pobreza y Desarrollo En El Mundo. <http://www.terra.es/personal/gaviles/articulo1.htm> (1997).

Due to the nature of participation (to influence decision making), Mexican elites see a double edged sword in participation, because if more actors get involved in the decision-making process it might affect the interests of the hegemonic groups, especially when the objectives of the groups are different (however, this could be convenient when the objectives are similar). This is the reason why this sector of the population (elites) will sometimes fight to prevent undesirable agents from taking part in the decision-making processes that affect their own convenience,⁷³ and sometimes they will promote this process in order to gain legitimacy.

Problems such as lack of water in a community have brought together different groups, because it is a common good. There are examples such as the experiences in Jojutla and Puente de Ixtla (Morelos municipalities), where entire communities, including peasants, workers, local businessmen and the local government, came together, trying to find solutions to the lack of water.

Authors such as Robert Dahl have summarized these relations of power and interests as “rational action”.⁷⁴ This suggests that access to participation depends on the relationship among groups of power. So the probability that a participatory process will arise can range from greater to smaller probability, with “tolerance costs” and the “repression costs.” This means that insofar as those in power find it easier and cheaper to repress than to tolerate, participation due to the divergence of interest, they will repress it, while insofar as it is more convenient to tolerate participation, due to a similarity of interest, they will tolerate or allow it.

73 Dahl Op.Cit.

74 Ibid.

3.3.2 Participation and Receptivity in México and Morelos

Mexico's authoritarian history has increased receptivity among peasants.

Authoritarianism (both oligarchical⁷⁵ and populist⁷⁶) has developed a legacy of dependency.

Erich Fromm calls this type of dependency "receptividad," or the manifestation of a receptive attitude⁷⁷ (see glossary). Peasants have in many cases become complacent and apathetic as a result of "receptividad," and this is fundamental to understanding the problem of achieving success in CED projects. A receptive attitude is reflected in the passivity that many peasants assume in their outlook toward entrepreneurial activity. This peculiarity is one that constitutes the problematic nature of peasant participation in development projects and is especially attributed to their authoritarian history⁷⁸. Distrustful attitudes and receptivity in Mexico have existed for so long and are so entrenched in the culture that they are seen as normal. Earle Duncan and Jeanne Simonelli assert that "...All have some sense of disjuncture from the past, a profound distrust of the government based on repeated betrayals..."⁷⁹

Mexican intellectuals such as Carlos Fuentes emphasize that México is a country that has been governed by authoritarianism from the days of Montezuma (Aztec empire) to the PRI party

75 Oligarchy is a form of government where most political power effectively rests with a small segment of society. Oligarchy is from the Greek for "few" and "rule". Oligarchies may also evolve into more classically authoritarian forms of government, sometimes as the result of one family gaining an ascendancy over others. For more information, check <http://en.wikipedia.org/wiki/oligarchy>.

76 Populism is the ideological form to obtain the social base to impose a capitalist model of development. The Populist movement supposes that combining the different social classes around industrialization will improve the Economic development of people's life. This way, populism synthesizes the necessities and the values of the base, as well as the necessity of a rising bourgeois class of modernization. Nevertheless, populism, actually implies a control of the masses in order to direct (or to manipulate) the political activity, which is why the multiplication of organizations is an indispensable factor for obtaining an effective regulation of the demands, bureaucratizing the class relations and allowing political control of the different sectors from class, especially the popular ones.

77 Erich Fromm & MacCoby. *Sociopsicoanálisis Del Campesino Mexicano*. Fondo de Cultura Económica, Mexico, 1973.

78 Ibid.

79 Earle Duncan and Jeanne Simonelli. *Uprising of Hope: Sharing the Zapatista Journey to Alternative Development*. Edited by A. M. Press. California, 2005. p6

(Partido Revolucionario Institucional). Authoritarianism has left an legacy of dependency and apathy among peasants and economic agents due to a historical top-down decision-making process dictated by the elite. Those at the bottom became complacent and apathetic, and this is fundamental to understanding the problem of receptivity: this receptivity is reflected in the passive reaction that many peasants assume. Carlos Fuentes remarked that it would not be hard to return to our older and rooted authoritarian tradition if the institutions fail to produce economic and social improvements for the majorities and if they fail to close the gap between rich and poor. Hugo Chávez's regime in Venezuela and Fujimori in Peru are other examples of this tendency to go back to authoritarian tendencies.⁸⁰

Structures in Mexican history have destroyed participation. Structures such as the colony, hacienda and populism have consciously or unconsciously created an anti-participatory culture. Populist movements, for example within the ruling PRI (Partido Revolucionario Institucional) from the 1930s on, have contributed to this dismal landscape. The populist movements succeed in amalgamating different social classes around a central idea: industrialization, a process that eventually could improve the quality of people's life. In this way populism synthesizes the necessities and values of peasants and satisfies the necessities of a developing bourgeois class. The main challenge at that time was to fortify and consolidate a State. Gordillo maintains that the *sine qua non* condition for this purpose was the effective regulation of demands, especially the ones formulated by the popular classes (peasants and workers)⁸¹. In order to control these demands, Reyna Jose Luis maintains that the manipulation of organizations was an indispensable factor, allowing a more effective political control of these

80 Carlos Fuentes. "Democracia Latinoamerica: Anhelos, Realidad y Amenaza". El Pais. Available on line; also Carlos Fuentes. "México Gobernado Con Autoritarismo". Notimex. Available on line; and Leopoldo Allob. Orígenes del autoritarismo en América Latina. Edited by E. Katún. Mexico, 1983.

81 Gordillo de Anda. " Alianza del movimiento campesino con el Estado; en Ejido, Estado y movimientos campesinos." UACH: 19-20.

different sectors of class.⁸² The redistributive benefits of PRI populism came top-down, sometimes before the demands were formulated. The State was always one step ahead, forwarding orders to prevent any kind of participation, maintain its hegemonic control and effectively regulate the demands. The creation of organizations by the state is extremely important in controlling natural leaders. The Mexican state also financed these “independent” organizations to complete the dependency relationship⁸³.

Mexican State rule over the classes is like a peculiar form of “Bonapartism”, specifically in its way of satisfying the immediate necessities of large popular sectors, facilitating their manipulation and subordination. The State, more than anything, tries to prevent political mobilization and, in case this mobilization appears, to manipulate and control it in order to diminish private capital risk and its agents: the bourgeoisie. This situation also represses participation, making it exclusive of the elites and the State and making perpetual the receptive attitudes of the hacienda. The Mexican State thus became the new patron.⁸⁴

However, unlike the hacienda system, a certain degree of distribution is important in order to maintain legitimacy and reduce the antagonism among social classes, as well ensure stable capital accumulation.⁸⁵ The essence of this system was reflected in the State giving money away without any productive commitment or political control, the classic “tamales” for votes. Many “projects” during the populist period were financed without demanding results and without asking for guaranties such as “créditos a la palabra”. So the fact that national development was based on paternalistic attitudes in order to keep political control brings as a consequence more

82 José Luis, R. "Estado y autoritarismo. En El sistema mexicano." Nueva Política. 1, no. 2(1976): 75.

83 Pereyra, C. "México, los límites del reformismo." Lecturas del fondo de Cultura Económica 39: 377.

84 Pereyra, C. Op.cit.

85. Hirata, E. "El Populismo Como Impulsor Del Estado Capitalista Semi Industrial: El Caso de Brasil". Críticas economía política 20-21: 182.

receptivity. Populism has been an obstacle to the peasants' building independent and participatory organizations that escape the State's control.⁸⁶

In a recent interview, Carlos Monsiváis said that authoritarianism exists today and that regimes such as Salinas (1988-1994) have had the goal of eliminating the ability of society to make decisions and listening only to the point of view and desires of a small group. This leads Mexico to become an increasingly anachronistic society. What separates us from modernity (understood to be a positive transformation) is not only our slow technology and inefficiency, but also the concentration of decision-making. The monopolization of decision making is so profoundly inefficient and so pre-technological that, like anything else the government pledges to combat, they follow along down this road of centrally-concentrated authoritarianism, aggravating societal problems. This aggravation is the distance that separates us from modern civilization and humanist perspectives.⁸⁷

Another problem that influences participation is not just that access could depend on power relationships but also the will and interest to participate may not exist. The particular authoritarian history of Mexico has shaped peasants' attitudes, making them disinclined to do so.⁸⁸

Before the populist period between 1934-1940, the majority of peasants in Morelos worked as labourers who lived under the total oppression of the hacienda. The hacienda system was a system of large land-holdings that were an end in themselves as marks of status, that produced little for export beyond the hacienda itself, that aimed for self-sufficiency in everything

86. Carlos Pereyra. "México, Los Límites Del Reformismo". *Lecturas del fondo de Cultura Economica* 39: 377.

87 Fernández Andrade. "El Intelectual Ya No Puede Ser El Que Hable por la Sociedad". *El financiero*. (1990): 64.

88 Erich Fromm & MacCoby. *Sociopsicoanálisis Del Campesino Mexicano*. Fondo de Cultura Economica. Mexico, 1973; also Max, Weber, "La ética protestante y el espíritu del capitalismo". 1905; and Carlos Fuentes. "México Gobernado Con Autoritarismo". Notimex.

but luxuries meant for display, and that were destined for the handful of people in the circle of the patron.⁸⁹ The hacienda system began with minor nobles getting large land grants from the Spanish crown. Large land holdings were required to be profitable, but the emphasis was not on economic efficiency but a cultural and status system. In Mexico the hacienda system can be considered to have its origin in 1529, when the Spanish crown granted Hernán Cortés the title of Marquis of the Valley of Oaxaca, a tract of land that included all of the present state of Morelos. Significantly, the grant included all the Indians then living on the land and power of life and death over every soul on his domain.⁹⁰ During the hacienda, brutal forms of exploitation of rural people took place. Unlike feudal property, the hacienda did not offer or guarantee legal protection to the labourer. The haciendas made their own laws, and those who rebelled were whipped and possibly expelled from the hacienda, after which it was almost impossible for them to get accepted into other haciendas.⁹¹

Oligarchy gradually saw its power diminish over time due to a variety of causes. Most important was the revolution of 1910. Morelos was the source of the revolutionary movements promising genuine participation. However, authors such as Arnaldo Cordova point out that peasant revolutionary movements were not effective demands for participation but were limited to immediate demands, such as land. The lack of a precise idea of how to organize the economy and the society in a post-revolutionary world also hampered such efforts. Peasants could not articulate their own project of social restructuring. They lacked a clear vision of the future.⁹² This uncertainty added to the receptive peasant's attitudes moulded by centuries of living in the

89 The owner of the hacienda is called the Patron, the peasant is called peon or peasant, from the word for foot in Spanish, "pie," indicating the peasant worked on foot not on a horse (caballo); hence, caballero or cavalier, which is equivalent to the English word knight.

90 Encyclopedia on line. <http://www.sciencedaily.com/encyclopedia/hacienda>

91 Erich Fromm & MacCoby Op.cit.

92 Córdoba, A. La ideología de la revolución mexicana. Edited by Era. p143.

hacienda. The problem was perpetuated when the peasants became landowners. Many of them were not just at a psychological disadvantage in facing a post-revolutionary new world (receptive attitudes), but also lacked education, training and experience managing their farms, among other lack of entrepreneurial skills. As a consequence, in many cases they did not have the character and/or the essential knowledge to succeed in an enterprise without a *patron*.⁹³

There are a few studies conducted in Morelos that reflect the impact of this authoritarian history in the Morelos peasant character. Perhaps the most important is Erich Fromm's study of Morelos peasants. Erich Fromm interviewed 200 peasants in Morelos in 1973. He found that the levels of receptivity among low, middle, high class peasants are 40, 22 and 8% respectively. His results also show that in general men are more receptive than women (51% to 31%).⁹⁴ According to Fromm some characteristics are typical of a receptive person, including passivity, lack of initiative, lack of opinion, idealism, and submission. Other characteristics, such as practicality, economy, carefulness, patience, constancy, perseverance, organization, methodicalness and loyalty are related to more productive orientations of the character⁹⁵.

These results are not surprising if we consider that for almost 400 years the peasants in Morelos lived in perpetual fear of being struck or of losing their means of livelihood in the hacienda. They learned to lower their heads as a way of surviving, to smile for small favours, to show a total submission, and to be *receptive* toward decision making by others. Decision making was an activity exclusive of the patron. There was no hope to improve, no way to own land. Moreover, the *patrones* were not interested in increasing the level of education of peasants, because the peasants were considered a submissive part of the agricultural machinery and

93 Ibid., Op.cit.

94 Ibid pp 187-196.

95 Ibid. p. 115

education was seen as increasing the risk of rebellion⁹⁶ In this period, to think about participation was almost impossible; you could even lose your life trying to intervene in the decision making. So on the one hand the peasants developed submissive-receptive attitudes toward authority figures and decision making, and on the other hand they were unable to fully develop entrepreneurial skills because that was the patron's role. This means that peasants did not have access to tacit knowledge needed for entrepreneurship. Writes Michael Polanyi, "... Tacit knowledge is acquired by practice and can be only partially communicated. One cannot learn to play a good game of tennis solely from a book and even with practice there is an immense difference between players. What holds for any sport also applies to a great many kinds of skill, of which entrepreneurial skills are perhaps the most important. Learning by doing in projects/organizations, as the term implies, means that projects/organizations acquire coordination skills and develop routines that work as a consequence of repeated interaction...."⁹⁷

3.3.3 Participation and Institutions

Receptivity is one factor that influences success directly or via participation; however, it is not the only one. The will to develop an initiative is also important, but the circumstances that projects confront also matter. Mexico in general has a major challenge in developing a sense of stability and trust. Transparency International⁹⁸ has shown that Mexican political parties are ranked 7th worst in the world in terms of corruption. On October 31st, 2001, the Spanish TV network EFE reported that an average Mexican family spends 7% of their total family income on bribes paid to authority figures. Due to this lack of stability and trust and the high cost of bureaucratic transactions in Mexico, such as hydro, drivers' license, telephone and authority

96 Ibid.

97 Michael Polanyi. *The Tactic Dimension*. Garden city: Doubleday-Anchor, 1967.

98 International, T. (Dec. 9th. 2004) *Partidos Políticos de América Latina Entre Los Más Corruptos*, Según Informe de Transparencia Internacional. Paris <http://ar.news.yahoo.com/041209/25/dzv0.html>.

bribes, the costs of agricultural production and distribution increases. International Transparency (Transparencia Internacional) ⁹⁹ points out that for every 100 bureaucratic transactions in Mexico, twenty two point six (22. 6) require a bribe. Businessmen such as Roberto Salinas¹⁰⁰ point out that the economic performance problem in Mexico is not a problem related to exchange rates, monetary policy, or public spending, or external competition. Morelos is no exception to high transaction cost.

In the case of Morelos, serious scandals have pointed out these high levels of corruption; linking the Morelos government with drug dealers¹⁰¹. The National Commission of Human Rights, in an investigation conducted in Morelos, concluded that: "Some Justice authorities contributed to develop an environment of public insecurity for Morelos people, derived by the increasing kidnappings, homicides, torture, authority abuse and other illicit activity permitted or consented by the ministry itself which caused an environment of corruption and impunity in favour of the intellectual and material authors of these crimes..."¹⁰²

It is important to recognize that CED projects are not formulated or developed in a social vacuum, and certainly the Morelos context suffers from a great institutional weakness due to high levels of corruption where nobody can identify who owns what, addresses cannot be easily verified, people can't be made to pay their debts, people can't be made to respond to defective products or services, resources cannot conveniently be turned into money and the rules that

99 Ibid.

100 Roberto Salinas León. "El Problema de la Productividad". rmsalinas@tvazteca.com.mx (Director de Política Económica de TV Azteca).

101 Centro de Investigacion para el Desarrollo. "Corrupción en Morelos pone a prueba la imparcialidad de la PGR." Analisis politico (2004).

102 Francisco Guerrero Garro (March 13 1998) Carrillo Olea no debió ignorar la corrupción en Morelos: CNDH. La Jornada, Mexico.

govern property vary from town to town, similar to the Peruvian context as described by de Soto.¹⁰³

Another important problem concerning stability and trust in Morelos is the imperfection and insecurity of property rights regarding land, in the sense that land ownership is not guaranteed even though the correct documents are in existence.¹⁰⁴ Property boundaries are often unclear and twenty five percent (25%) of ejidos¹⁰⁵ in Morelos have ownership problems.¹⁰⁶ The main cause of this problem is attributed to the fact that the agrarian process of obtaining land titles is slow and expensive.¹⁰⁷ The lack of justice and uncertainty of land ownership makes it extremely difficult for peasants to even consider engaging in a process of contractual negotiation with other peasants, private producers or the government itself. Land ownership problems also prevent peasants from obtaining financing and subsidies that government offers, consequently affecting their economic performance which represents a limitation to success.

The lack of institutional stability and trust in institutions hinders economic performance. Because peasants lack a sense of security in their relations with others and therefore do not formally associate or cooperate with one another, 99.2% of the production units in Morelos are

103

104 Javier Molina. "Derechos de Propiedad, Mercados de Tierra y Crédito Rural". ; and Cassio Luiselli Fernández. "Los Desafíos Del Nuevo Marco Normativo Agrario". <http://www.pa.gob.mx/publica/pa070205.htm> (1992).

105 A land holding peasant community or the land owned collectively by the members of such a community. An ejido, according to Mexican legislation, is a legal entity of the "social interest sector," and its jurisdiction is in the hands of Mexican-born peasants. Its holdings consist of the ejidal plots, i.e., individual farming plots, the school plots, the ejidal urban zones, the houses and annexes to each plot, and any water resources and forest areas associated with the community. Two basic kinds of ejidos exist: the "individual" ejido, in which land tenure and ownership are legally vested in a community but cropland is allocated by plots (parcelas) on a semipermanent basis among the individual ejidatarios (ejido members); and the "collective" ejido, in which land resources are pooled for collectively organized production. A majority of ejidos are of the individual kind. www.photius.com/countries/mexico/glossary/

106 Centro de Investigacion para el Desarrollo. "Corrupción en Morelos pone a prueba la imparcialidad de la PGR." Analisis politico (2004).

107 <http://www.pa.gob.mx/publica/pa070604.htm>

worked individually and only 0.8 % are worked in groups.¹⁰⁸ The lack of cooperation has prevented many peasants from implementing production-optimizing strategies such as economies of scale. Economies of scale occur when mass producing a good or a service results in lower average cost where average cost is the total cost for all units bought (or produced) divided by the number of units. So if peasants were to cooperate with one another they could reduce their production cost; for example, if 5 peasants with a parcel of 3 hectares each get together and rent a tractor, the cost per peasant would be less than if one peasant alone rented the same tractor. In addition to lower average costs, cooperative associations between peasants would therefore lead to more opportunities to specialize production methods and would positively influence economies of scale via increased productivity. This increased productivity would enable the united peasants to take on more work and operate their united enterprise at maximum capacity.¹⁰⁹

3.3.4 Participation and Evaluation

Although many institutions in Morelos have in general failed to enforce the law, there are some institutions which have developed stability and trust among the peasants by respecting agreements and defining clear rules, especially regarding financing, as discussed further in relation to FIRA below.

In Mexico, governmental agricultural programs began to be evaluated by external agents in the year 2000, in the wake of a crisis in production. The crisis spurred the government to find answers through evaluation. Never before had government projects been evaluated by external agents that could give a more impartial opinion about the challenges of government agricultural policy. I personally participated as an external evaluator, evaluating technology transfer projects

108 Secretaria de Desarrollo Social (2001) "Estadísticas Agropecuarias, Morelos". Morelos, Mexico.

109 CeciliaCovarrubias. P. "La Productividad y los Costos de Producción".
<http://www.universidadabierto.edu.mx/Biblio/P/PohlsCecilia-Laproductividad.htm>.

conducted by the government in rural areas in Mexico City. The FAO (Food and Agriculture Organization of the United Nations), through its project financing, also exerted considerable pressure to improve project outcomes through more rigorous evaluation. . Given the abundance of qualified personnel, the lack of evaluation not just in governmental projects but in general in agricultural projects is not due to the lack of capable people to conduct such a task, but rather to the attitude toward evaluation practices.

FAO¹¹⁰ concludes that in general peasants in Mexico conceive of evaluation as negative; peasants traditionally think it is not worth it, so usually they do not use it. According to FAO, in most of the economic rural areas, evaluations were seen as time consuming, tedious, and frustrating tasks. The results of evaluations were rarely integrated into the organizational decision-making process and planning because the evaluations were frequently conducted to satisfy the requirements of outside agencies and were not seen to have an internal value. It was assumed that evaluations were a complex process that required experts and would be costly. Methods from the sciences—impartiality, accuracy, objectivity and the validity of the information generated—are not often used. Evidence from our interviews suggests that successful projects have avoided failure using a combination of these evaluation tools. Commonly people think that the time used to evaluate takes time away from the "real work" that is generally the urgent thing (urgent v.s. important).¹¹¹ Finally another traditional idea is that for those results that are

110 Horacio Santoyo Pablo Ramirez and Murari Suvedi. *Manual Para La Evaluacion de Programas de Desarrollo Rural*. Mexico: FAO, 2000.

111 The important but non-urgent things require more initiative. One of these things is evaluation. However, if we do not have a clear idea of what is important, the results that we wish to obtain will easily get off track and the urgent thing will unjustly take precedent. E. M. Gray in his book, *The Common Denominator of Success*, says that the common denominator of a successful person is not to work hard, to have good luck, or to have the ability to relate to other people, although all those factors are important. The factor that seemed most important, and that all these successful people did, was to start at the beginning. This means subordination toward the force of his/her intentions. In the area of administration of time, this idea can be reduced to a sentence: "Organize and execute according to priorities rather than emergencies."

impossible to quantify, evaluation does not have validity, "...what is not demonstrable statistically is not feasible to evaluate and the perceptions are not important."¹¹²

So the challenge is to develop a new way of thinking about evaluation in which evaluation is perceived as a valuable tool for helping institutions to accomplish their mission. In this new paradigm, evaluation develops institutional learning and a way to determine progress and change in the direction that leads to greater effectiveness. Perceived evaluation is not an event, but a permanent process which is not external to the organization but which should be incorporated in the institutions' daily operations. The new paradigm sees in evaluation a relation of collaboration between economic agents and actors, because both look for how the institutions can solve, with more effectiveness, the problems of the projects.

FAO,¹¹³ on the other hand, emphasizes the importance of program evaluation in the decision-making process. According to FAO, evaluation is a continuous and systematic process of considering the value or potential value of a project, with the object of orienting the decision making with relation to the future of the project. From this perspective evaluation is a methodology that guides decision making; hence, evaluation is a relevant tool for a more effective participation. In a more general interpretation, evaluation is simply a tool used for testing the validity of scientific hypotheses, which can be used to reduce the risk of a decision or it can be used to provide evidence of the benefits of the program or project. So evaluation can provide scientific evidence that might help to achieve success.

The new paradigm also points out that all the parts involved in the evaluation should speak the same language, have the same words and be understood. Evaluation must work for every single one and it takes place in an atmosphere free of risks, where people can examine why

112 Horacio Santoyo Pablo Ramirez and Murari Suvedi. Manual para la evaluacion de programas de desarrollo rural. Mexico: FAO, 2000.

113 Ibid.

something is successful or not without fearing negative consequences.¹¹⁴ Let's remember that a project is not an idea; it is not a building to be built, nor a scale model. It is a current of costs and benefits that happen throughout the time as a result of an initiative of a personal or a collective decision.

114 In this modern society that we live in today, there are big cultural contradictions of success as a virtue, and failure is almost seen as a vice or a sin. The main contradictions and inconsistencies, within a society, always reflect different attitudes and positions, but they also show how people react and face the rules and problems postulated by society. In almost all cultures there are basic contradictions between success and failure. This polarity is a product of the historical development of a culture, in which success and virtue are intimately bound, as they are with failure. Anybody that is failing is not normal and will have to do everything to change the situation. A person or a project who is failing cannot create benefits; therefore, they cause damage to others, in particular to their economic situation. Secondly, they cause damage to themselves because failure and sin are closely bound in both the conscious and unconscious minds of people. Failure has been strongly incriminated in modern society, and therefore the pressure on the project or individual to keep himself being successful is very high because it is based on fear: the fear of not being normal, the fear of being dependent on others, the fear of losing financing. So evaluation is a tool that could expose this problem.

4 RECEPTIVITY, THE PRODUCTION SYSTEM AND THE “MORELOS PEASANTS”

"As Jacques Lacan indicates, being a subject means being subjected. Subjected to desire, to necessity, to the past, to exigency to projection for the future; how do we release ourselves from that which holds us, because what holds also maintain us: this is the ambiguity of freedom".¹¹⁵

In this chapter, we present data related to the receptivity of peasants in Morelos based on our project case studies. This includes a brief discussion of Morelos peasants, their production systems, and, of course, the receptivity encountered in our four interview projects. We compare peasants' attitudes at the beginning of the project to their current attitudes toward enterprise and how these attitudes evolved.

4.1 The Morelos Peasant

Peasants are not modern agriculturists, retailers, or industrialists. Peasants are the main actors that develop CED projects in the rural and urban areas of Morelos. Although certainly all farmers are not equal, we will try to explain some general characteristics that are important in and for our study.

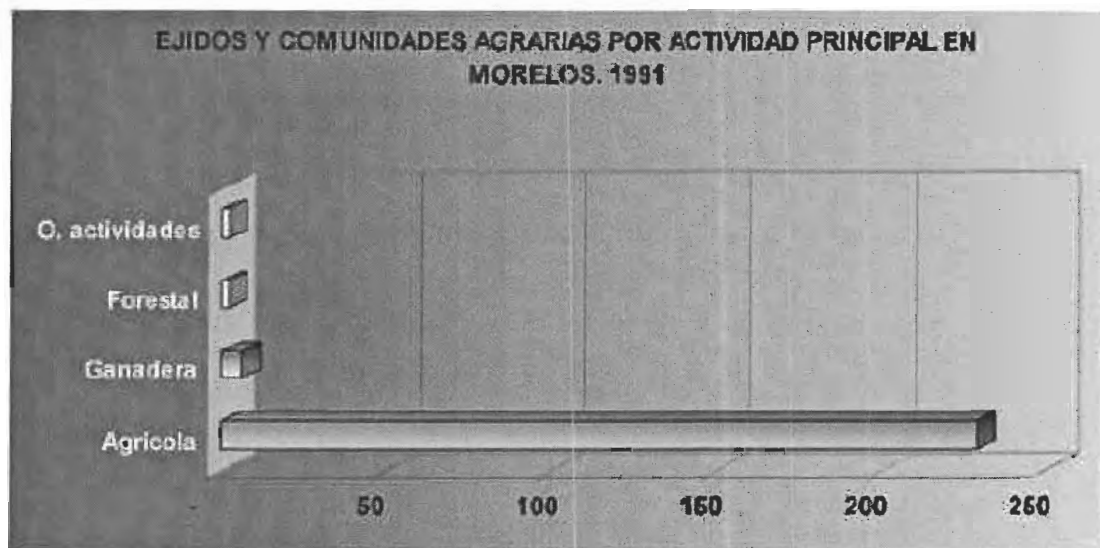
Peasants are the residents and neighbours of towns whose main occupation is agriculture, although potters, craftsmen or even fishermen could also be considered as peasants. Agriculture

¹¹⁵ Uzín A Olleros. "El concepto de Libertad en Erich Fromm." see: www10.brinkster.com/arje/psico4.htm.

occupies the sixth place with respect to the Morelos state GDP; however, approximately 50%¹¹⁶ of the population in Morelos depends directly or indirectly on this industry, which is concentrated in the rural countryside. The word *peasant*, or the French “*paysan*”, describes a man of the countryside, someone who belongs to the land but is also found in the city due to migration. Nevertheless peasants are distinguished from labourers, modern agriculturists and the indigenous people who also work the land (see glossary).

As we observe in figure 4-1 below, the peasants’ main occupation is agriculture, followed by livestock and forestry production.

Figure 4-1: Ejidos And Agrarian Communities In Morelos Organized By Activity. 1991



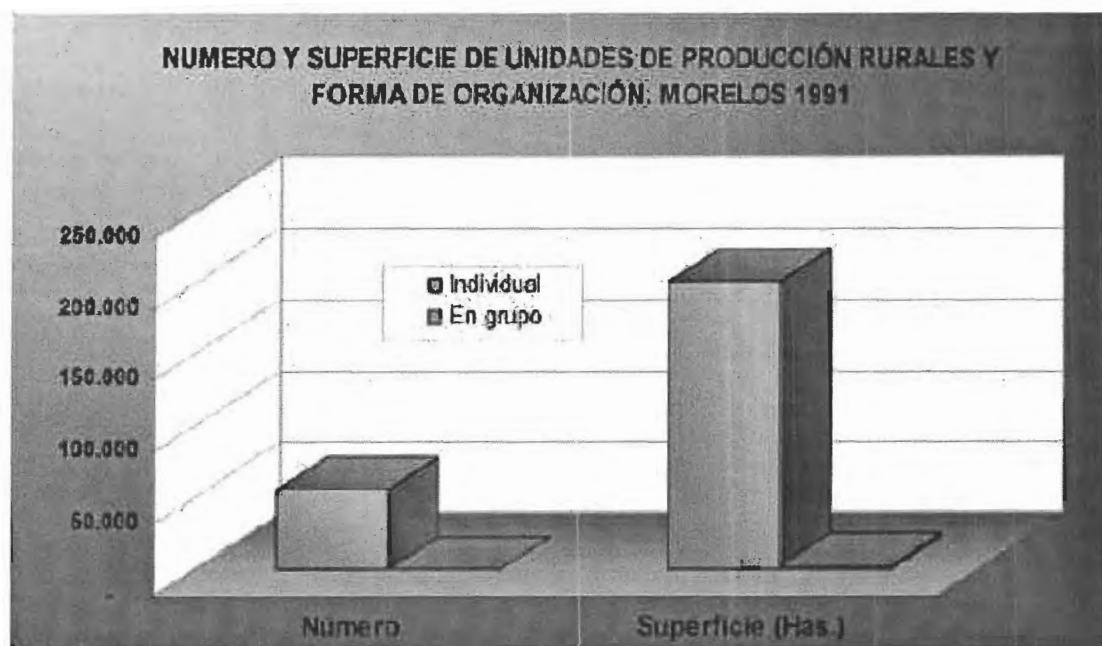
Fuente: Instituto Nacional de Estadística, Geografía e Informática; VII Censo Agropecuario, 1991 by permission

As opposed to the production system of the modern agriculturist of Morelos, the production system of the Morelos peasant is generally highly individualistic from the point of view of production. This individualism is a key element to understanding the difficulties peasants have in creating collective participatory organizations. Peasants earn at or around the level of

¹¹⁶ Secretaría de Desarrollo Social (2001) "Estadísticas Agropecuarias, Morelos". Morelos, Mexico.

subsistence. They don't possess the capital or technology of the modern agriculturist; they work only with their families (although sometimes they hire one or several community persons). They often use only rudimentary tools such as the grub hoe and the mule driven plows. Morelos peasants very often do not relate to each other from a production and harvesting point of view. Some statistics, for example, show that from 57,332 units of production that represent 204,747 hectares, 56,916 units are worked individually against only 416 units in a cooperative manor. (See Figure 4-2).

Figure 4-2: Production Units, Number and Surface, by Organization Form Morelos 1991
Individual production units vs cooperative ways of production



Fuente: Morelos secretary of Development "livestock and agricultura statistics, Morelos" Hacia el siglo XXI, by permission

The production system itself isolates peasants instead of getting them together. The production units are so small that it is difficult to divide the work. Each peasant has an average of 3.6 hectares. Each family is almost self-sufficient, producing in their parcel most of what they need and in this way providing for themselves the necessities of life via an interchange with the land rather than exchange with society. Producing on these smaller parcels make it difficult for

peasants to develop participatory projects that might allow for an increase in their productivity. The pressure to generate income means using newer and more complicated production techniques, such as appropriate technology and more sophisticated organizational and managerial techniques. This puts pressures on their individualistic forms of production. In order to learn new production techniques, peasants must now cooperate with auxiliary services, NGOs, government, and the private sector, using techniques such as experimenting with new hybrid seeds while coordinating projects and programs with their rural community members.

According to Eric Fromm, what distances peasants from Indigenous peoples is that they are tied to a monopoly with the urban markets to earn capital to purchase farming inputs and luxury items.¹¹⁷ This rural/urban relationship has brought changes in the taste and preferences of many peasants, due to the availability of industrial products now that peasants can travel more easily to industrial centers. Peasants now know how urban dwellers live, and this stimulates great change in their preferences of consumption. The more attractive industrial products seem to the peasants, the less satisfied they are with traditional ways of live. This is the reason why now their concept of success is dynamic and income has become paramount to finance industrial purchases. The behaviour of the peasant is, therefore, a result not only of structural relations but also of superstructural historical relations that have developed between actors and the agents. This is important because generally this variable is omitted or usually forgotten when assuming that all peasants have proactive and participatory attitudes. Moreover, this lack of historical understanding usually leads us to talk about a peasant community as a unit. It is important to remember that these rural communities do not have a single voice. However, a generally receptive approach leads them to think that the problems are "external", setting the participants up

117 Erich Fromm & MacCoby. *Sociopsicoanálisis Del Campesino Mexicano*. Fondo de Cultura Economica, Mexico, 1973. pp.16-17

to fail without this external help. So the paradigm of change is outward oriented rather than inward and bottom up. The dilemma of Morelos peasants is partially due to the continuance of political control by the state without concerns for cost. The cost of political control has, on the one hand, been production inefficiencies, and, on the other hand, dependency. The historical *patron-peasant* relationships, coupled with populism have restrained the development of the agricultural sector. And with this, the possibilities of establishing successful projects of CED or any nature are reduced.

4.2 Receptive Experiences of CED Projects in Morelos

Many CED projects that are successful have not necessarily been created through the participants' initiatives at the beginning. Peter Oakley¹¹⁸ described how in many cases projects have been started by governments or by the initiatives of other external agents. In our interviews, participants emphasize as a fundamental factor of success/failure the human factor, sometimes even above the structural factors. The interviewed peasants describe a great dependency and receptivity among members at the outset of the projects, and they point out how people take advantage of the situation making participation difficult and creating an adverse environment to achieve goals. Our interviews revealed that many ex-members of the projects studied, as well as members of failed neighbouring projects, are dependent on the government and are knowledgeable of what to do to manipulate authority in order to obtain money. The interviewees gave assurances that this practice has become a lifestyle for many peasants. They point out that no matter how unproductive a project is, there is always the possibility of obtaining more money from the government. This is the cost of maintaining political control in Morelos. As one peasant states:

118 Peter Oakley. "Approaches to Participation in Rural Development." Geneva International Labor Office. (1985).

"... Unsuitable, and incapable people received the support to develop projects, the government selected people who always are behind the government, people who have always been corrupt and people who have a lifestyle that consists of asking for money to develop a project, spending it all and then developing another project, spending all the money and then developing another project..."¹¹⁹

This interview, typical of the others, emphasized the problem of predatory behaviour, in all its forms: corruption, unsuitable policies, robberies and favouritism. When they stated that predation is a lifestyle, this indicates that the phenomenon goes beyond one sporadic case and shows how through the years receptivity has become a pattern for many peasants. Receptivity is internalized. In fact, our interviewees pointed out is that there are strong incentives to take projects to failure instead of to success.

On the other hand, the interviewed peasants that are currently working describe how overcoming these behaviours was a key element to succeed. Our case studies demonstrate major changes in the receptive character orientations of the project participants before and after the project. From a total of 34 participants (the majority were peasants in five successful CED projects), the following characteristics were found to be the 6 most important that make up the orientation of non-receptive character: 76.4% (26/34) rated themselves as people able to take initiative and who trust themselves; 61.76% (21/34) consider themselves organized and 55.8% (19/34) rated themselves as actively able to protest. This indicates that the group had low receptive attitudes according to Erich Fromm¹²⁰. Nevertheless 47% (16/34) rated themselves as adaptable (lack of principles, passive and without initiative). Therefore, according to Erich Fromm¹²¹, the participants display traits that belong to receptive orientations. Most of the

119 Peanut Project "Don Francisco"

120 Erich Fromm & MacCoby. Sociopsicoanálisis Del Campesino Mexicano. Fondo de Cultura Económica, Mexico, 1973.

121 Ibid.

participants expressed having undergone a change of attitude during the process of developing the project itself and were markedly changed from what they were at the beginning of the project.

"... I understand that we have failed many times, we have tripped, we have fallen, but those wounds have been healed. For us it seems wonderful everything that has happened to us, we did not regret, having fallen, on the contrary in that way we valued all this, and this is not government property, because anyways they didn't help us, this is no longer the bank's property, it is ours. . .".¹²²

Some results of our surveys show that when they initiated their projects, none of the projects interviewed formulated the project from a participatory perspective. In all cases it was an external agent who wrote the initial project with the exception of the nurserymen. For example, in the Nopal project, although all expressed that they have participated in the formulation and diagnosis of the project, just two people of the total interviewed took part directly in the process. However, the rest of the participants said that they felt they had participated just because someone interviewed them. In addition, due to the lack of participation in formulating the project, we observed participant's heterogeneity about the knowledge of the objectives and the mission of the project, some people know a lot, others knew little. Certainly the process is ongoing and they are still fighting receptive attitudes and continue taking steps towards participation. Simply getting involved in the process of participation itself it is possible to improve. Many experiences have developed knowledge and have changed attitudes among participants.

The Peanut Project (see Appendix I) analysis in this paper clearly illustrates the receptive challenges that are experienced at the beginning of projects, and how they have been overcome by educating the participants:

¹²² Peanut Project "Don Juan.

"... When we began this project a lot of peasants showed interest. They wanted to get involved but at that time the state PRI government was giving peasants monies under the table. BANRURAL(see glossary) financing was easily available, and you simply said "I am going to seed and need money" which means, "I have a project, I declare it in total loss" (that is I've failed) and you the government will pay me. (so I make money for failing). Also there is a lot of corruption, which is why many peasants say "lets ask for some credit that ends as a grant without payback" and of course the government is going to give it. It is an irresistible opportunity. That is why I believe many peasants became involved in this project. And not because they wanted to participate to create a cooperative but only in that they saw an opportunity to make easy money ... ¹²³"

"... Nevertheless we kept doing our best, and once the government saw that we were coming out ahead, lots of people were involved, and that we already had some capital and machinery with a better degree of organization, (we had 4 vehicles, etc.) Governor Antonio Rivapalacios Lopez approached us. The governor wanting to take political advantage, proposed to us that they provide help. *Rivapalacios said*: "What do you need", - we replied, "How much are you offering us"? *Rivapalacios*- said well 30,40 or 50 thousand pesos. We asked, "for what"? the small offering was not enough to buy one machine. *Rivapalacios then said*- use it as capital for variable expenses. The Governor visited 3 more times, once to inaugurate the project, again at the peanuts brand launching and lastly with a follow-up visit. The fact is the Governor wanted to look good using us as an example of a successful community project when there was truly a dearth of such. They said some governors from Brazil are coming and we want to show you off. They will also visit a fishing cooperative, shoe projects and a coop dairy. With our project being the premier example. And in fact we are the only project that still stands. Thirty-three (33) governors came from Brazil wanting to spread the example to Brazil, Because we had great success and impressed so many dignitaries we were told "now, ask the governor for whatever you want". We made some financial demands and finally they lent us 200,000 pesos. We really didn't need the money, so we asked them how should we use it? The advisers said "you should buy peanuts". We bought merchandisable peanuts in the shell from Oaxaca state producers. We purchased the peanuts at 3.80 pesos/kilo and hoping to sell them after shelling and selecting at 5.00 pesos. kilo. Overnight the Argentine peanut came into Mexico at 3,00 pesos/Kilo already shelled. We wanted to cry, after having produce value at 200,000 pesos devalued overnight to about 40,000pesos. We finally sold our un-shelled peanuts at a loss for 90 centavos (cents)/kilo. The advisers of the government were nowhere to be seen. . . ¹²⁴

Despite the unpredictability of market prices as external variables that affect projects outcomes, manipulation, vertical control and specific receptive strategies like "hidden projects"

123 Ibid.

124 Peanut Project "Don Pedro".

or “null projects” imply that the peasants and the government repeatedly hide their true objectives. Even if actors and agents announce their intentions, they know full well they may never reach their objectives. Peasants and the State know that it is possible to take advantage of the system and consequently the possibility of manipulating the objectives of the project to the changing circumstances of the surroundings arise.

Often hidden projects are developed because it is the only way to continue receiving the support offered by the government. The community behaves according to the expectations of external agents, and puts aside their self-determination generally leading to failure.

“... Why should we participate? In the end what the government wants to happen will happen regardless. For many the purpose of doing this cooperative was only to get money from the government, but at least for our peanut project the purpose was that, people like us, poor people, humble, peasants, one day could have better conditions of life and improve our family position. But I’m telling you even if you have good ideas or if you try to be idealistic to support the community, it is very difficult, people are bad, people are corrupted by the government itself, and sometimes it is necessary to get into that game too. . . ”¹²⁵

Paternalism is mainly to blame for destroying stability and trust, which are essential ingredients in investment, savings and commerce in general. Paternalism has made people accustomed to receiving in exchange for giving up political control, with the result that productivity becomes a secondary element. Peasants have become accustomed to not meeting their commitments and to being receptive.

“... We got another loan from with the bank and we began to lend money to other farmers. -We said to them, look I’ll lend you money for seedtime, for the harvest, in general for you to produce peanuts with the purpose of selling the peanuts to us. In that way we avoid the problem of looking for product. A lot of borrowers started to say “do not repay your loan because it’s the government’s money and we need not pay back”. Even when assured fair market price that would break

125 Ibid

the schemes of “coyotes” who ask to be paid usury rates (up to double) what was lent. Peasants did not follow through with the contracted agreements. . . .”¹²⁶

“... we lent money on favourable terms in order to help people and to help ourselves. We began to have repayment problems so we had to hire an expensive collections lawyer. Moreover we got ourselves in a lot of trouble with our own friends. Violence was involved, and we said to ourselves from now on we are not lending money to anybody in our town. Although, we did further finance fertilizer purchases with the same non-paying results. People are used to not paying their debts and there is no way to make them pay. . . .”¹²⁷

“... In our project although we selected the participants, by getting together with friends to discuss who are the ideal candidates to work with us are. Even with diligent selection of candidates, we made bad choices. Participants liked to take things from the project. For example my brother-in-law came and he said I going have a celebration and I am going to take “x” kilos of such-and-such product. This kind of activity was not appreciated. Because of these dishonest behaviours our project sank. There was no more money to pay ourselves or to lend. . . .”¹²⁸

For many peasants, security and individual progress are not based on personal merit, but on an absolute loyalty to the superior who in return might do favours for the individual. This is why many lower economic members of society do not consider what they receive as something to which they are entitled, but rather as generosity of the superior. So the main efforts of the “inferior” are to gain the favour of the *patron*, pleasing them instead of doing activities leading to productivity.¹²⁹ Organizations such as FIRA¹³⁰, one of few successful governmental institutions that finance development projects in Mexico, reinforce this point. For example, FIRA’s web page states that “... many peasants who are looking for credit think that we do favours; however, if they have a viable project both parties are going to win and that’s really how we work...”¹³¹ During an interview with a FIRA employee, a peasant came into the office to argue his case.

126 bid

127 Ibid.

128 Ibid.

129 Erich Fromm & MacCoby. Op.cit.

130 See appendix you will find a translation of FIRA’s web site (Who are they? and what they do?)

131 Garcia J. Funcionario FIRA Morelos Delegación Cuautla.

With hat in hand he asked the FIRA employee to please give the credit to him and he would “ponerse a mano”, which in Spanish means he would pay a bribe if he received the loan. I was surprised because I was standing right there, and it was clear that many peasants go to FIRA everyday with the hope that those “in power” will gift them. This is the reason why a lot of the peasants’ energy is not as dedicated to the projects as much as to trying to manipulate those in power.

FIRA managers explained that behaviour such as the example above are due to BANRURAL (BANCO Nacional de Creditor Rural) history. BANRURAL is a government institution that has directly financed rural development projects since 1976. BANRURAL, however, is one of the biggest failures of Mexican government policy. In the rural sector alone it has lost over US \$48 million¹³². The reasons for this failure were not only bank inefficiencies but also problems with corruption.¹³³ According to FIRA managers, these practices of BANRURAL created paternalistic relationships with the peasants. FIRA is an alternative to such institutions, but the challenge has been to break with these paternalistic behaviours among many peasants. FIRA has been fighting to change these kinds of attitudes and behaviour (internally and with their partnerships). How have they been able to avoid corruption? According to FIRA managers, FIRA has changed this unproductive relationship through incentives. They claim, “...Firstly, a careful selection of people who work for FIRA; they must pass several examinations of knowledge, as well as psychometric examinations, and once they are selected they receive fair wages, benefits of medical insurances, and access to private schools for their children. Getting a job such as this in Mexico is very difficult...”¹³⁴ People who work for FIRA have a relatively

132 See <http://www.esmas.com/noticierostelevisa/mexico/379028.html>; and <http://www.elistas.net/lista/quid/archivo/indice/441/responder=445>

133 See <http://www.probidad.org/regional/legislacion/2003/030.html>

134 Ibid.

good material life, which makes them think twice before participating in abuses. All FIRA employees know clearly that if the institution improves, their wages will improve as well. On the other hand, with respect to their client peasants, they know that, "...firstly, unlike BANRURAL we make projects individually because we know that each project is different and that it does not matter that they are about the same product or service, the circumstances of each project are always different. This is why project implementation and analysis are serious and highly customized. Technical advice is provided as a constant support during all the life of the project, and it is not free. Different from traditional governmental largess".¹³⁵

"... Regarding credit we don't give money directly to the peasant as BANRURAL use to do, but we do it through a commercial bank (a true lending organization), we carefully check the viability of the project through different evaluation methodologies. FIRA gives support and we try to ensure that the project goes exactly as planned, because many peasants have the tendency to not use the money for what it was meant for. This is why the bank is the one who is in charge of asking the peasants for the money and not FIRA".¹³⁶ This makes a great difference, because the peasant will completely jeopardize his/her property if he/she doesn't pay the credit back and knows perfectly well that it is not free money ..."

FIRA employees explained to us that "... in order to obtain credit the peasants will have to put down guarantees (money or assets) and the peasant knows that if the project fails they could lose their home or truck. We should remark that FIRA's credits are based on preferential interest rates. Nevertheless this implies a high level of responsibility on the peasant's part. ... " We do not give credits based on their word as other governmental programs ... from the beginning we tried to make things right, with clear rules and sharing of responsibilities. ... "¹³⁷

Little by little, institutions such as FIRA and projects such as our projects of study are letting go of old paternalistic and corrupt practices. The key reason is that these institutions have discovered that these kind of practices lead to failure and have few benefits. Furthermore, failure to succeed in these projects leads to unemployment, therefore, in many cases, a change in

135 Ibid.

136 Ibid.

137 García J. FIRA Morelos Delegación Cuautla.

behaviour and practices is necessary. For these reasons our interviewees have modified their practices and are in a constant fight against predatory behaviours. This lead us to believe that the successful CED projects we interviewed are breaking old paradigms and breaking with traditional structures like receptivity, and that they do so not just in rhetoric but in actions. To change the paradigm of receptivity implies taking initiative and responsibility for causing things to happen from the inside-out; it means acting and not allowing someone to act for or upon us. Also it means that, like all human beings, we must be responsible for our own lives. Our conduct is a function of our decisions as much as our conditions. If we do not develop a participatory culture in the communitarian life and if people do not assume a role in the decision-making process that directly influences their lives, they are allowing by default that other people and circumstances give form to a big part of their lives. We must understand that the shift of paradigm is not occurring overnight but through an evolutionary process.

For example, in the peanut project the receptive paradigm changed through hard lessons. They recognized that although in the beginning they saw hope and trust in the government, and felt like the solution to their problems should come from the outside, after several failures they have arrived at the conclusion that they no longer want to be tied to banks or to anybody. They will always prefer to make things with their own resources:

"... After several failures we had with the government we, on our own, rose again and everything you see here is ours, and as I was saying it is great because we are not businessmen, but rather, we are poor people, peasants, which means that we don't have experience enterprising. When a young boy is born into a family of businessmen, if the parents teach that boy well, he won't have as many slips as someone that is approaching a business for the first time. That's not the way we began; we began burning peanuts; we began by burning ourselves; we began by burning our eyes; we began here by shocking ourselves with the cables; we began by falling in the mud, by fighting manipulation. But all that did not make us quit. On the contrary, the next time we fall we will just stand up faster. ... For us that has been success: being tenacious, stubborn. We can do it. We can do it and thank god we did it; people of the town used to laugh at us; they used to say "those guys are crazy, they can't do it." And we have failed more than once, but now look at us crazy people. People from our town don't believe that we are the owners, and it is convenient for us that people think that because otherwise you

could get kidnapped or assaulted. We generally say that the *patrones* are in Mexico City and we just report whatever we sell. One thing is certain: participating and with the tenacity we all have. Sergio, I tell you the success of this peanut project is partially due to us not paying ourselves (savings are indeed the opposite of predación). When I was younger my parents almost kicked me out because I was going to eat a meal and did not give any money for food. I left my parents place with 2 pair of pants and two shirts; although sometimes the Union of Towns of Morelos brought clothes to us and that is what we wore and we don't feel shy to say it because that's how we started, by asking for things. . .

” 138

Participants in the nursery project had few problems with receptivity and participation. It was interesting for us that they call themselves proactive. Even FIRA engineers corroborated this point as well as their own private engineer who advises them, but we asked ourselves why these people are characterized as proactive. The reason is simple: this group of producers is not made up of peasants but rather is a group of retailers that simply changed their type of business from construction materials to agriculture. They are very good at business and very proactive, unlike many other projects that are made up of peasants. This small group of nurserymen/retailers belongs to a bigger group, the best nursery group in all of Mexico according to FIRA and INEGI statistics.¹³⁹ This nurserymen group initiated a business of a non-timber forestry products gathering products cooperative, working with a group made up of peasants who were both interviewed. FIRA was the connection. On one side the non timber products coop produces soil, and on the other side the nurserymen produce all kind of plants. So the idea was to arrange a contract to buy soil from the non timber products coop to provide substrata and growth medium for the nursery's plants. FIRA was the institution that took care of the details, but to ensure the success of this new project, FIRA's engineers said that it was important for everybody to directly take part in the negotiation of price and other details to ensure that the peasants would not be

138 Peanut Project “Don Francisco”

139 INEGI, Anuario Estadístico por Entidad Federativa. 2002

taken in during business negotiations by the nurserymen, thus protecting peasants from their lack of businesses ability compared with nurserymen. And all of this was a good experience.

When top-down projects funded by the government are combined with receptive attitudes, this often leads to failure because those who are “benefiting” are not always interested in those initiatives. Therefore, these top-down projects are often high risk. Moreover, projects coming from the bottom-up are rare due to the apathy or receptivity of the peasants. The experiences just described show how the receptivity of the peasants jeopardizes the success of the projects of study, and subsequently, the livelihood of the peasants interviewed. Receptivity certainly depends on psychological factors, however, these factors are beyond the scope for our study. In our interviews many of the peasants pointed out that government institutions play an important role in encouraging or discouraging receptive attitudes. Institutions are crucial in determining the projects’ overall success depending on the political agenda of the government. Indeed, institutional intervention could alleviate abuses, promote more proactive attitudes and contribute to overall success by increasing fair cooperation, developing networking, bringing together organizations and individuals interested in enterprising, matching local buyers and sellers, providing law enforcement and bringing together local resources and events.

Participation has to be a necessity. Peasants must have access, but they also demand to intervene in the decision-making process. In our interview cases this was not just a matter of good will but was learned through hard experiences, including several near failures.

5 PARTICIPATION, INSTITUTIONS & SUCCESS

"If you play by the rules, you won't get ahead"

Popular Mexican phrase.

In a scenario where there are pro-active actors and agents, even if some projects could prosper in the initial stages due to a positive change in participation, in the long run these projects could suffer serious limitations in the absence of strong institutions. Participation is discouraged in the absence of institutions that regulate the different interests among actors. Although actors could show pro-activity, this does not mean that their economic, political and cultural interests are the same. In addition, these relations become strategic when the decisions of one actor or agent affect others, regardless of their will or intentionality. This makes it extraordinarily difficult to meet with the expectations of the agents. The economic course of projects and the political policy decisions will depend on other economies, such as competitors and suppliers as well as government agencies.

The lack of strong institutions prevents the creation and fulfillment of agreements, hindering economic interchange. In some of our cases, economic exchange documents were left unsigned to protect honour—the honour of the signatories and the honour of other parties—and people's pledges were accepted as sufficient guarantee. Nevertheless, in cases where serious problems or disasters came up, this pledge system was not efficient, because there were only verbal agreements and no enforceable mechanisms for placing responsibility on agents or actors who abuse, defraud, or fail. The word of the agents and actors often is really the only guarantee of exchange. Nevertheless, one's word proved insufficient in many cases, thus bringing social loss and even violence as a consequence.

The following experience of the peanut project illustrates the point: When the peanut project had just begun to make a profit, enough money was saved to make an oven. However, a supplier in Mexico City was asking “too much” to build the oven. As it was too expensive, someone in the community offered to construct it for less. Thus money was retained within the community, because the peanut project decided to hire locally, saving their money while helping others in the community. However, there were some problems:

“... Those community members promising to build the oven came to us and said: I’ll do it, and promptly qualified with being unable to make the oven square. They couldn’t make the oven properly and while they promised to fix it they never did complete the task. We lost part of the materials and all of the money. Another community member promised that he would fix the oven. We paid him upfront and there proved to be technically no possible way to fix it. The oven was finally completed by the more “expensive contractor” from Mexico city, proving that there are people who do not or can not live up to their verbal agreements. The community ends up being taken advantage of by its own members...”¹⁴⁰

Situations like this one make peasants and agents think twice before interacting with members of the same community whom they distrust. In our example, we can clearly observe pro-activity; in fact, the goal is clear. To make an oven with their own resources, the money is not a limitation, nor is the leadership an issue. Rather, the difficulty is establishing credible and reliable contracts. Members of the peanut project recognize that it would be more expensive to hire a lawyer and pay bribes than to lose their own money in project failure. Obviously the peasants learned something very important: do not do business without a valid contract, endorsed by well-defined and strong institutions that can provide justice.

Another project experience that illustrates the same problem is the Nopaleros (cactus producers). They finally managed to export cactus to the United States after resolving quality and health norms and paying transport costs. Their dream of exporting to the U. S. came true.

140 Peanut Project “Elias”.

However, for some reason the dishonest buyer did not pay for months, and to date I do not know if the invoice was ever settled. One thing is certain, no institution helped effectively to quickly solve this lack of payment.

In the face of such situations, projects have decided on the one hand to fight for institutional improvements, but on the other hand they have also been pushed to isolation. And projects such as the peanuts project prefer to diminish the relationship with others, no matter how promising these relations could be, thus significantly limiting their potential.

"... The government came to ask us to produce peanut candies for elementary school breakfasts. We thought that was a good idea. Everything was okay until we asked them how many candies do you want us to produce? They replied 10 tons, and we had to say no, because with the equipment we had it would be very difficult to even produce one eighth of the request. The government proposed to bring together several candy producers from the area to complete the 10 ton order. It was discovered that we were the only ones who had candy machinery, the other producers made candies artisan style, with their families. Even our combined efforts would never have produced that amount. Due to previous experiences with the government, we preferred not to get involved in this project. They promised that they would provide credit to the other producers and us to acquire update and additional equipment and machinery. Soon we realized that the other producers lacked experience and did not have a clear understanding of the kind of commitment they were getting themselves into. On top of that many other things were not clear, like what quality were they looking for? Who should manage? Who should do the accounting? What would it happen in case that we did not produce the quantity that they required? So we said no, and we said to the others don't get your selves into trouble. The other producers did not listen to us and became involved with the project. As predicted they were unable to produce the quantity and quality desired. This caused them to loose the contract and become indebted at the same time. The government in the end contracted Barcel¹⁴¹ to produce the candies. Again we see the lesson to do the things on our own..."¹⁴²

This experience shows Mexican institutions lack understanding of peasants' capabilities and capacity to carry out certain projects. This lack of understanding leads in this case to making wrong decisions and actions in the implementation process. We can also observe that the

141 BARCEL is a big snacks company in México.

142 Peanut Project "Don José".

government did not take into account the point of view of our interviewed peanut project, which means that this project was created in a top-down way and did not allow peasant participation. Failing projects like this demonstrate that the efficiency of institutions is a very important variable in the process of economic development. It does not matter if there are excellent business opportunities if the institutions do not ensure an atmosphere where all participants' points of view are understood. Regardless of how promising businesses are, they can become highly risky, a reason why peasants prefer to avoid these types of relations.

5.1 Strong Institutions and Pro-activity: Importance of Legal Institutions and Information Flows

In order to reinforce our arguments about the need for strong institutions we should examine the results of having stronger institutions.

The following experience shows how just one institutional change was decisive achieving success.

"... During 5 years we have tried to utilize the non-timber products that we have in the community. Those communal lands are rich in substrata (soil). We have for a long time been certified to use non-timber products from our communal land, by the Secretary of Ecology (SEMARNAP). This permit is viable as long as the extraction of non-timber products does not generate a negative impact to the environment. However, business has not been good. In fact, they took the certification away due to non use, and we didn't use it because we could not compete in the nurseryman market place due to the presence of cheaper clandestine soil from the State of Mexico. . ."¹⁴³

This group of producers certainly has a proactive attitude, trying to supply soil for 5 more years. They show even further pro-activity in the execution of many other projects such as fertilization, and production of fruit. Nevertheless the non timber products project can never be successful until a crucial external institutional change takes place. SEMARNAP introduced a

143 Non Timber Forest Products Project "Don Damian".

new law involving non timber products. This law specifies that producers (nurserymen) who use non-certificated soil will be subject to sanctions and confiscation of all plants that are growing with clandestine soil. This law protects areas that were previously being eroded by clandestine soil theft in the State of Mexico, which in past has caused serious ecological damage. Also this law allows producers that have certification in viable areas for soil extraction to more easily get into the markets. This situation allows FIRA more easily to match the projects of peasants with the needs of nurserymen. FIRA employees mentioned "...nurserymen quickly went to see our non-timber products project in hope of placing an order before other nurserymen contracted them first. Certainly forestry laws existed since 1910. Nevertheless, they were not very effective because, for example, in this particular case the old policy was focused on the supply of clandestine soil using forced policing. But as the interviewed producers indicate, the police were sometimes corrupt. In addition it was very difficult to detect thieves in huge forestry areas. SEMARNAP's new law penalizes the soil users who now must buy certified products, reducing the possibility of cheating: in other words, reducing predatory behaviour.

We must highlight that the official establishment of organizations as institutions also matters, because peasants legally commit themselves to fulfill certain obligations, using formality as a first step to enterprise. Let us remember that pro-activity at no time means that the agents have the same interests and perspectives in the short or long run. This is the reason why the official establishment of projects is the celebration of agreements between different interests.

The official establishment of a project offers the chance to promote stability and trust. In fact it gives people the chance to reach different markets and to work their capital freely. However, in 1993 the Mexican Chamber of Commerce estimated the number of street vendor stands in Mexico City at 150,000, with an additional 293,000 in forty-three other Mexican centers. These tiny booths average just 1.5 meters wide. If the Mexico City vendors lined up

their stands on a single street with no gaps at intersections, they would form a continuous row more than 210 km long.¹⁴⁴

Thousands upon thousands of people work in this extralegal sector—on the streets, from their own homes, and in the city's unregistered shops, offices and factories. An attempt by INEGI in 1994 to measure the number of informal "micro-business" in the entire country came up with a total of 2.65 million.¹⁴⁵ We are talking about a huge problem of informality that leads to problems of stability and trust. Neither does the establishment of a business in a legal way guarantee an atmosphere of stability and trust. There will always be someone who will avoid the law, but certainly the possibilities are much smaller when the projects are formed officially.

All the successful projects we studied are legally established as cooperatives, associations or companies. The reason for this is simple: they are based on incentives such as "... If we were not conformed as a cooperative, we would not have access to credit, we would lose credibility, we would lose clients because we cannot give invoices. ..." ¹⁴⁶

Incentives must be in place in order for entrepreneurs to establish their business in a formal way, and these incentives have to reflect the best interest of the project. The formal establishment of a project as an institution speaks not only of the will of the peasants to create a projects, but more importantly of the establishment of a legal institution that demonstrates the will to accept responsibilities, commit to defending the interests of all, and create stability and trust. To work under the table or not to be an official entity in many cases allows opportunities for predación.

144 Hernando de Soto. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic books. New York, 2000.

145 Hernando de Soto, *Op.cit.* pp 28

146 Non Timber Forest Products Project "Don Tito".

As the institutions improve, participation also improves and vice versa; but only through access to relevant information do actors improve their decision-making process (participation). At the same time, the availability of information creates an atmosphere of stability and trust. Institutions are responsible for information management, and when we say institutions we also refer to the project itself, which is responsible for reducing the problems of uncertainty through good information sharing. Thus information management is a key element in generating an atmosphere of stability and trust while improving the quality of the decision-making process.

We can recognize that the access to information was really difficult in the past. Institutions usually did not provide suitable information. However, interviewed projects and governmental institutions have improved lately in regards to this concern, partly because 1) media and technological advances have occurred, and 2) the pressure of agents and actors against the authoritarian control of information has increased. For example, the Mexican government has recently developed concrete policies regarding access to information. Nowadays, Mexican citizens can access from several other databases relevant government data, such as budgets, the way the money was spent and where this money was spent. However access to this up-to-date information was implemented only since President Fox was elected in 2000.

Interviewed project members recognized that information was initially restricted and generally was exclusive to technicians, but now there are more opportunities to access relevant information. Even projects like the peanut, Nopal and nurserymen generate their own information. For example, they know when and where the money has been spent, how much they have sold, what products sell best and international and what the local pricing is. In the FIRA case, they share the information that is generated, through bulletins, meetings and even magazines. The supply of information has improved due not just to technology, but also to a shift of paradigm in our peasants' demand of information. Many experiences of failure are due to the lack of information regarding market, climate, or political factors. At the same time, this demand

for information has changed due to a change in the peasants' receptivity. The proactive peasants now demand information in order to influence decision making and decide what is best for them. Projects improved receptive attitudes through a learning process, but also because receptive people quit or were fired from the project. Proactive participants look for solutions in order to solve problems; information is extremely important in this process. Our studied projects have learned that the lack of information leads to diverse problems that have put them in the edge of failure. Initiatives without adequate information can themselves be dangerous, as our peanut farmer case revealed.

Even if the availability of information is a key element in the participatory processes, a great demand for information is pushing institutions to improve. The quality of the information is just as important as the interpretative capacity of the peasants. But even if information is available it is hard to determine how precise it actually is. Every day there are more reliable and precise data. Methodologies have improved in the last ten years. Every day the projects are more concerned about generating databases that help in the decision-making process, allowing for more rational decision making and thus diminishing uncertainty. There are still a lot of peasants who do not understand this dilemma, and they continue venturing into projects without suitable information. We must understand that the availability of information does not necessarily imply that it will be used, and we must remember that receptive peasants still are excluded from information and decision-making processes. All the interviewed projects have learned how important counting on information for the decision-making process is toward success.

". . . Before we didn't even know how much we sold; we didn't take care of the accounting. But now we know what product generates more profit, what product is the best seller; we know how much we must produce of hot peanuts, Japanese

peanuts, Spanish peanuts, etc. . . . and we know all this because we are making our own data bases. . . . ”¹⁴⁷

“ . . . We paid an engineer to help us, because he knows where to find information and it helped us so much. . . . ”¹⁴⁸

“ . . . If you want advice, pay for it. Information has a price, pay for it like we do. . . . ”¹⁴⁹

FIRA knows that information is indispensable for the institutional fortification and good for the agricultural sector improvement. This is why FIRA provides access to information by publishing compelling experiences that can serve future projects and themselves.

“ . . . Every time we financed a project we warned the producers that the information generated or derived from their experience must be shared in order to benefit other sectors like: students, researchers, professors and even other peasants from other regions ”¹⁵⁰

Information is a key element toward stability processes; it provides agents sufficient elements to make decisions. With information peasants and agents will be able to determine if the possibilities of getting involved in an economic interchange is viable or not.

“ . . . If information of the Argentinean peanut was just about to get into Mexico, half price cheaper comparing with the one from Oaxaca, we would never have bought peanuts from Oaxaca; the lack of this little piece of information killed us. . . . ”¹⁵¹

147 Peanut Project “Don Carlos”.

148 Nurserymen Project “Don Ismael”.

149 Nopal Project “Don Damian”.

150 Jaime G. FIRA Delegación Cuautla.

151 Peanut Project “Don Pedro”.

6 A CULTURE OF EVALUATION AND PARTICIPATION IS NECESSARY FOR SUCCESS

*“...The proactive attitude about failure
is to recognize it instantly,
fix it and to learn from it...”¹⁵²”*

We have discussed how participation leads to success and how in order to develop real participation we need strong institutions and pro-active attitudes. This allows peasants to take part in the decision-making process. By simply including the interests of all, we can promote an atmosphere of stability and trust; nevertheless, the only way to arrive at success in an efficient way is if and only if the decision-making process quality improves. In other words, we are talking specifically about developing a culture of evaluation.

In this chapter, we will show the relevance of an evaluation culture in the quest for success and how this influences participation. We will also discuss some other scenarios involving proactive attitudes, strong-weak institutions and the presence or absence of evaluation culture and how these have lead to success or failure.

6.1 Proactivity, Strong Institutions and Evaluation

Even if we have been hearing of evaluation for a long time in Mexico, it has mostly been to give a sense of transparency and promote stability and trust; nevertheless, evaluations generally

¹⁵² Stephen R Covey. The 7 Habits of Highly Effective People. Simon and Schuster. New York, 1989. p. 116

do not involve beneficiaries. This means evaluation without participation, which generally ends in studies of self-justification or self-condemnation, usually implying a rationalization destined for oneself (rational lies), which far from helping complete the evaluation's objectives may actually cause errors to not get fixed. Errors are not documented, and therefore are not learned from, leading generally to failure. On the other hand, participation without evaluation is only half way participation, because evaluation gives direction. Without evaluation, it is like driving down to Acapulco and when we begin to drive somebody stops us saying, "Hey Acapulco is not that way, go south". A project that lacks evaluation is equivalent to sailing without a compass, map or stars. While it does not necessarily mean that the boat will sink, at the very least we can expect it to take longer to arrive at its final destination. An evaluation culture goes beyond judgments about the project's value, but is a continuous and systematic process to consider the potential value of the projects with the intention of orienting the decision making in relation to its future. The development of a self-critical culture requires the tolerance of those being evaluated to listen to different points of view and to accept criticism of their results. At the same time it requires evaluators to view "failure" as an often necessary step in the learning process, and that implies that success comes after this learning process. The challenge for evaluators is to create a risk-free atmosphere where evaluation, far from being employed to destroy one's opponents, becomes useful as a methodology that can guide the decision-making process.

Even if pro-activity and strong institutions exist, a lack of evaluation increases the possibility of making inappropriate decisions that could possibly lead to failure. Evaluation reduces the possibility of making wrong decisions because it is based on scientific procedures that generally reduce risk. Under circumstances of evaluation, decision making happens through a process of identification, assumptions and theories, systematic observations, information that has been organized logically, and careful handling of the exactitude and reasoned interpretation. On

the other hand, evaluation is an instrument that can help restrain the *predación* because it allows for the identification of problems in the project.

Currently in Morelos, the interviewed project members see evaluation as a necessity, which indicates important advances compared to the beginning of those projects where evaluation was seen as something imposed by external organizations that was a threat rather than an opportunity. At the beginning of the projects, participants thought that if the results were unsatisfactory it could have negative consequences such as the loss of financial support, or problems to do with the credibility of the project itself. This is why many projects were forced to find a way to justify failure, for example, making up numbers instead of accepting the failure and learning from it.

Usually evaluations were seen as a time consuming, tedious, and often frustrating task, and the results of evaluations were rarely integrated into the organizational decision-making process and planning. It was assumed that evaluation was a complex process that must be done by experts and that would possibly cost a lot of money.¹⁵³ Even if our study cases reported behaviours, such as those discussed above, in the early stages of the projects, they now use evaluation as a decision making tool. Moreover, as found in our survey, 92.9 % of our case studies were even willing to pay for evaluation services.

Eighty five percent of the interviewed people think that the best services of technical assistance are provided by private consultants or technicians (2.00) and just 3.6% think that the government provides the best services (1.00). This indicates a change in attitude. It is, in fact, very different from the traditional paternalistic idea, and demonstrates that evaluation is a service

153 Horacio Santoyo Pablo Ramirez and Murari Suvedi. Manual Para la Evaluacion de Programas de Desarrollo Rural. Mexico: FAO, 2000.

that has become valuable. It also demonstrates a paradigm shift toward evaluation within successful projects.

Of projects such as the Nopal, one interviewee commented:

"... if they want to know why we are successful, they should pay for their consulting just the way we paid..."¹⁵⁴

This Nopal project is even considering the idea of offering consulting services, because, as they say, their experience has value.

Although all the projects are undergoing evaluation we should remark that there are different levels of evaluation. We observed that in many cases they have simply done self-verification studies or casual observations rather than formal studies, nevertheless, this is a definite improvement compared to the old decision making based on observations of an experience.

Although institutions such as FIRA conduct excellent formal evaluations, most of the other projects are evaluated in an informal way. This is due in part to the education levels of the peasants, which may be why the consulting services have increased. This demonstrates that as the levels of peasant's education improve the analysis levels may improve as well, leaving less opportunity for experts to take control of decision making. However, we are not talking about levels of formal education necessarily, but about both formal and informal education. Projects like the peanut farmers' project, whose members possess an average of secondary education, have developed excellent analysis and database skills that allow them to make decisions in a better way. When evaluation becomes a culture, it also becomes a necessity and the participants will find the ways on their own account to fulfill that necessity. But how does evaluation become a

154 Nopal Project "Don Beto".

necessity? Generally, it is a product of bad experiences and hard lessons. Among our interviewed projects, evaluation has shown its kindness and has become an indispensable everyday tool.

"... if you guys could change anything what would it be?"¹⁵⁵ ... If we had known that the Argentinean peanut was coming we would not have bought peanuts from Oaxaca; if we had accurately known how much we sold and what kind of peanut was sold, we would have suffered less. Before we did not know how much we sold, how much we made, so we didn't know how the business was performing, so we started to check what we were selling every day, how much we invested, and how much we were making. Now we even have graphics, but to get to this point we had to contract an accountant. Nevertheless, I said to the accountant, "My brother is going to be your assistant," and although we do not have a lot of education, my brother learned the job and now we only bring the accountant once a month just to check. . . "¹⁵⁶

There are many challenges with evaluation, but the main peasant demand is quality consulting. They say that graduates finished university knowing less than the peasants themselves. In, fact some evaluations that we saw are very poor. In terms of quantitative methods, the evaluations are very far from answering, with a good degree of precision, fundamental questions necessary to execute decision making.

6.2 Observed Improvements in Evaluation Practices Leads to Improved CED Projects Performance

Although we can identify advances against receptivity, advances in institutions and in project evaluations, the scenario has not changed from black to white but to shades of gray. Certainly receptivity is not what it was ten years ago; institutions have been fortified and the paradigm of evaluation is changing. Yet we can not say that total proactivity exists, nor that strong institutions have been built. We can not even say that the evaluation paradigm has totally shifted. However, evaluation is sharpening this process. Projects developed in the midst of an inhospitable scenario of fundamentally receptive attitudes and weak institutions, and in general

155 Interview question applied to Peanut Project members. pp 90-92.

156 Peanut Project "Don Pedro".

they developed an anti-participatory culture that brought as a consequence a non evaluative culture. Evaluation was seen as a threat that could jeopardize the elites' hegemony, and to evaluate was the worst nightmare in Mexican policy because in evaluation people saw the opportunity to discover opponents' errors and use them against them. Presently there have been advances, and we can perceive progress in the interviewed projects; however, there are still many challenges. Perhaps the most important one is the shift of evaluation paradigm.

It is a good opportunity to reflect on Covey's words: "If something can be done, it can be evaluated, if it is not evaluated and the results are not measured, it is not possible to differentiate between success and failure, if success cannot be identified, it cannot be rewarded, if success is not rewarded surely we are going to reward failure, if failure cannot be identified it cannot be fixed, if failure cannot be identified we cannot learn from it and therefore we cannot advance towards quality..."¹⁵⁷

The evaluation challenges in our case studies are serious. For example, in the beginning of the projects, of the total number of interviewed peasants (34), 62.96% participated in the diagnosis, and just 7.40% participated in the initial plan of work. This means that 37.03% of the members did not participate in the diagnosis. If we actually talk about the strategic decision-making process (working plan), 92.59% of the members were excluded. Even in the diagnosis of the total of participants working in the diagnosis, 44.44% "participate" providing information but do not actually participate in the elaboration of the diagnostic (11.11% preferred not to answer this question). 92.59% do not participate in the work plan, which means participation-evaluation has a long way to go

Even if our interviewed projects think that they are very participatory, there are a lot of internal contradictions, as they indicate themselves:

157 Stephen R. Covey. Op.cit.

"... We prefer to do things without the government, and it is better to make things with our own resources. . . ." However, according to surveys, 57.1% thinks that those responsible for giving technical consulting should be the federal and state governments, and just 25% think that consulting should be done by private consultants or technicians. Seventeen point nine percent (17.9%) of our case studies consider that consulting must come from other institutions, such as universities. These contradictions show a transition state which was also observed when we asked them what must be done in order to receive better technical assistance. Seventeen point nine percent (17.9%) of our case studies think that the government must increase the budget in this area. We consider this to be a traditional answer. Nevertheless, 17,9 % think that the producer must pay for the service, and 53.6% think that both should pay for it: the government and the producer. 3.6 % think others, such as universities, should pay for it. This is for us a scenario in transition.

Evaluation is the search towards improving decision making, which determines the quest of success, and as we can see there is a tendency towards an evaluation culture in the interviewed projects. Nevertheless, this shift of paradigm has a long way to go. Indeed, it is here where evaluation is a great tool for reinforcing institutions, but only through proactive attitudes can evaluations come alive. To make a correct or mistaken decision in a subsistence situation can represent the difference between eating and not eating, and it is only through evaluation that we can reduce the possibilities of making poor decisions and exercise the right to participate in a better way.

7 CONCLUSIONS & RECOMMENDATIONS

This thesis has conducted an in depth case study analysis of 4 successful CED projects. The thesis uses a “most similar” design strategy to tease out the underlying factors of success for the projects. The projects were chosen within the same location, Morelos, Mexico, and were funded by the same agency, FIRA, which was also an object of study. The 4 projects covered disparate agricultural goals and had different results. Yet, in each case a common pattern of learning emerged. First, resistance to commitment and a tendency towards reactive, rather than pro-active, attitudes prevailed and led to key problems in the organization and membership of each project. Second, the lack of clear incentive structures, information, and decision-making processes led to errors in project design and execution, and in some cases, major miscalculations in the allocation of resources, such as the case with the peanut project when peanuts were purchased from Oaxaca at a higher price just a month before cheaper peanuts from Argentina came into the Mexican market. Third, the lack of a clear mechanism of evaluation prevented easy learning from these mistakes from occurring and prevented the clearer formulation of policies needed to move projects forward into viability. In each of these successful cases, the thesis sees that underlying these factors of ineffectiveness is a lack of participation. That is, increasing participation was fundamental to solving the aforementioned problems.

Participation was the key not only in the sense of overcoming fatalistic attitudes but in the less obvious areas of institutionalization and evaluation. In terms of institutionalization, participation is fundamental to areas such as ensuring accountability, transparency, commitment, and just rewards for efforts within a project. Evaluation may be informed by experts initially, as we saw with the example of the hiring of an accountant by one of the projects, yet the same

example showed us the importance of moulding the expert knowledge towards the particular needs of the project. In this sense, the training of a group member in accounting led to much better results in the long-run, as well as lower costs. Moreover, we saw repeatedly the importance of having a monitoring system which requires participation of members: in projects run on shoestring budgets, miscalculations and misallocations of resources can be devastating. Besides monitoring, we also saw that in terms of developing long-term strategies participatory dialogue is also important in terms of arriving at a group consensus, recognition of mistakes, and above all a strong level of commitment to group goals.

This thesis is especially important for those who are working with development projects, particularly CED projects in Morelos, Mexico. Our case studies show evidence that participation marks the difference between success and failure. This is because 1) participation requires proactive people instead of receptive actors that are not really motivated or interested in achieving their goals; 2) participation fortifies institutions because it gives different actors the opportunity to include their own interests in the decision-making process that affects their own lives; and 3) participation improves evaluation because only through participation can actors and agents interchange information that might be relevant for the analysis. We have to clarify that this is possible if, and only if, we understand participation as access to the decision-making processes that influence peasant communities and lives. We recommend that one exercise caution in extrapolating these results, because we based our study on just 4 case studies. On the other hand, lack of participation, receptive attitudes, weak institutions and ineffective evaluations are problems not exclusive to Morelos, Mexico, or Latin America, but are problems that can be found anywhere at different levels.

The main promoters of participation are the peasants themselves. Even if many institutions and NGOs promote participation, ultimately participation has to come from peasants, because they will be the ones reaping the benefits of the participatory process. Institutional

discourse about participation is not enough. Incentives must be in place in order for this to happen. Access and will to participate are both necessary.

Everything begins with proactive attitudes: these are indispensable in order to establish a project. It does not matter how perfect the context is: if peasants are receptive it is very difficult for them to carry on with a project, not just a CED project but any kind of enterprise. The project must be in the minds and hearts of those who carry it out, which is reflected in their pro-activity. This thesis also suggests that changes are needed in the general context of development projects in Morelos. The generally receptive attitude towards projects and peasants needs to be confronted in order to ensure success. Institutions are also extremely important in Morelos, because institutions generate stability and trust, ingredients that many institutions in Morelos lack. Stability and trust are necessary conditions to make the economic relations among Morelos peasants more efficient. At least one way to develop stability and trust is for institutions to allow and promote peasants' participation, involving them in the decision-making process, because in this way they take into account the interests of the majority and not of just a few. Weak institutions, like many in Morelos (institutions that are not able to generate an atmosphere of stability and trust), represent serious limitations to CED projects' success, even if there are very proactive peasants. This is because the economic transactions costs increase considerably. It is necessary to develop more appropriate institutions in Morelos that reflect the peasants' interest, and participation is one way to do this. Institutions must become transparent and fight all forms of predación, and one of the biggest challenges for Morelos institutions is to develop a set of norms and rules followed and respected by all. These are the challenges that our interviewed projects have confronted in order to fortify themselves as institutions as well as other institutions that they have to deal with. Finally, in order to obtain successful CED projects in Morelos, it is necessary to change the research paradigm, to re-evaluate the necessity of tacit knowledge. We specifically discuss evaluation's importance in decision-making improvements (i.e. what to

produce, when to produce, where to sell, where to buy, who should be hired). Evaluation from a participatory point of view in our interviewed projects was in many cases the difference between success and failure. Strong institutions and proactive peasants are not enough to achieve success; information and knowledge are also critical. In a scenario like Morelos, the evaluation paradigm is changing and peasants are today willing to pay for an effective evaluation. It seems that the information and knowledge required by peasants has a price; it has a price because it has value. Evaluation reduces uncertainty, which makes the difference between making a correct decision or a mistaken one. Of course there are serious limitations to evaluations, but participatory evaluation has demonstrated its advantages, as the interviewed projects have shown, and little by little a multiplying effect is being developed within the government, peasants and other organizations, encouraging the creation of an evaluation culture.

8 APPENDIX

8.1 Semi-structured interview

It is important to note that all data collected are confidential because we appreciate the honesty of your answers.

- 1) Name of organization:_____. Social cause of organization:_____.
- 2) Number of active founding members:_____.
- 3) Number of members that participate in the project:_____.
- 4) Number of subcontractors_____.
- 5) Previous work experience of the manager or director and his associates_____.

Note to the interviewer: This question strives to learn with clarity the factors that make a successful CED project, such that the interviewer should strive to establish the relation of the effect of the profile of the project participants, the identification of requirements, the formulation of objectives, identification of strategies, and the management of strategies in order to understand the obtained results. In other words, we are trying to understand by what method and to what extent CED projects have achieved their objectives.

1. Participant profile: This profile tries to establish with clarity the participant profile including education level, work experience, health conditions, goals in mind, priorities, social conscience, proactive nature, synergy and renovation. These

seven points are what Stephen R. Covey calls the habits of highly successful people.¹⁵⁸

2. Identification of Needs. This question serves to establish the manner in which the organization identified their needs and decided the problem which they wanted to resolve.
3. Formulation of Objectives. This question serves to establish if the objectives of the organization are appropriate for the problem to be resolved, and to observe if this objective is integrated in the minds and hearts of the persons that form part of the CED project. Furthermore, the interviewer will attempt to identify if mutually beneficial activities and behaviours are sustained by systems aligned with the objectives and mission of the organization.
4. Identification of Strategies: This question directs the conversation towards determining how the organization identified which strategy to adopt, who diagnosed the problem, how was the exchange of information, cooperation and/or participation handled, in what were this/these strategy/strategies, how did they decide to do this project instead of another, what variables were taken into account, and what variables were measured.¹⁵⁹
5. Strategy Implementation. This point is very important because it will reveal the final push that changes the project from theoretical to practical. The interviewer attempts to identify which actives had to be developed in order to implement the project, how the funds needed to carry out the project were obtained, how much money was required and how much was achieved, how the money was invested, what adjustments were made in order to make the project a reality, what were the people associated with and on what basis were the decision of how to distribute the benefits made.

¹⁵⁸ People with effective habits are the angular rocks that form highly effective organizations. It is for that reason that the development of these characteristics at the personal level forms the base of an effective organization.

¹⁵⁹ Javier Gala Palacios, Director of the Institute for the Improvement of Investment Quality affirms that..."if you can't measure you can't manage..."

6. **Strategy Management:** This point basically strives to determine 1) once the project was initiated, the principal mechanisms used to confront problems? 2) the personal method used to facilitate the prevention and/or correction of problems in their origin; 3)if the organization has information systems necessary to equally cater to the needs and points of view of the friends, clients, providers, activists, and the community where it operates, 4)if there is successful exchange of information and cooperation, 5)if investments are made to renew the organization in terms of installations, technology, personnel, investments to constantly reaffirm the agreement of values and principles upon which the organization in founded, renewal of objectives when necessary, investment in training and personal and professional training; 6)if there are good relations between all of the key players of the organization: friends, clients, activists, providers, and members of the community.
7. **Achieved Results:** To date what are the principal results that have been obtained form a human, natural, social, physical, financial, cultural, and political point of view. In what form and to what extent has the organization gained ground in he context of vulnerability and in what manner has the project contributed to the community in these same aspects.
8. **Reception and Institutions:** This point clarifies everything concerning the reception and abundance of institutional problems, internal as well as external.
9. **Discussion about success.**

8.2 Questionnaire for Producers

State: _____ Number of Questionnaire

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With the intention of identifying possible factors key to the success of _____Project which was initiated in 199__, it is necessary to establish the profile of the participants, understand the process by which the actors of these projects identified their needs, their objectives, their strategies, and their method of implantation of said strategies, in what manner these strategies were managed and what results were obtained. This questionnaire

will help to understand the level of performance of the operation and results of the CED project for those who have designed the questionnaire under an outline of formal interviews which provides the means to identify the keep functional aspects that make it possible for organizations to achieve the objectives and goals proposed by said projects.

This questionnaire is consistent with the format of semi-structured interviews.

It is important to note that all data collected are confidential because we appreciate the honesty of your answers.

Date of interview:

dd		mm		yy	

Farming characteristics of the unit of productivity

1. How much land of the following categories do you own?

Write the quantity of land in both hectares and areas

Type of Land	Hectares
1) Irrigated	/ / : / / /
2) Seasonal	/ / : / / /
3) Total	/ / : / / /
	<i>Ha : Area</i>

2 How many animals of the following types do you own?

Escriba la cantidad de ganado en cabezas

Type of livestock	Head
1) Cattle	
2) Avian	
3) Goats	
4) Sheep	
5) Pigs	
6) Work animals	

3. Of all the cattle that you own, how many are:

1) Less than 1 yr old

2) Between 1-3 yrs

3) Older than 3 yrs

4. Of all the cattle that you have how many are for the production of

1) Dairy

2) Beef

3) Dairy and beef

5. In your activities as a producer, do you mainly use:

1) Animal powered (yolk and human)

2) Machine (truck, tractor, till, etc.)

3) Both animal traction and machine.

4) No answer

☐

6. The labor employed to carry out you activities is mainly:

1) Yours and your family

2) Contracted

3) Both family/self and contracted.

4) No answer

☐

Knowledge and Difusion of CED projects

7. Which institutions have helped you?

1) Tec de Monterrey (University)

2) FIRA

3) Bancomex

4) Other (specify) _____

--	--	--	--

8. How did you find out about the CED program?

☐ y ☐

Mark the two most relevant:

1) flyers

2) Posters.

3) Television propaganda.

4) Newspaper ads.

5) Town meetings.

6) Videos.

7) Radio.

- 8) Other (specify) _____
9) None of the above

Operation of the program

9. How often did the promoter come to your community during 2001?

☐

- 1) Weekly
2) More than once a week.
3) Every other week
4) Monthly
5) More than once a month.
6) Don't know

10. Did you receive personal assistance from the promoter?

☐

- 1) Yes
2) No.

If the answer is No, skip to #12.

11. How often did you receive personal assistance from the promoter in 2001?

☐

12. Do you know if the promoter completed a diagnostic of the community of the principal economic activities, environment and culture in 2000?

☐

- 1) Yes
2) No
3) No answer.

If the answer is No, skip to #15.

13. Did you participate in the elaboration of the diagnostic?

☐

- 1) Yes
2) No.
3) No answer.

14. How did you participate in the elaboration of the diagnostic?

☐

- 1) Provided information
2) Participated in its development.
3) Did not participate
4) No answer

15. Do you know if the promoter made a action plan for your community in 2000?

☐

- 1) Yes
2) No

3) No answer.

If the answer is No, skip to #19

16. Did you participate in the development of the action plan?

☐

1) Yes

2) No.

3) No answer.

17. How did you participate in the action plan?

☐

1) Provided information.

2) Participated in its development.

3) Didn't participate

4) No answer

18. Do you know what percentage of the action plan has been completed?

☐

1) 100%.

2) 75%.

3) 50%.

4) 25% or less.

5) No answer

19. Did you participate in workshops or courses by the promoter?

☐

1) Yes

2) No

How many? _____

If the answer is No, skip to #21

20. Of the workshops that you attended, please rank them from 0-10

What was taught _____

Material used _____

Usefulness for your work _____

How the promoter taught _____

21. Did you participate in an exchange?

☐

1) Yes

2) No.

How many? _____

If the answer is No, skip to #23.

22. Of the tours or visits organized by the promoter that you attended, please rank form 0 to 10:

1) Content or subject. _____

2) Material used. _____

3) Usefulness for your work. _____

4) Organization _____

23. Did you participate in any modules or demonstration parcels? ☐

1) Yes

2) No.

How many?. _____

If the answer is Mp, skip to #25.

24. Of the demonstration parcels that you attended, please rank from 0 to 10:

Usefulness for your _____ Organization _____
work _____

25. The project(s) are to improve or benefit which of the following: ☐

1) Production.

2) Commercialization

3) Transformation of a product.

4) Obtain a certain service (credit, insurance).

5) Improve the environment

6) Culture

7) More than one

Which _____.

26. Did you or the group of producers receive assistance from somebody other than the promoter to train you or do a study on your behalf? ☐

1) Yes

2) No

3) No answer.

If the answer is No, skip to #31.

27. the service provided by this person or organization was to: ☐

1) Improve the sale of the product(s).

2) Improve the organization of the producers.

3) Other (specify) _____

28. If the service provided was to train you, please rank from 0 to 10:

1) What he/she taught _____

2) How he/she taught _____

29. If the service that you received was a study, please select if it was: ☐

1) Very useful

2) Usefulness

3) not very useful.

30. Did you support the producers with consumables, money or materials for the workshops, tours, or demonstrations of the program?

☐

- 1) Yes.
- 2) No.
- 3) No answer.

If the answer is No, skip to #33.

31. What type of support did you give?

☐

- 1) Consumables (fertilizer, etc.)
- 2) Cash.
- 3) Materials.
- 4) Other (specify) _____

Program Impacts

32. Did you belong to some type of producer organization before participating in the program?

☐

- 1) Yes. Which? _____
- 2) No.
- 3) No answer.

If the answer is No or No Answer skip to #36.

33. Does that organization presently participate in the program or is it tended by some body?

☐

- 1) Yes.
- 2) No.
- 3) No answer.

34. Did the organization receive greater support since being tended by the promoter?

☐

- 1) Yes.
- 2) No.
- 3) No answer.

35. Since your participation in the program, have you joined a producer organization?

☐

- 1) Yes. Which? _____
- 2) No.
- 3) No answer.

If the answer is No or No Answer, skip to #38.

36. What is the principal activity that you do through the organization?

☐

- 1) Purchasing consumables for production.
- 2) Sale of the production.

3) Acquisition of credit, insurance, etc.

4) Other (specify) _____

37. What are the primary crops that were produced as part of the CED project?

1)

2)

3)

38. Of the principal crops produced in 2001 with the advice of the promoter, tell me the area harvested and yield.

Crop	Humidity regiment*		Harvested area (Hectares)	Total Yield (tons)
	Irrigation	Seasonal		
1)				
2)				
3)				

* Mark with an X

39. Which practices to increase production did the promoter teach you and which did you apply to the principal crops and/or livestock?

Agricultural crops								
Agricultural practices	1. _____ **/				2. _____ **/			
	Taught?		Applied?		Taught?		Applied?	
	Yes	No	Yes	No	Yes	No	Yes	No
Soil preparation								
Planting method								
Grazing and cleaning,								
Minimal, zero, or conservation farming								
Biological pest and disease control								
Chemical pest and disease control								
Chemical fertilizer								
Use of organic compost								
Irrigation								
Pruning								
Plant substitution								
Plantation outline								
Harvest methods								
Administration								
Accounting								
Commercialization								
Transformation of production								

Mark with an X each option **/ Specify

Livestock								
Farming practice	1. _____ **/				2. _____ **/			
	Taught?		Applied?		Taught		Applied	
	Yes	No	Yes	No	Yes	No	Yes	No
Pasture improvement								
Feed improvement								
Construction of rustic installations								
Acquisition of consumables								
Animal health								
Artificial insemination								
Manufacture of derived products								
Administration								
Accounting								
Commercialization								
Transformation of production								
Other (specify)								

40. Yield of the crops suggested by the promoter have ☐

- 1) Increased.
- 2) Stayed the same.
- 3) Decreased.

If the Answer is #2 or #3, skip to #43.

41. By what proportion or percentage has the yield of the crop suggested by the promoter increased? ☐

- 1) 1-5%.
- 2) 5-10%.
- 3) More than 10%.

42. Have you observed changes in the yield of cattle with the advice that the promoter has given you? ☐

- 1) Yes
- 2) No.
- 3) No answer.

If the answer is No or No Answer, skip to #45.

43. What have these changes been? ☐

- 1) Improvement in product quality. .
- 2) Higher yield.
- 3) Other (specify): _____

44. Since your participation in the program have you? ☐

- 1) Produced another crop
- Which? _____

- 2) Exploited another type of livestock Whcih? _____
- 3) Integrated crops with farming practices Which? _____
- 4) Other (specify) _____
- 5) No answer

45. Have you done any of the following as a result of the training or advice of the promoter during 2004?

Mark with an X?

- 1) Used products that do no contaminate
- 2) Implemented practices that prevent damage to natural resources
- 3) Planted trees for reforestation
- 4) None of the above

46. Has the program benefitted you in any of the following aspects?

Mark with an X.

- 1) Income increase
- 2) Food for your family
- 3) Housing
- 4) Health
- 5) Education
- 6) Culture
- 7) Environment
- 8) Politics
- 9)

Other: _____

- 10) None of the above

Why?

47. Did you pay the promoter for the technical assistance services during 2000?

- 1) Yes
- 2) No.

--

48. Would you be willing to pay him/her for his/her services?

- 1) Yes.
- 2) No.

--

**If the answer is No, skip to #51.
Why?**

49. In what form would you be willing to pay the promoter? ☐

- 1) Monthly while the crops last.
- 2) Monthly all year long.
- 3) A fee per producer assisted.
- 4) A fee per hectare.
- 5) A fee according to the increase in yield.
- 6) A fee per visit, consultation or technical service.
- 7) Hourly rate.

50. Who do you think should provide technical or other type of assistance? ☐

- 1) Federal government.
- 2) State government.
- 3) Offices, consultants or private technicians.
- 4) Other (specify) _____

51. To improve the services of technical, cultural, and ecological assistance, which of the following are necessary? ☐

- 1) Increase of governmental budget.
- 2) Producers pay for partial services received.
- 3) Both
- 4) Other (specify) _____

52. Who do you think provides better technical, cultural, and ecological service? ☐

- 1) Government technicians.
- 2) Technicians from private companies, offices, and consulting firms.

General Data on the Producer

53. Sex: ☐

- 1) Male.
- 2) Female.

54. Age ☐

55 Did you go to School?

☐

1) Yes

2) No.

56 Can you read and write?

☐

1) Yes

2) No.

57. What is the highest level of schooling achieved?

☐

1) Third Grade

2) Elementary school

3) High School.

4) Technical School

5) Prep school

6) Professional.

58. How many people live in your home including you?

☐☐

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