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ESA Working Paper No. 03-12

June 2003

Agricultural and Development Economics Division

The Food and Agriculture Organization
of the United Nations

www.fao.org/es/esa

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Social Capital and Poverty Lessons from Case Studies in Mexico and Central America*

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Abstract

The aim of this article is to study the relations between social capital (SC) and the result of the efforts made by poor groups to reduce their poverty and social exclusion. To this end, SC is defined as the ability to obtain benefits from networks of social relations. This definition is then applied to the analysis of rural organizations in Mexico and Central America. The authors conclude that SC is a key resource in the success of the projects of the poor groups analyzed. However, in order for this to occur, certain conditions have to be met such as the preservation of social cohesion, the ability to solve new problems and a favorable economic and political climate.

Key Words: Social Capital, Poverty, Social Exclusion, Rural Development, Public Policies.

JEL: O1, O2, Q18

* The authors would like to thank Alicia Acosta for her help as a research assistant and John Durston for his comments. The opinions included here are exclusively those of the authors and not of the institutions where they work. Margarita Flores is Chief of the Food Security and Agricultural Projects Analysis Service at FAO, Rome. Fernando Rello is a member of the Economics Faculty of the National University of Mexico and currently a visiting researcher at the Centre for Economic Studies and Planning, Jawaharlal University, India.

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*This paper will be published in *Culture & Agriculture* (American Anthropological Association), vol 25, number 1.

1. The Concept of Social Capital

The purpose of this article is to propose a simple definition for the analysis of concrete situations involving the concept of social capital (hereinafter referred to as SC). This definition will then be used to determine the circumstances in which SC helps poor rural social groups reduce their social exclusion and improve their living conditions.

The data for exploring this issue were obtained from various studies of rural organizations in Mexico and Central America undertaken by the authors of this article (Flores and Rello, 2002). These studies analyzed successful experiences of rural organizations and the factors that account for this result, including social capital. In this context, success means achievements and advances in the objectives set by the organizations themselves. Some of these rural organizations experienced a crisis after a period of expansion, which meant that the causes of their problems and decline could therefore be analyzed.

The international bibliography on SC contains both agreement and disagreement. Nearly all the authors agree that SC is an aspect of social structure that constitutes an asset for certain groups and individuals that may be used to obtain benefits and advantages. Disagreements arise when the various authors identify this social component, i.e. SC, with things as diverse as the social structure (Coleman, 1990), culture and trust (Fukuyama, 1995), networks (Bourdieu, 199), norms (Woolckok, 1998), communities (Durston,) and aspects of social organizations (Putnam, 1993). All these elements are regarded as SC by various authors, although others disagree. The discussion appears to have reached a stalemate. Critics of SC hold that such a vague concept, which has failed to be clearly defined and whose definition has yet to achieve a certain general recognition, is weak and of little analytical use (Portes and Landolt, 1996, Harris, 1997).

There is no room to explore this discussion in depth in this short article. For our purposes, it is enough to propose a definition of SC that attempts to overcome these difficulties. The important thing about SC for the individuals and groups that have it is the potentiality it gives them, which an isolated individual lacks. In other words, the point is that it constitutes a capacity, a resource. It involves the ability to obtain benefits from the use of social relations expressed in networks, local institutions and organizations. The existence of these networks, institutions and organizations provides additional advantages for the individuals that have access to them, in comparison with those they would obtain if they acted individually or without the support of these social relations. The ability to obtain this additional advantage is a social capital that should not be confused with the sources and infrastructures of this capital or with its results.

Defining SC as social capacity solves the problem of the fact that it includes things as dissimilar as culture, solidarity networks and productive associations. The latter are the sources of SC or the infrastructure on which it is based, but not SC itself. As such, they may be extremely diverse, which is logical since social structure is highly complex, with several levels and components. Several of them may contribute to the formation of this capacity that constitutes SC.

There are several types of SC: individual, business, government and community. Individual social capital means that a person has a network of useful relations that enable him to obtain advantages and benefits for himself or others. Further on we shall refer to the social capital of peasant leaders, derived from their social relations with other public and private agents. Bourdieu (2000) refers to the SC of firms, an issue that is not addressed in this article. When governments can rely upon a dense network of contacts and relations with social actors, they possess a SC that enables them to perform their public duties better than those operating in relative social isolation.

The aim of this article is to analyze rural community SC, in other words, SC belonging to individuals that form part of social networks or groups, which may be of very many types. It may be defined as the ability to act as a group in search of common goals and benefits. A rural community is a complex network of social relations, which is in itself the source of SC, in other words, of its members' ability to form part of it and to benefit from the group's action. In other words, in the case of communities, we can call this capacity an endogenous or internal SC to distinguish it from the other type of exogenous SC possessed by rural communities or organizations, which consists of the network of social relations outside the community-with private foundations, NGOs, firms, universities and public organizations-which also enable them to achieve certain goals. In addition to these two forms of SC there is also individual social capital, which is usually possessed by leaders. Later on we shall see the usefulness of exogenous and individual SC for rural communities.

The essential feature of community SC is the collective ability to make decisions and to act jointly to pursue objectives that will benefit the group as a whole, derived from such diverse components of the social structure as common history, shared culture, ethnic origin, networks and local associations. Nevertheless, SC does not consist of the benefits of the latter, or the components of society that make it possible, but rather the additional ability of those that can undertake actions in common, in comparison with those that can only act individually, in other words, the capacity for collective action based on trust.

Conceiving of SC as a capacity leads us to ask about the conditions required for this potentiality to materialize. It depends, like the other capitals, on conditions outside the social group, such as the state of the economy, public policies, rural institutions, the local power structure and other cultural components. SC is also influenced by its own internal conditions, in other words, components that form part of it, such as trust, solidarity and social cohesion. If these decline, social capital is reduced and the capacity it implies is reduced or cannot materialize with the same force or effectiveness. This feature of social capital is crucial because it lends it force as well as weakness and fragility, as we shall see later on.

Before using these concepts to analyze case studies, it is worth pointing out the connections between SC and poverty and social exclusion. According to A.K. Sen (2000) the origin of poverty is the lack of freedoms and capacities, not only economic but also social and political. By acting together, poor groups increase these capacities, as a result of which they are able to take advantage of opportunities that will enable them to increase their income and social well being. Likewise, the many aspects of social exclusion not only include material deprivation or the lack of employment but also the lack of social connections and mechanisms for participating in society. Social exclusion is linked to the existence of institutions that restrict social interaction and encourage

inequality. At the same time, weak social cohesion limits the forms of social participation, which has a negative effect on the access of particular groups of persons to resources-and to the process of acquiring resources-as well as to the exercise of their civil rights (Gore and Figueiredo, 1997). Social mobilization and empowerment are directly linked to SC. The former is a consequence of the exercise of community SC, the utilization of the capacity for collective action.

Within this framework, the conception of social capital as the capacity to obtain benefits from social networks contains a potential means of understanding rural poverty, since it goes beyond the generation of income by showing the importance of the mechanisms of social participation, the adjustment of rules for reducing inequalities in markets, the exercise of civic and social rights and access to opportunities. One of the critical points may be the way this potential is transformed into actual collective capacity and how public policies could contribute to the latter.

2. Links Between Social Capital and the Struggle Against Poverty and Social Exclusion

In order to illustrate this relationship, we have selected two experiences of organizational development in poor indigenous villages, one in Mexico, the other in Guatemala (Flores and Rello, 2002). In the case of the Mexican experience, indigenous and mestizo settlers from six municipalities in the state of Guerrero are involved in this organization. Conversely, in the Guatemalan case, ethnic identity is the central factor in the creation of an association of forty-eight Quiché Maya communities in the west of the country. In both cases, the origin of the current organizations dates from the beginning of the 1980's.

This population mainly earns its living from agriculture on smallholdings with poor quality lands, whose harvests, primarily used for self-consumption, are insufficient to cover families' basic needs. In the first case, complementary sources of income include family cattle raising, woven palm handicrafts, domestic mescal production and increasingly, emigration. The percentage of illiteracy is 55%, much higher than the national mean, while poverty affects 80% of its inhabitants (CEPAL, 2001). In the second case, handicrafts also constitute a significant additional source of income. Thus, pressure on resources and poverty is associated with higher population density, since this is one of the municipalities with the highest density in the country (300 inhabitants per square kilometer, compared with the national mean of 80 habitants per square kilometer.)

The history of the two organizations has a number of common features, in addition to widespread poverty. Their achievements and the scope of the benefits they have obtained are closely linked to their social capital, one of the main sources of which are their cultural traditions and the way they have fostered and utilized the latter.

Since these are indigenous peoples, it is essential to realize that the social links between them are based on uses and customs that, while traditional, are by no means static or opposed to change. On the contrary, they are extremely dynamic and practical, since they exist on the basis of their ability to regulate coexistence and exercise their own government. Indigenous social systems are composed of four interdependent orders involving law, the organization of work, ceremonial and religious matters and the structure of government. The legal order includes the normative system and internal

conflict resolution mechanisms. The order concerning the organization of labor corresponds to a structure of rights and obligations of service to the community, with rules governing the use and appropriation of common spaces and resources. The ceremonial order, usually associated with the agricultural calendar, also involves the distribution of responsibilities. The last one refers to the system of posts, election mechanisms, decision making systems and in the last instance, the exercise of authority and application of sanctions (Avila, 2001).

In Mexico, these systems have two variants. In the north, the organizational structure is defined in tribal terms. Conversely, among the Indians in the south and in Mesoamerica in general, the community is the core of the system. Identity and a sense of belonging are constructed around the community, within whose framework rights and obligations are defined.

a) Sanzekan Tinemi, an organization in the south of Mexico

In the course of its existence, the Sanzekan Tinemi organization, meaning “we continue to be together” in Náhuatl, has gradually tried to cope with and solve the main economic and social problems of the inhabitants of its region, in the southern state of Guerrero, beginning with the most acute problem, food supply, and continuing with the productive process (distribution of fertilizers), the diversification of households’ sources of income according to the needs of men and women (handicrafts, backyard activities, reforestation) and social programs (housing and savings banks). Their programs enjoy the financial and technical support of public organizations, a private international foundation and an international development bank.

Food supply, as the program and core around which the organization arose and was consolidated, was a government program with community participation in the local administration of the sale of basic products. Its aim was to guarantee the distribution of food at low prices to various regions in the country through the parastatal distributing firm CONASUPO, within a new participatory structure. The community designated a person to supervise the local store, which received financial compensation from the government. Several communities within a region comprised a Community Food Council, a consultative body and joint governor of this food distribution system. This institutional feature and the structuring of the shops around a distribution warehouse, encouraged communication between communities through their grass-roots assemblies, followed by the representatives’ assemblies with the state firm. Previously isolated communities began to realize that they had common problems and to devise collective responses to these problems.

The emergence of the organization reached a climax when the continuity of the supply program was threatened, due to different conceptions regarding the way the basket of basic foodstuffs should be made up, the choice of supplies and above all, the distribution of responsibilities and costs between the parastatal company and the communities.

Regional mobilization exerted great pressure on the local, state and federal authorities to continue the program with growing community participation in its administration. Those designated by the communities as program supervisors took over the management of the program. The operation resulted in a proposal to undertake other development programs through collective action and the channeling of the support

obtained from abroad. It is important to stress the fact that the organization reclaimed its indigenous origin (despite the participation of mestizos) and that its proposal for a program of economic and social development filled a gap in one of the poorest regions of Guerrero, a state that was almost at the bottom of the scale in terms of social indicators and in which armed movements persisted.

This means that the capacity for collective action does not develop in a vacuum but rather is fostered or constrained by government actions and institutions. In this case a participatory government program and the existence of progressive reformist officials paved the way for the creation of regional organizations. In this favourable context a local and regional leadership emerged and consolidated, based on democratic and consultative practices¹ The programme was national in scope and there were resistance movements opposed to its disappearance in various states, which permitted contact between the peasant leaders in various regions and the establishment of alliances between them.

The political and institutional context created by government intervention is usually a key factor in the emergence and consolidation of peasant organizations. In Mexico, in the late 1980s, rural movements fuelled by discontent discovered a more favorable atmosphere for their development while rural organizations outside the official party (PRI) began to be regarded as interlocutors by the government. The most important of these was the Union Nacional de Organizaciones Campesinas Autónomas (UNORCA), to which Zanzekan was affiliated. The government began to channel funds and supports into these organizations in a double-edged attempt to deal with the difficult economic situation in the countryside and at the same time, to co-opt regional organizations outside their control, as well as their leaders, which enabled the latter to establish links with government officials and to channel programs and resources into their communities.

This new relationship—the expression of an exogenous SC—helped iron out the differences that had antagonized government officials and strengthened the link with other government programs from which further resources and technical assistance were obtained. Moreover, Zanzekan's leaders found that this was an excellent means of establishing links with other urban agents, such as private foundations and international development banks usually unavailable to peasant organizations. Donations and soft loans supported the organization's program for staff training, raising the quality of woven palm handicrafts and developing a modern strategy for their commercialization and export.

Also notable was the amount of attention paid to environmental issues and reforestation. The intensification of the exploitation of palm trees and their gradual extinction threatened the sustainability of this natural resource. The initial response was to look for solutions to this problem. A reforestation program for the communal forest, threatened by clear felling and the lack of water, was subsequently implemented. There are now communal nurseries and plans for managing the territory to ensure the rational exploitation of forest and water resources.

¹ A detailed analysis of this process is available in J. Fox (1992).

The women began to create groups that have developed around traditionally female projects: tortilla shops, community stores, pigsties and savings banks. Despite the difficulties caused by the lack of assessment and not without a certain amount of resistance from males, they created the Titekitetoke Tajome Sihuame organization, which means “we women are working” in Náhuatl. This association has been used to obtain government and private funds for their productive projects, to which they did not have access before they associated.

However, the program's rapid growth had a contradictory effect on the organization and the social fabric. The expansion of its networks clearly reflected the way the strengthening of its social capital captured resources that had previously been unavailable to them. At the same time, the speed at which the diversification of economic activities, as well as the social networks themselves took place, required more effort and the development of skills among members to be able to adapt to the new requirements of cooperation and participation. Since this was not possible in every case, and despite the fact that the organizational structure expanded, certain programs folded, thereby altering the course of the organization's development.

b) CDRO, an organization in the west of Guatemala

The Association for Cooperation for Rural Development in the West (CDRO) is an organization comprising various communities in the municipality of Totonicapán, in the west of Guatemala. It includes 48 rural Quiché Maya communities. It is an organization that has sought to improve the living conditions of communities and their development through the training of its members and its participation in the design and implementation of various projects. With strategic foresight, it has proposed the creation of a financial base that will lend its programs continuity and a system of relations that will improve the negotiating capacity of organized communities.

To have some idea of the scope of the challenge facing the organization, suffice it to recall that 80% of the population in extreme poverty lives in the countryside (CEPAL, 2001) and that among the indigenous population of Guatemala (40% of the total in the country) over 90% live below the poverty line (World Bank, 1995). Its members are smallholders with very few resources who grow maize for their own consumption together with a few cash crops on a very small scale. They have to work outside their plots of land to supplement their income. Prior to the emergence of the CDRO, they undertook all their productive work individually and had virtually no access to credit.

The organization originally arose in response to the poverty of the inhabitants of this region and was the result of the initiative of local leaders, who encouraged the creation of groups to deal with the specific problems of communities lacking basic services such as safe drinking water, health, schools and roads. These groups were formed in the 1970's with the support of non-governmental organizations and certain universities.

It is important to note that the political climate of violence in the early 1980's eliminated any possibility of social organization, meaning that development initiatives were confined to specific actions. Nevertheless, a network of promoters was established as a result of their participation in various training courses organized by private universities and US charity organizations such as the Peace Corps and World Vision. Although they did not necessarily share the same religion or ideology, they all wished to

help their communities progress. They formally became partners and created an association which was the direct forerunner of CDRO. Later on, indigenous community organizations rather than just individuals became members of the association and established new social networks and institutions.

In this case, synergy was created between the promoters and the social structure of the communities, which was facilitated by the organization's structure, which includes features of traditional indigenous customs, such as members' participation, internal democracy and decision-making by consensus. The basic nuclei are the communities-or groups from within the communities-to which the community assigns a function. Decision-making is the responsibility of the councils in each community, which, in turn, appoint a representative to the assembly of delegates. The latter appoints a board of directors. Within this voluntary association, communities preserve their autonomy.

Since its inception, the association has served as a link between the communities and humanitarian organizations and foundations for channeling proposals and receiving funds. This liaising has increased both the association's endogenous social capital and its network of external relations. In a virtuous circle, the relations of the original indigenous promoters attracted resources that enabled them to support actions for the benefit of the community, by rescuing their local institutions and promoting basic skills and collective action. At the same time, the positive results and the trust created in the communities improved the leaders' image and sparked the interest of other foundations and the public sector itself. This enabled the organization to expand its programs. Its experience has been replicated in 15 associations similar to CDRO albeit smaller, to which 500 communities in the same region are affiliated.

These programs can be divided into two stages. During the first stage, they were geared towards solving more pressing social problems such as roads, safe drinking water and schools. Later on they addressed the problem of the communities' economic development and the limitations imposed by subsistence farming. Attempts were made to find more profitable alternatives such as vegetable and fruit production and forestry, ways of making better use of their scarce land and handicrafts. These productive activities raised the problem of financing and commercialization. In order to solve the first problem, they founded their own communal bank, begun with a revolving fund obtained from donations, through which they supported farming and handicraft activities. A year after it started, it had begun to attract community members' savings, particularly remittances from those who work outside the community.

CDRO made training a key feature of its strategy. It obtained external funds for this purpose and took every opportunity of sending its most outstanding members on training courses in various fields (technical aspects of production, administration, marketing, finance management, enhancing self-esteem and motivation) given by various public and private institutions. In this way, the leaders -indigenous people like all their members- became professionalized and a broad infrastructure of service was created for the member communities, which includes productive projects in agriculture and handicrafts, savings and credit, organization, training and administration.

c) The links between individual and community social capital

A crucial factor in the origin of the experiences examined here was the leaders' social capital, in other words, their external relations with government officials and other

actors, as well as their increased understanding of the dynamics of the urban and institutional world. The establishment of this social capital is closely linked to the development of public programs and institutions since it creates opportunities for the establishment of alliances between leaders and government officials and between the leaders themselves.

It is interesting to see how the leaders' social capital contributes to community social capital and the links that occur between the two. Both cases involve a combination of three elements that favor organization: firstly, the existence of traditional community links (endogenous SC), secondly, the promotion carried out by a community leader and thirdly, the identification of a common objective (overcoming a problem experienced by the majority of its members) for collective action, in which the leader serves as a catalyst. Conversely, the social and political atmosphere was different in the two cases. In the Guatemalan Maya experience, the accumulated social energy only expanded when the barriers imposed on the exercise of civil and political rights were lifted and the organization was gradually able to secure government support. In the Mexican experience, the mobilization that accompanied the opposition to government decisions was followed by the support of government officials committed to development programs.

In general, the leaders' social capital propitiated a process which, enhanced by community participation, triggered a virtuous circle of accumulation of both community social capital and financial resources and consultancy services that offset material and social shortages in the communities. In either case, the inhabitants' living conditions improved, which could not have been achieved with their scant resources. Moreover, the way the networks of interaction between communities have been institutionalized, have permitted, at least in the Guatemalan case, the development of skills for reproducing the management of the funds obtained. Hence the importance of designing programs aimed at finding self-financing mechanisms, training human resources, ensuring representativeness in decision-making and expanding their networks to other communities. One of the effects on extremely poor communities has been the recovery of their trust in their abilities and the strength of their unity in action.

In the case of the two organizations, their relatively swift growth exerted enormous pressure on leaders and communities alike to respond to new demands and responsibilities (new forms of work, diversification of production, management of new activities, relations with non-traditional markets and new forms of interaction between communities). However, despite the efforts made in the field of training, there was an obvious need to advance more quickly in the training of human capital, as a necessary condition for guaranteeing participation in decision-making and ensuring the smooth running of the process in changing social and economic circumstances.

The synergy between social capital and the mobilization of resources has enabled these communities to have better living conditions than they would otherwise have done. It has helped to create basic skills, serving as a positive contribution in the fight against poverty. By alleviating poverty, it reduces the expressions of social exclusion in terms of material deprivation and social participation. Nevertheless, the existence of social capital alone is unable to offset the shortage of other capitals, be they physical (access to land), technological or financial.

The mobilization of resources outside the communities for their development projects has been the result of a lengthy process of reinforcing their endogenous and exogenous social capital, and involved progress and retrogression. Uncertain beginnings, followed by a number of significant achievements in relatively simple cooperative actions led to the rapid expansion of more complex initiatives. Some of them obtained negligible results or failed due to the lack of fit between the technical and organizational demands and the development of collective administrative, managerial and decision-making skills.

The point here is to determine how collective effort can incorporate the public and private transfers that social capital facilitates in order to create the bases that will ensure the sustainability of the processes of development in poor communities. This task is by no means easy and depends, at least partly, on additional actions concerning the training of human capital. In order for these transfers to endure when resources are available, the distribution of resources must be perceived, both internally and externally, as consistent with a community development project.

What conditions does SC require for its development or rather, how can SC be created? The institutional context and government policy play a key role in the emergence and consolidation of rural organizations. Basing his research on case studies, Evans (1996) explained how synergies can be established between the state and organized social groups, which in turn leads to development programs that function more efficiently and fairly. He divided relations between the state and society into two categories: complementarity and embeddedness. In the first, the state creates the necessary conditions for social organizations to emerge and progress, by guaranteeing civil and political rights and providing public assets and development programs. These conditions are crucial for the emergence of peasant leaders and the development of organizations and their absence constitutes a virtually insurmountable obstacle to both.

Embeddedness implies a relationship that cuts across the public sector-social organizations divide. It occurs when a relationship of support and solidarity arises between the personnel of a public institution, the social organization it seeks to serve and the leaders of the latter, within a given government program. When this happens, the synergy between these elements produces an increase in collective action and its effectiveness (examples of which can be found in Evans, 1996, Fox, 1996 and Tendler, 1997). This means that SC can also include members of rural networks or organizations as well as people outside them but who maintain links of solidarity with them from their public functions. The infrastructure that supports SC is not only a rural organization but also a participatory institution or government program with personnel committed to certain principles and goals. It would be useful to have more research on this type of synergy, given the importance it could have in encouraging SC and rural development.

3. Is Social Capital Sustainable?

We have already seen how SC can help to improve people's living conditions, but it is worth asking whether this process can be sustained in such a way as to ensure that these advances are permanent. This question is linked to the question of how much SC has been accumulated and how sustainable it is. If there is a limited capacity for collective action and the latter is not very permanent, then SC would not be a factor in promoting development or vice versa. This capacity is not a given, but rather something that can be acquired or lost. In other words, SC must not be regarded as stock but rather

as a process. The point is to understand the conditions and factors that increase or decrease it and above all, the way it is linked to other variables in specific experiences of development and social change. We shall now examine two Mexican case studies in order to explore these issues.

The first is the Asociación Rural de Interés Colectivo Jacinto Lopez, Sonora, hereinafter referred to as ARIC JL, and the second is the Coalición de Ejidos de la Costa Grande de Guerrero, which we shall refer to as the Coalition. Both were peasant organizations that acquired regional force and national notoriety as a new kind of organization within the peasant movement of the 1970's and 1980's in Mexico. Both organizations began as social movements of enormous regional scope, the former involved a wide social struggle for land against large estates and the latter as a means of obliging the government to raise the guaranteed prices of the coffee that the semi-state company INMECAFÉ bought from them. Both organizations scored triumphs: the ejido owners of the ARIC JL obtained the land they had fought for, while those of the Coalition were able to sell their coffee at better prices.

Who were these social actors before they formed their organization and embarked on their struggle? The current ejido owners of ARIC JL were landless agricultural day laborers that made their living from selling their labor in the prosperous valleys of the Yaqui and Mayo rivers in the northeast of Mexico. They worked in exchange for low salaries, under harsh conditions. They grouped together into peasant unions and after several years of peasant struggle, pressured the government to expropriate 35,000 hectares and distribute them among members. The farm workers in the Coalition were small coffee producers that owned old coffee plantations with low productivity and sold their unprocessed product individually to INMECAFÉ and local tradesmen at low prices. Grouped together in their Coalition, they eventually forced this firm to buy coffee from them at higher prices and to increase the credits it gave them. These triumphs were the direct result of the creation of SC, the capacity for collective action, which had not previously existed, for pursuing common goals. As isolated individuals, they would never have been able to achieve this. This does not mean that other factors did not also contribute to obtaining this positive result. In both cases, the most important factor was the favorable regional and national context, that permitted the emergence and growth of both organizations and their acknowledgement as interlocutors by the state, as opposed to the previously unfavorable context that had discouraged the development of these social processes.

The federal government distributed the Yaqui and Mayo valleys among the agricultural day laborers, as a collective ejido, which the new ejido owners had not wanted but which was imposed from above on the grounds that the ejido owners that had recently been given land should be united in order to defend themselves from the landowners that were still economically powerful in the area. Paradoxically, the collective ejido, designed to be a source of SC, failed to produce results and eventually, instead of reinforcing the capacity for collective action, weakened it. However, the social energy created by the agrarian struggle and its triumph was enormous and was expressed in the creation of new forms of productive organization for working the newly-obtained land. Peasant firms were established in areas such as credit, insurance, input distribution, the commercialization of agricultural products, agro-industrial processing and social benefits, all expressions of the new, endogenous SC.

All these achievements were the result of community SC, although other factors contributed to obtaining these positive results for the peasants. Among them was the key role played by the financial supports that the federal and state governments gave the organization in the form of credits, funds for productive and social products and price increases (at that time, there was a system of guaranteed prices for the main agricultural producers, based on international price levels.). It is worth noting that these favorable policies were also the result of the ARIC JL's exogenous SC, which, thanks to its leaders and the network of relations and influences it was able to create, managed to attract support and transfers that proved crucial to its growth.

The history of the Coalition is very similar. An enormous social energy, resulting from the stage of large agrarian mobilizations, a creative leadership together with the massive participation of the ejido owners, led to the creation of peasant social firms in the areas already mentioned. External conditions and supports were also crucial, such as better commercial terms agreed on with the INMECAFÉ, credits for improving coffee plantations and creating benefits, funds and support for productive and social programs and attractive international coffee prices. Likewise, the exogenous SC of the coalition proved crucial to obtaining this support.

At their peak, both organizations had managed to build various social peasant firms from which ejido-owning members had managed to obtain numerous benefits. Thanks to these firms, they had access to credit and insurance, bought inputs at low prices, sold their harvests collectively at better prices and had higher incomes and greater well being than they would have done if the Coalition had not existed. They were starting to transform local economic and distributive processes. In other words, they were beginning to be a factor in the promotion of rural development. Unfortunately, their subsequent decline and near collapse cut short this process. The crisis of both organizations was due to the combination of two processes: their internal contradictions and the external conditions that became totally unfavorable. A negative synergy developed between them.

Let us examine the internal problem first. In neither case did the peasant firms manage to achieve financial consolidation (i.e. obtain profits to be able to finance their expansion on a continuous basis). There was a permanent tension between the position of peasant leaders (who sought to distribute profits more quickly and rapidly create jobs within the organization to benefit farm workers' children), and the position of the administrators and managers that were concerned with accumulation and the financial health of the firms. Moreover, the new economic firms required a set of managerial and technical capacities that leaders and ejido owners lacked, the development of which was neglected. There was no synergy between the formation of social capital and human capital. Finally, there were rules that encouraged a lack of transparency, the discretionary handling of funds and above all, confusion over the real ownership of the organization's assets, which discouraged cooperation and solidarity.

Externally, conditions deteriorated as a result of the implementation of structural adjustment programs. There was an economic crisis, a reduction of resources for supporting the organizations, a dismantling of public programs (including the elimination of INMECAFÉ and guaranteed prices), a sharp drop in financing together with a decline in agricultural prices. This difficult economic situation had a negative impact on peasant firms. For example, as a result of the reduction of their profits and income, producers

were no longer willing or able to pay off their debts with the credit unions owned by the Coalition and the ARIC JL, as a result of which they experienced a financial crisis.

A critical issue in the relationship between the leader and the community is trust. The moment resource management stops being transparent or people's participation is limited, social capital begins to shrink. Likewise, the moment a leader uses his social capital to place his interests above those of the community, and benefits start to become concentrated, community social capital is weakened, trust is lost, the spirit of cooperation is diminished, and the vision of a collective project begins to be lost. When this happens, external aid may be cut off and the community may be prevented from carrying out its productive and social projects.

4. Conclusions

The case studies analyzed show that for the groups that have it, SC has been a key instrument in undertaking their social and productive projects, improving their living conditions and fighting the social exclusion to which they have been subjected. Although SC only constitutes part of the capital owned by poor groups and its existence does not guarantee anything, without it, these groups would find it more difficult to exploit their other assets.

Readers might well ask whether SC has been the key to the successful experiences described or the result of other factors, such as good government policies or a favorable economic context. One way of resolving this issue is by comparing the localities with SC described with neighboring localities or ones in the same region that do not possess it but are in a similar situation as regards resources and socio-economic conditions. In every case, the former are more successful than the latter as regards the construction of collective assets, obtaining external resources and the development of more highly paid activities. In these cases, SC is a resource that enables those who possess it to obtain benefits that are unavailable to those who only act individually or lack important connections.

This does not mean that SC is a sufficient condition for or the main factor in community development. It is a complex process involving several factors including SC. For example, a dynamic regional economy, a favorable political context and adequate public policies are key elements in successful development experiences. However, given the situation of marginalization and weakness of poor peasants in Mexico and other countries, SC is a necessary factor in the fight against rural poverty. An individual solution to poverty as a widespread method would not be a real or feasible option and on the contrary, would be tantamount to wasting the social potential available to poor groups.

SC helps to achieve specific, short-term objectives as well as broader, more sustainable objectives. The latter are more difficult to accomplish since they imply a transformation of the social relations that determine the distribution of benefits and opportunities in local rural spaces. If the local power structure is rigid, non-democratic and controlled by agents opposed to poor groups, a high critical mass of SC will be required to transform these structures. However, the experiences analyzed suggest that

community SC is fragile and may be weakened as a result of adverse internal and external conditions. In order to sustain it, synergy must be established between SC and government policy, whose task is to create institutions to facilitate the participation of excluded groups and to create spaces of dialog and agreement between social actors.

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