PLANNING AND COMMUNITY DEVELOPMENT:

CASE STUDIES

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FOREWORD

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Despite continued urbanization, a sizable proportion of the world's population today lives in rural areas. Many also face major challenges to their livelihoods and wellbeing. In the Global South, many rural people work under arduous conditions to make ends meet and many are in poverty. Rural communities in many parts of the world have limited access to modern services and social deprivation is widespread. In the Western countries, rural living standards are comparatively high but even here, poverty remains a problem and rural communities are also disadvantaged when securing access to education, social services and transport. On the other hand, the contribution of rural communities to economic development is widely recognized. They produce the food and other commodities societies require and contribute significantly to national development. In many countries, agricultural commodities are a major source of exports.

For these and other reasons, many governments have adopted rural development policies designed to enhance the well-being of rural communities and a great variety of programmes and projects have been introduced to achieve this goal. They are usually implemented by government agencies but various non-profit associations and cooperatives are also involved. In addition, rural people themselves now play a major role. Most rural development policies are focused on agriculture and are intended to improve both the quantity and quality of agricultural production; they also to support agricultural processing and other rural industries. Rural development is also concerned with infrastructural improvements such as the construction of roads, canals,

railways and irrigation systems. The social needs of rural people are also addressed through rural development programmes and today educational, health, housing and other social services form an integral part of rural development initiatives.

Since the first rural development programmes were introduced in Europe, the United States and other Western countries in the latter half of the 19th century, a great deal has been achieved but few would claim that the economic and social problems facing rural communities have been solved. As suggested earlier, poverty and deprivation among rural people as well as inequitable access to services and opportunities remain widespread. In addition, many working in the rural development field believe that rural people are not fully involved in decision making or implementing the programmes and projects designed to improve their wellbeing. This is not a new problem and indeed, since the introduction of the first rural development programmes an expert, top-down approach which sees rural people as the passive recipients of services and resource allocations has continued to exert a strong effect. Of course, this was the explicit intention of the first rural development programmes which sent agricultural extension workers into rural communities to advise farmers on agricultural techniques on the assumption that their traditional methods were outdated and in need of modernization. Rural people who failed to respond enthusiastically to this advice were often branded as ignorant and bound by traditional superstition. Their genuine concerns about adopting new methods and taking risks by abandoning well tried approaches were not addressed. On the other hand, those who cooperated were often rewarded with additional resources and expertise. This tendency was particularly marked in the nations of the Global South that were under European imperial rule where colonial officials too often held ill-informed prejudices about the people they ruled.

The top down, expert approach to rural development was eventually challenged and the principle of peoples' participation became widely accepted. Some of the first efforts to promote participation originated in the anti-imperial struggle when, for example, Gandhi in India created the first of several rural communities where local people collaborated to

improve traditional textiles and craft production and enhance agricultural efficiency. A similar approach was introduced by Rabindrinath Tagore, the Indian poet, at the Institute for Rural Reconstruction he founded in Bengal in 1921 (Bhattacharyya, 1970). In West Africa, British colonial officials who introduced the first rural literacy programmes in the 1940s realized that much more could be achieved if rural communities were involved in decision making and implementation. Midgley (1995) reports that these programmes were augmented by other activities which later became known as community development. In addition to adult literacy, they included the construction of community centers, health clinics, safe drinking water supplies and sanitary facilities as well as productive activities such as crafts, small holding agriculture, and poultry raising, and a variety of producer and consumer cooperatives. These formative state sponsored programmes were based on the idea that local people would supply labour while government would provide materials, funds and expertise. In addition to providing labour, local people play a major role in decision making about which projects should be given priority and how they should be implemented. Self-help and self-determination became guiding principles of the new community development approach. As news of these innovations spread, the British government and the United Nations began to support rural community development and as Campfens (1997) notes, its basic principles and methods have been adopted around the world.

However, community not always implemented as intended and the goal of promoting peoples' participation was not always realized. In some countries, rural community development programmes were directly linked to local government administration which it was hoped would ensure decentralization and full participation. However, since local councils and other bodies were often appointed or otherwise elected in ways that mirrored existing patterns of power and authority, women and the poorest sections of the community were seldom fully represented. In some cases, ruling political parties used rural development programmes for electoral benefit and rewarded those

communities that were loyal and ensured the party's political success. To make matters worse, rural development programmes were introduced in some countries to serve wider superpower geopolitical interests. As Brokensha and Hodge (1969) point out, the Alliance for Progress in Latin America and the allocation of resources by Western governments for community development programmes in some Asian countries faced with communist insurgencies are examples of this development. In addition, rural community development programmes were not always effectively managed, adequately funded or properly staffed. Although rural community development was originally believed to be an effective way of addressing the needs of rural people, criticisms of its shortcoming intensified in the 1970s and 1980s and support for alternative models were widely advocated.

One alternative proposed that government rural community development programmes should be outsourced to non-profits, grassroots organizations and even commercial providers. Governments were widely believed to be inefficient, indifferent to the needs of rural people and even corrupt and as many developing countries faced increasing debt and sought credit from the International Monetary Fund (IMF) and World Bank, fundung for rural community development programmes and projects were increasingly diverted to non-governmental agencies. Another development was increasing support for activist groups that sought to promote popular participation through encouraging the poorest rural people as well as women and disadvantaged castes and minorities to challenge governments, local elites and officials and demand that their needs be met. Many were inspired by the writings of Paulo Freire, the Brazilian educator whose concept of conscientization was adopted by many activist groups.

These events have created a much more dynamic approach to rural community development which has involved more agents than the government. It has also increased awareness of issues of power and privilege in rural communities and enhanced the role of women and minorities in programmes and projects. Today, many more grassroots associations and non-governmental organizations are owned and

managed by groups of women. On the other hand, it has also resulted in a more fragmented approach in which multiple organizations and interests compete for resources in an attempt to achieve their own objectives. This has undermined the idea that rural community development will be most successful if it fits with national economic development priorities and if planning and efficient management are used to enhance effectiveness.

Current debates about peoples' involvement in rural development have sharpened an understanding of the complexity of rural development. The original expert model has been undermined if not completely abandoned and the government's earlier monopoly over rural programmes and projects has been replaced with a much more fluid and pluralistic system of provision. It is in this context that more research and scholarly enquiry into many different facets of rural development is needed. In particularly, further investigation is needed into how popular involvement can be expanded to include the whole community in rural development initiatives. It is now generally recognized that the previously simple notion of peoples' participation cannot be reduced to a shorthand slogan but that a much more nuanced analysis of its many dimensions is required. While there is little disagreement with the contention that successful rural development involves 'working with people', more discussion is needed on what this means both in theory and practice.

This book makes an important contribution to enhancing understanding of the many complex issues of working with people that need to be addressed if effective rural development is to be achieved. It builds on the pioneering work of Michael Cernea, Robert Chambers, John Friedman other scholars who have contributed to understanding how to combine the goal of participation with improving the lives of rural communities throughout the world. They emphasize the idea of 'working with' rather than 'working for' or 'helping' rural people achieve this goal. This implies active participation in all aspects of rural development policies, programmes and projects. Inspired by this idea, the contributors to this book have sought to examine what 'working with people' means

and how this can be achieved. The chapters are based on papers originally presented at an international symposium organized by Adolfo Carzola and James Midgley at the School of Social Welfare at the University of California Berkeley in 2011. Papers were based on original research undertaken by graduate students from the Technical University of Madrid and the Berkeley School of Social Welfare accompanied by contributions from academic colleagues at both institutions. Fortunately, John Friedman was also able to participate. As will be seen from the chapters of this book, many fascinating, complex and challenging issues were raised. The chapters also provide incisive commentaries that cover many different programmes, conceptual approaches as well as countries - of which Latin American nations feature prominently. The authors have an exemplary knowledge of these countries and their cultures and are well placed to analyze the challenges ahead. They are to be congratulated on producing an outstanding collection that will be of value to practitioners, policy makers and academics committed to working with people in rural development everywhere.

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PART I

THEORETICAL FRAMEWORK

PLANNING THEORY IN POSTMODERNITY

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ABSTRACT

Planning in the last 60 years has seen a radical change since the discussion of the rational approach that until then was used, but was considered ineffective. This generates a number of approaches that seek for a better answer to the needs of planning, such as comprehensive rational planning, which keeps the deliberative rationality, but includes social and economic system designs, then comes the advocacy planning that suggests that planners have to give voice and strength to excluded social groups affected by planning. Transactive planning begins a process of change of rationality by raising the need for planning to unite the expertise and experiential knowledge that may become more focused on action and social learning. Finally, it gives way to the communicative and collaborative planning which starts from communicative rationality, in which dialogue and built consensus for a real planning becomes more important. The latter approach is immersed in postmodern thought, which has included a series of concepts in the planning to make it more effective, this is how the inclusion concepts and dialogue, politics, responsibility and ethics, context and multiculturalism emerge.

All these concepts are born of postmodern philosophy through authors such as Habermas (1987), Levinas (1969) and Derrida (1997) among others. After this review, we can conclude that the paradigm shift in the planning starts from the change of deliberative rationality based on reason and scientific method to the communicative rationality that is based on the premise that truth is a social construct, this raises the need

for the planning of the concepts mentioned above which are linked to the respect for truth and cultural way of the Other, however, some of these issues generate discussions about inclusion and dialogue and the risk of losing sight of planning or about contextualization and the proposal that planning is based on practice, not in theories. These are still open issues that should be discussed.

1. INTRODUCTION

In the twentieth century, planning theory has undergone many changes, driven not only by the philosophical and sociological thought, but also for its own review of results in reality. Since the concept of "scientific planning" which had its peak until the middle of the century, after a long period in which, in one way or another, the planners were convinced that all the problems of the society could be solved by scientific agreements and the help of technical experts (Cazorla et al., 2004), up to the emergence of the current thought of planning, there has been a number of thinkers whose ideas have been changing their approaches.

Planning approaches in recent years have focused primarily on seeking greater involvement of influential stakeholders or affected ones in the process, trying the planning efforts to become sustainable and also trying to expand the overview of their social and environmental effects. This has reshaped the status and role of the planner, which has been moving between two extremes: being a plenipotentiary actor to define and propose the plan or being the facilitator of a process in which decision making is not of his competence.

New concepts, such as ethics, inclusion, multiculturalism, tolerance, among others, are setting the planning that has been called postmodern, and these are the concepts which, thanks to globalization, burst into the developing countries influencing national, regional and local politics. This work aims to make a trip to the final years of the evolution of planning theory to define what the current situation is.

2. PLANNING TRENDS SINCE THE MID-TWENTIETH CENTURY AND THEIR CONTRIBUTIONS

Planning theory that had arisen from Saint Simon in the eighteenth century and was based on the scientific criteria to guide decisions (Cazorla, 2004), was fed by more than two centuries with a series of contributions from different thinkers who sought to refine and ameliorate its effects, but always with a kind of rationality that was called deliberative, which had as its main concern, the relationship between beliefs and action. Since the mid-twentieth century, there began a process of questioning this type of rationality and appeared a rationality more interested in statements (communicative rationality), based on the theory of the communicative action (Habermas, 1987).

These profound changes in thinking have led to the emergence of a series of planning proposals, a process never seen before, each of which affects a particular aspect of the complex context of planning activity; this is how advocacy planning, transactive, communicative and radical among many others emerge. Next, will debate, in chronological order, four of them that are considered most important.

2.1. Comprehensive rational planning

Appears in the mid-twentieth century, from the planning of the University of Chicago and was the dominant model in the two decades following the Second World War. It comes out of the synoptic model for decision-making of Herbert Simon (1945). Dapena (2006) indicates that Lindblom and Simon together with Etzioni believed in instrumental rationality. It is evident when considering the technical and social science could make great contributions to world development and that planning itself could be an important tool for social progress.

Also called master planning, this approach was progressively refined with the addition of a problem, need, or opportunity to be addressed;

goals, objectives, and criteria; the generation and evaluation of alternatives and explicit links to implementation (Lawrence, 2000).

The shifts in Comprehensive Rational Planning are (Taylor, 1999): First, an essentially physical or morphological view of towns was to be replaced with a view of towns as systems of interrelated activities in a constant state of flux. Second, towns were seen in terms of its social life and economic activities. Third, because the town was now seen as a 'live' functioning thing, this implied a 'process', rather than an 'end-state' or 'blueprint' approach to town planning and plan making. Fourth, all these conceptual changes implied, in turn, a change in the kinds of skills, or techniques, which were appropriate to town planning. (See the Figure 1).

Figure 1. The shift of comprehensive rational planning
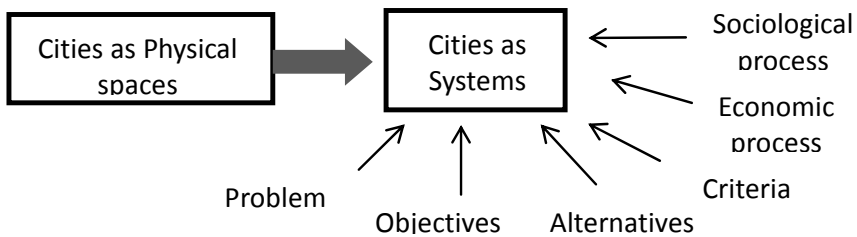
Source: Own elaboration

This raises a new image of planning that, according to Friedmann (1987) and Beauregard (1996), has the following characteristics: a) The control and perfection of reality through the identification and manipulation of society's 'internal logic'; b) The use of planning to drive society towards 'progress'; c) The belief in 'critical distance' between planner and planned; and d) The use of master narratives and comprehensive solutions as a basis for decision making.

These early changes in the planning model, however, fail to respond adequately to the great changes that are generated from the Second World War and, in the late 60's, the model began to show its

shortcomings, which coincide with a series of global events, the most important was the student revolution of 1968, that establishes a rejection of consumer society, causing further breakdown of certain conservative concepts of the time. On the other hand, environmental movement becomes stronger and questions the process of economic development and natural resource degradation, accusing the planners for not taking this into account.

Almendinger (2001) points, although planners were becoming increasingly involved in environmental matters, they remained aloof from the wider debates on environmentalism, insisting on a 'professional detachment' from such political issues. The other problem for planners was that the growth in environmental concerns highlighted and exposed their lack of foundational knowledge, particularly regarding issues such as pollution and ecology. A change in the planning called rational, modern or Euclidean comes up, and new ways of understanding the planning that seeks to modify its foundational basis appear, replacing, especially the top-down approach by a bottom up approach (advocacy planning, transactive planning and collaborative communicative planning). It is important, however, to point out that rationalism has persisted despite the criticism it has received. This may be due to the psychological reassurances it provides practitioners (Lawrence, 2000).

2.2.   Advocacy planning

The Advocacy approach in the 60s emerged from the work of Davidoff (1965), who was concerned because the rational model was extremely focused in the means leaving the ends aside of their approach. For him it was necessary to find mechanisms for planning to become truly pluralistic and inclusive.

The role of the planner, according to this approach, is to defend the weak groups in society against the strong. It is important to point out that Davidoff was not totally against rational planning but sought it may

favor the poorest and most excluded. In fact, the first proposals of Advocacy Planning establish that the planner use his criteria and capabilities to help the poor but leave them out of the proposal. Sandercock (1998) indicates that planners have become ventriloquists for poor communities, as they represented, but did not give them a voice in the process.

This approach over time was also modified; appearing lines that not only gave room for a real participation of communities, but also allowed them determine more technical aspects such as research and development plans. In this regard, Peattie (1994) indicates that the role of the planner as formulator and producer of proposals was ignored.

Another line of this approach advises that planners should use their expertise to empower excluded groups. In this approach, the planner should not only provide information to independent groups, but also had to be in a position to help these groups to create their own identity, as indicated by Clavel (1994): a) Study the basic self-identifications of communities; b) Learn the processes by which these self-identifications change; c) At the same time, study the local economy through more technical processes; and d) Look honestly at the information available from interviews showing where the community stands with regard to the technical work of planning.

According to Lew (2007), Radical Planning, which includes the different perspectives of Marxism and environmental activism, is another form of advocacy planning. Sustainable development is also a form of advocacy planning, though often less confrontational. On the other hand, Norman Krumholz, Jonh Forester and Robert Mier, from the Advocacy approach, propose equity planning (Krumholz, N. & Forester J., 1989; Mier, R., 1993), defining planners as those who consciously seek to redistribute power, resources and participation, getting away from local elites and benefiting residents, poor citizens and working class. Advocacy planners were, in general, accused of being overly obstructive and failing to offer positive alternatives. They were also criticized for being too

simple, conceiving the community as having a single interest instead of seeking how to articulate, within it, various conflicting interests.

After having presented several discouraging cases, Piven (1970) goes on to say that: What all of this suggests is that involving local groups in elaborate planning procedures is to guide them into a narrowly circumscribed form of political action, and precisely that form for which they are least equipped.

2.3.   Transactive planning

The Transactive Planning approach (also known as Post-rational Planning) developed as a response to perceived deficiencies in the advocacy planning process (Lew, 2007).The first theorist of planning that articulated this proposal was Friedmann (1973), when he presented a critique of rational planning model because it tended to emphasize the aspect of making decisions over the taking action aspect. This criticism, together with the work of Pressman and Wildavsky, brought attention to something often neglected, greater care in public and political decisions that at the time didn't result in the necessary action to get their objectives (Dapena, 2006).

Transactive Planning is based on social learning theory and transactive (interpersonal) interaction (Friedmann, 1973; Healey, 2003). The planner brings process knowledge (theory, methodology, skills, and larger societal perspectives) to facilitate shared understanding among people or clients, who bring personal knowledge (experience and local conditions and needs) to the planning process (Figure 2). A mutual learning process occurs as the planner and client are recognized for the equal value and importance of the knowledge they each contribute. The goal is to build self-learning and intelligent institutions that are able to self-adjust to a changing world. This requires a meta-level of planning—"the planning of planning"—and typically results in the creation of community-based development and oversight organizations (Lew, 2007).

Figure 2: Social Learning in transactive planning

Theory, methodology, skills,
societal perspective

| Planner (Expert knowledge) | → ← | Community (Experiencial knowledge) |

Experience and local
conditions and needs
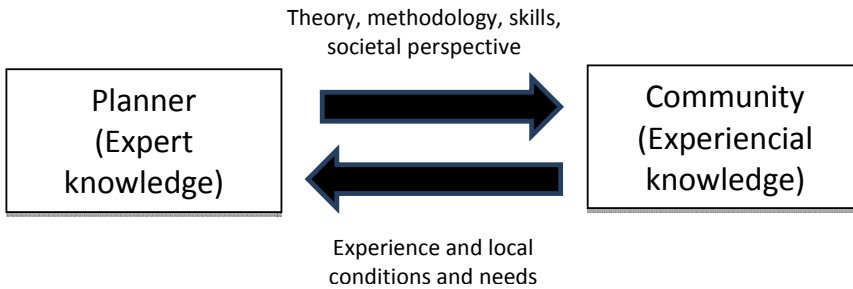
Source: Own elaboration.

Friedmann (1993) presents a new way of looking at the relationship between time and space, indicating that the time for the planner is the actual time to act, and that actions are often based on small successive changes that show new possibilities for the future; from this point of view (Friedmann, 1993), planning becomes less a way of preparing documents, such as analyses and plans, and more a way of bringing planning knowledge and practice to bear directly on the action itself. As for the space of planning, he points, we need to privilege regional and local over national and transnational space. This leads to a decentered view of planning. In this regard, it details why change is needed: First, we must be more attentive than ever to regional and local variety and difference. The problems and conditions of planning are not everywhere the same, and it is the specificities of place that should be our guide. A second reason is the increasing presence of organized civil society in public decision making. This is a relatively new but increasingly salient phenomenon in the public life of cities and regions. A third reason is that regions and localities are the spaces of people's everyday lives (Friedmann, 1993).

There are five requirements established by John Friedmann (1993) to define, from the transactive planning, a new form of planning that has been called not Euclidian:

a) Planning must be normative, considering specific values such as democracy, inclusion, diversity, quality of life, sustainability, equity, among others.

b) Planning must be innovative, looking toward creative solutions to the social, physical, and environmental problems that rise to political consciousness in the public domain. Cazorla *et al.* (2004) suggests that this goal requires a high level of information and an ongoing assessment of management processes.

c) Planning must be politic; implementation is therefore built into the planning process as a critical dimension, involving strategy and tactics designed to overcome resistance to change within the limits of legality and peaceful practice. But to act strategically is already to act politically; it means taking power seriously as a crucial element in planning.

d) Planning must be transactive; two kinds of knowledge are especially pertinent in the search for solutions: expert and experiential knowledge. Planners are usually identified with the former; the latter is the uncodified knowledge of people who will be affected by potential solutions. (Cazorla *et al.*, 2004) stresses in this transactive planning the effectiveness of small groups among practiced dialogue and social learning. The application of transactive processes, learning by doing, allows adapting methodologies as the processes move up to the final results. Furthermore, this process allows to incorporate into the methodology many issues not initially covered that become relevant as you move forward in it (Delos Rios *et al.,* 2002).

e) Planning must be based on Social Learning; the social learning model of planning argues for an open process with two main characteristics: critical feedback and a strong institutional memory. Aperture requires democratic procedures.

This approach has some detractors, such as Alexander (1994) which states that planning in the sense of knowledge fused with action is a myth. At most it can be a reduction of planning from a formalized deliberative and interactive process that demands its own allocation of time, resources, and expertise, to a more condensed, intuitive way of generating a strategy of action simply by face-to-face interaction between participants.

On the other hand, Lew (2007) argues that the major challenge of the transactive planning approach is the level of time and personal commitment that is required by the planner.

2.4.   Communicative and collaborative planning

Communicative and collaborative approach (CPT) was founded on the ideas of John Rawls, but with the distinction of building on the theory of communicative action of Habermas (1987). The first proposals of the communicative approach were made by John Forester (critical planning), proposing the change in planning towards a communicative rationality; planning, for him, is a form of critical listening to the words of others and the observation of their nonverbal behavior (Dapena, 2006).

In this approach there are elements of other theories, such as the importance of dialogue and unity of expert knowledge to the experienced of the transactive approach, negotiation and agreement between interests and attempt to counteract the imbalances of power in favor of the most disadvantaged of advocacy approach. This approach is configured so that, as indicated by Lawrence (2000), involves two overlapping components, one that focuses on the communications act, and the other that concentrates on consensus building and collaborative visioning.

From Theory of Communicative Action (Habermas, 1987), a set of ethical principles is established, outlined in the fact that everyone has the right to participate in the dialogue, everyone has the right to challenge the claims of anyone, everyone has the right to declare his own

statements and express his attitudes, desires and needs, and no one can be excluded by internal or external coercion. In addition to the mentioned by Habermas (1987), the collaborative approach, according to Sager (2009), proposed that the communication between participants should be comprehensible, factually true, sincere, and legitimate within the normative context of public planning, nothing should coerce a participant except the force of the better argument and participants should be committed to reaching mutual understanding in dialogue free from strategic action. Collaborative approach is based on delegating responsibility for planning to stakeholders who engage in interest-based negotiation to reach consensus agreement on plans. (Susskind et al., 2003; Wondolleck & Yaffee, 2000).

Communicative planning style is commended as a respectful, interpersonal discursive practice adapted to the need of liberal and pluralist societies, where one social group cannot legitimately force its preferred solutions to collective problems on other groups. The aim is to promote the deliberative aspect of democracy and create and protect the conditions for deep and genuine civic discourse (Sager, 2009).

Collaborative planning's promoters explain that it offers many advantages over conventional methods of planning. First, it is more likely to resolve conflict than more traditional expert driven processes because it provides a forum to allow stakeholders to negotiate agreements that meet the interests of all parties; second, support for an agreement is increased if all stakeholders are involved in the planning process; greater support for the final agreement subsequently increases the likelihood of successful implementation; third, agreements reached may be of higher quality as a result of increased dialogue and the broad array of experience and knowledge multiple stakeholders bring to the table; fourth, it can generate social capital through improved stakeholder relations, new communication skills, and better information (Cullen, et al., 2010).

The collaborative approach, however, is criticized for the alienation it generates among community leaders, who assume more the planner

interests than their own, showing its ambiguity because it can also operate as a tactic used by authorities to pacify unruly protesters. It is also accused of facilitating the development of the neoliberal economic system, which again shows its duality, because even though it can give citizens more influence, it can also serve the interests of entrepreneurs to build local neo-liberal regimes. Another criticism arises due to the illusory quest for consensus between incompatible positions (Sager, 2009).

Moreover, collaborative approach has assumptions such as (Flyvbjerg, 1998; Huxley, 2000) that the exercise of (negative) power can be somehow contained, neutralized or wished away (through the planning system), or will anyway be of an intensity where differences between actors occur only at the level of speech or ideas and can be overcome through. This does not occur in all situations where, for example, patriarchy, ethnicity, social class and other factors related to culture and societal organization are not so easily overcome.

Often, more powerful stakeholders may be reluctant to participate because they can achieve their objectives more effectively through other avenues. Even if all stakeholders are motivated to participate, some stakeholders may be more powerful and may be able to achieve their objectives without considering the interests of less powerful stakeholders (Cullen, et al., 2010).

Bengs (2005) argues that planning reduced to communication is a political statement in line with the building of a neo-liberal society, but fairly unfit for the pursuit of say sustainable development. Planning reduced to communication refutes the idea of the existence of something called a public interest. In a series of European policy documents, however, the idea of sustainable development is explicitly stated as a public interest, a fundamental point of departure. If current planning theorists refuse to recognize the existence of a public interest, other more up-to-date professions may soon replace planners. (Archibugi, 2004).

3. POSTMODERN PLANNING

After reviewing the main theories of planning, we should mention the challenge of postmodernism, whose ideas include the limits of science and positivism, the multiplicity and ambiguity of meanings, perspectives and experiences, the ubiquity of uncertainty and complexity, the need for sensitivity to differences, among others(Lawrence, 2000). In accordance with this new challenge, planning is no longer an exclusively integrated and coordinated action, but more negotiated and political; less oriented to papers and more people centered. Part of it also involves an acknowledgement that modern cities are increasingly inhabited by different ethnic and other social groups, with a diversity of cultures and interests. A postmodern community-based planning, which is sensitive to cultural differences, would therefore dispense with the idea of an overarching public interest because this tends to exclude difference (Taylor, 1999).

Almendinger (2001), points that planning is shifting towards accommodating some of the themes of new times within the limits of largely modern constraints. Both the practice of planning and its development strongly suggest aspects of both modernism and postmodernism. The overall practice of planning, therefore, can be considered to be one of confusion - a confusion that is definitely not solely modern. The amalgam of influences upon local practice including the 'locality effect', a centralized government system that places the responsibility for implementation and interpretation upon local government, the discretion afforded to planners through their historical professional status and the increased politicization and fragmentation of local opinion all combine to make the practice of planning an alloy of modern and postmodern.

Analyzing changes in the theory of planning since the end of World War II, some planning theorists have suggested that the theory of planning has been fragmented into a plurality of different and even incompatible theoretical positions or paradigms, some of them not

discussed in depth in this article. However, Taylor (1999) expressed skepticism about that idea and mentions that although there have been significant changes in the philosophy of planning, there have also been significant continuities, and mentions that paradigm shift (term used by Thomas Kuhn) should refer to describe changes in the thinking of revolutionary history. Archibugi (2004) suggests that planning theory would work much better in the neglected direction of the integration of the approaches. In searching for such an integration of approaches, planning theory could discuss how to make connections, logical and methodological, among the different scales of planning (suburban, urban, metropolitan, regional, national, international, global), among the different sectors of planning (agricultural, industrial, commercial, services, governmental), and among the different units of planning (communities, unions, associations, 'stakeholders', political institutions).

In summary, following this historical review of planning approaches, we could say about postmodern planning: a)Rationalism is no longer the "centerpiece" of planning theory. Instead, scientific analyses has been increasingly relegated to a technical support function; b) Planning is generally recognized as a collective activity, but an activity that marries process (communications and collaboration) and substance. The substance of planning encompasses social, ecological, political, and economic objectives, perspectives and knowledge; c) Planning is a "value-full" activity with ethical implications. The explicit integration of values and ethical principles into all aspects of planning is essential; d) Planning theory must be grounded in and informed by planning practice, e) Planning theories and approaches should be designed and refined to suit and to selectively influence decision making and relevant contextual characteristics (Lawrence, 2000).

3.1.   Key words in postmodern planning

In this part of the document, I would like to emphasize the ideas that currently accompany postmodern planning and that are the same that,

together with globalization, are beginning to be discussed not only in the countries from which they arise, but around the world. The idea of this chapter is to understand the principles that have originated these concepts in order to understand their effects.

3.1.1. Inclusion and dialogue

The Declaration of the World Planners Congress in 2006 states: "We are for planning as an inclusive process". Dialogue is critical in planning because the principles of an open, honest and truthful communication of Habermas implies that communicative planning must be inclusive and admit radical otherness (alterity) into dialogue (Sager, 2009).

The ideas of inclusion and dialogue are based in the Levinas thought, mentioned by Sager (2009); inclusion means engaging with the Other in dialogue. As there cannot be any instrumental thinking in the ethical relationship, the subject is not to expect reciprocity in the dialogue; to recognize the Other is to give and not at all to consider what is in it for oneself. As soon as calculation enters the scene or reciprocity is sought, the pure alterity of the Other disappears and the actors exit the ethical plane. The Other may be responsible for me, but that is his or her own affair and of no consequence in defining my moral obligations. The ethical relation is irreducibly asymmetrical and unidirectional; it leaves the subject as a 'hostage' to the Other (Sager, 2009).

Lipari (2004) contrasts listening from hearing. Listening is a process of contraction, of stepping back and creating a void into which the other may enter. It is the distance 'I' create so that 'you' may come forward. Listening can be an act of respect, making manifest that we ''take the Other seriously'', rather than treat them instrumentally, bureaucratically, inhumanely.

While inclusion and dialogue are important words in the theory of current planning, they are criticized in its extreme use because, as mentioned above, when discussing communicative planning, building on

dialogue and a fully open position may be utopic and may generate a great loss of resources and it would deviated from the goal to be achieved. Thus, the approaches of Habermas (1987) and Levinas (1969) supplement each other since, while the first emphasizes reciprocity, symmetry and mutual recognition of relationships, the second emphasizes the non-reciprocity and asymmetry.

The concepts of dialogue and inclusion, though not directly, create democracy as a value that is always intended. Democracy, understood as the organizational system in which the ownership of the power resides in all of its members, goes a step further when it comes to participatory democracy, because it is seeking mechanisms or institutions for participation with the purpose of achieving full respect of minorities, their views and their ample manifestation. To achieve this requires a decentralization of power and decision-making.

3.1.2. Politics

Modern planning stated that the planner could not be linked to politics, but in everyday life, the planner has to balance the needs and desires of different individuals, set priorities and make decisions that will inevitably reflect their inability to meet everyone's needs.

Politics allows the right place to put the concepts of inclusion and dialogue because (as emerges from the thought of Habermas, 1987) politics is an area in which the individual can reasonably expect to be treated with reciprocity by the other. The self is restored to a position that may require the suspension of the unidirectional responsibility. Reciprocity emerges here as impartiality demands that I take the interests of every other into account, including myself, as another to the others (Hendley, 2000). The planner, as a relatively new player, helps to redefine political debate, producing new sources of power and legitimacy, changing the force field in which we operate. (Sandercock, 2004).

In the Levinas thought, the presence of the Third inspire the creation of institutions, laws and the State, that is, it belongs to the realm of politics. Politics is understood as the (epistemological) realm of decision-making in contrast to ethics, which belongs to the (phenomenological) realm of the encounter with the Other (Murray, 2003). Due to their general application, laws do not take into account the human uniqueness and otherness and even in the most enlightened and liberal societies, the laws tend to oppress the person from the perspective of Levinas. The question then is, how to prioritize between competing rights and obligations to act in accordance with the principles of ethics in the public sphere? Friedmann (1994) argues that politics is of the essence in a process that involves not only planners and bureaucrats but many other interested parties. How planners will act in this maze of interdependencies hinges on where they stand, and whose interests they are committed to defend.

3.1.3. Responsibility and ethics

Planning in postmodernism has always been concerned about ethics. Professional ethics become more urgent as soon as the planning extends from western countries to other countries where the planner finds new risks to develop responsibly his profession.

At the individual level, planners can and should ask themselves hard questions about their potential involvement, and be willing to walk away when the answers suggest they should. At the organizational level, policies and procedures should recognize the special nature of international work. This indicates screening people to ensure that those with the right mix of skills, including communication and other 'soft skills', are selected for such work, and providing adequate support and training to those going overseas for the first time (Ball, et al., 2008).

National planning associations, especially those whose members are increasingly engaging in international work, also have a crucial role to

play in fostering a culture that encourages such reflection and encourages a high level of professional responsibility (Ball, et al., 2008).

Gunder y Hillier (2007) indicate that planner's responsibility is tested aiming to counter the hegemonic order of spatial planning decision-making which is not simply blind to, but wilfully ignores, the existence and the needs of the other. It would emphasize responsibility as care for others (human and non-human) as a fundamental feature of being human.

The concept of power and its influence on the ethics of planning has two different approaches, that of Habermas (1991), for which power can be countered by establishing an ideal dialogue, so professional ethic is related to the contribution to this dialogue, on the other hand, Foucault (2010) argues that power is ubiquitous, accepting it as inevitable and emphasizing its potential, both constructive and destructive. From this last thinker emerge a number of concepts that have been taken up by Flyvbjerg (2001) in the social sciences and allow him to raise the Aristotelian idea of *phronesis*, which concerns the analysis of values - things that are good or bad for man - as a starting point for action. *Phronesis* requires an interaction between the general and specific: it requires consideration, trial and choice. More than anything, *phronesis* requires experience (Flyvbjerg, 2001).

Flyybjerg (2001) refers that the principle objective for social science with a phronetic approach is to carry out analyses and interpretations of the status of values and interests in society aimed at social commentary and social action. Further, it is in 'their role as *phronesis*', the study of particular norms and values as to what is desirable, how these values arise and what should we do in response, not universal theorising that 'the social sciences are strongest where the natural sciences are weakest'. Analysis of the case should focus on the values embedded within it, with each interpretation based on robust claims of validity. More about this will be discussed in the following section.

3.1.4. Contextualization y multiculturality

One of the criticisms made of current planning is the difficulty in applying theory to practice. This interest of the theoreticians of the planning in the practice has been accompanied and supported by a growing body of empirical research, using research methods, especially if to document and analyze the facts in order to build and test the theory. Lauria y Wagner (2006) had tracked the investigations published from 1980 until present. For over two decades planning theorists and researchers (in the USA, Canada, the UK and Europe, but far less elsewhere) have shown a strong and growing interest in planning practice and are increasingly carrying out empirical studies of practice to develop theory. They note that the number of empirical studies quadrupled in the 1990s and is poised to increase by 50% again in the first decade of the new millennium (Watson, 2008).

Without certain levels of reflection, there may be a tendency to assume that this globalized world is to some extent homogeneous and therefore that technical expertise can seamlessly be applied anywhere. Similar assumptions have often been made about the transfer of institutional design and public policy (Alonge, 2004; Evans, 2004).

Many theorists (particularly neo and critical pragmatists) therefore claim less of an interest in developing 'a' theory, and rather in how lessons can be gleaned from studying decision-making practices in context, and made more generally useful. Some question if they are, or should be, doing theory building at all (Watson, 2008). Friedmann (2003) counter to this a-theoretical stance implies that the neo-pragmatists are bluffing: there is no planning practice without theory, he argues, even if the theory is not named or not consciously used.

Sometimes, the clash of rationalities, or the differences in world-view between the various parties involved, is so great that it is difficult to believe that any amount of discussion or conflict resolution could

overcome the divide and achieve consensus: differences go far beyond speech level misunderstandings or an unwillingness to see the others point of view (Watson, 2003).

It would appear that there is an urgent need for planning theorists to think further on the issue of planning in a context of conflicting rationalities, recognizing the operation of power as it both shapes and maintains them. There is also a need to find ways of incorporating this understanding into planning education and professional development, in all parts of the world, allowing learners to challenge the normative value systems that are so often routinized in planning practices (Watson, 2003).

4. CONCLUSIONS

The different approaches to planning that have been happening since the Second World War have been building and enriching the planning practice with new concepts related to a new communicative rationality which constitutes the biggest change in planning that we now call postmodern because it is no longer based on reason from science and technology, but primarily on social construct reason. Thus it comes from the dialogue and consensus (see Figure 3).

After reviewing planning in post-modernity, it is difficult to establish the way planning will follow, especially because there are different proposals for it in the future. Sandercock (2004) indicates that planning is an unfinished social project. However, it is expected to deepen the concepts of inclusion, dialogue, ethics and contextualization.

An important aspect is the discussion on contextualization in the planning and the relationship of theory with practice and the idea of starting from specific to general and not the other way. For Archibugi (2004), for example, the crucial point for theory of future planning is to start with a rigidly restrained field of analysis—planning, in its different applications—and bring to it an enormity of points of view; those points of view remained until now very separate, to such an extent as to make

each one incapable of providing a truly integrated and comprehensive vision of planning. As mentioned above, there are authors who think it would be more useful to study the decision making practice in the context than developing theories. I believe that as long as planning theories keep being regulations, there would be no risk.

Figure 3: The shift of rationality in postmodern planning
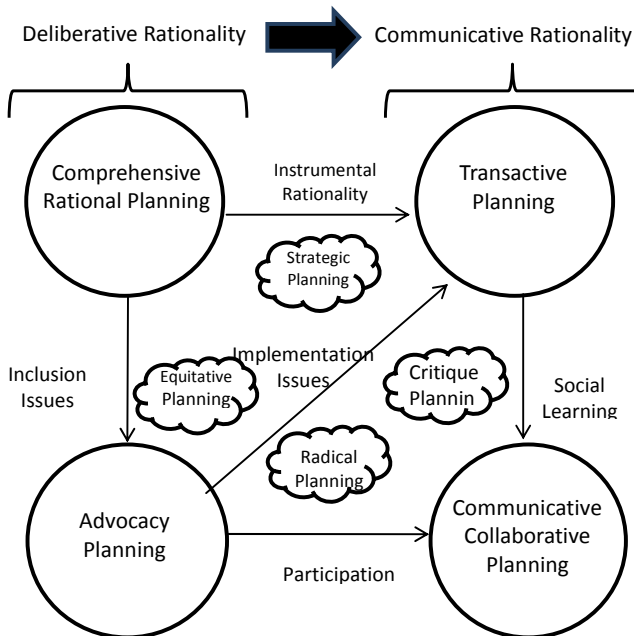
Source: Own elaboration.

Another aspect to consider for the future is the conflict between rationalities and trends of collaborative planning to give more value to consensus than to the purpose of it. There is still a lot to be determined, since not always consensual decision is best for the development of the community. In this regard, also Archibugi (2004) refers about the dangerous trend taken in planning theory; in essence: too much room for 'how do we do' problems and to little room for 'what do we know'

problems. And he would like to add more room to "what do we know about our needed know-how" problem. This last question, he observes, should become the core of the next planning theory. On this, the transactive proposal of agreement between expert help knowledge and experience can be of great.

Finally, the planning path should focus more on conflict resolution, taking into account the continued appearance of these in the use of territory in the world and, especially, in developing countries. Sandercock (2004) includes the phrase "therapeutic resolution of conflicts" wishing to show the possibility of transformation, that is, of something beyond a merely workable trade-off or band-aid solution. Just as in successful therapy there is breakthrough and individual growth becomes possible, so too with a successful therapeutically oriented approach to managing our coexistence in the shared spaces of neighborhoods, cities, and regions, there is the capacity for collective growth.

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CONCEPTUALIZING GOVERNANCE IN LATIN AMERICA

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ABSTRACT

Due to the diversity of interpretations and definitions given in Latin America to the terms *gobernabilidad* and *gobernanza*, this paper brings together and compares these definitions with the concepts of the Anglo-Saxon terms: *governance* and *governability*. After an anthropological analysis of these concepts, it proposes a definition of governance which could be applied in international cooperation projects for development in Latin America: the collection of all personal interactions in society which contribute to the creation of a common good, in order to resolve social problems or generate new opportunities.

1. INTRODUCTION

In view of the current international interest in the concept of governance, it is striking to see the conflicts faced in Latin America in order to define an equivalent term in Spanish. There are diverse interpretations and definitions when one tries to transfer the concepts within the Anglo-Saxon terms governance and governability and apply the terms gobernanza and gobernabilidad.

A revision of the concepts of these Anglo-Saxon terms and an analysis of the anthropological foundations of governance allows for the proposal of a definition of this concept in the Latin American context; and also, a proposal for the application of this concept in international cooperation projects that try to create a positive impact on governance.

2. THERE ARE CONFLICTING DEFINITIONS OF GOVERNANCE IN LATIN AMERICA

Although the interest in Latin America about gobernanza and gobernabilidad has its origin in the Anglo-Saxon literature, with the publication of the terms governance and governability, transferring the concepts of these Anglo-Saxon terms to the Latin American context have been quite diverse, generating both a semantic and conceptual debate.

Part of this conceptual diversity has been amplified by the manner in which international development agencies have used these terms. Both the terms gobernanza and gobernabilidad have been used to translate the concepts of governance to Spanish. European institutions such as the Organization for Economic Co-operation and Development (OECD), the European Union (EU) or Agencia Española de Cooperación Internacional (AECI), have a greater tendency of using the word gobernanza. While institutions such as the World Bank, the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP), use more frequently the term gobernabilidad.

However, the political context of Latin America has influenced the use of the term gobernabilidad; especially the individual political experiences of Latin American authors. As the institutionalism of government in Latin America has been weak for a long period of time; its own political formation; the way of understanding the issue of government and the influence of Marxist thinking in Latin American social sciences (Camou, 2001) have created a special interest in the issue of governability. As

Mayorga showed (2007) the leftist Latin American school of thought has favored a strategy of power without considering a strategy for order.

The following will show the definitions offered by various Latin American authors for the term gobernabilidad.

For several authors (Camou, 2001; Calderón, 2001; Prats, 2001; Coppedge, 2001; Campero, 2002; Mayorga, 2007), gobernabilidad is a quality of society which explains the socio-political stability of society.

However, for some of these authors, gobernabilidad is an effect of the type of government. For Camou (2001), Campero (2002) and Mayorga (2007), gobernabilidad is the dynamic balance between societal demands and the responses to those demands by the state/government. However, these authors also consider that gobernabilidad has undergone an evolution through time: if at the beginning was attributed to balance between the different authorities, for example the relationship between the executive and the legislature; now it has to be understood as the result of the relationship between more social actors.

In this way, Camou (2001) explains that the challenge of governing is knowing how to articulate the levels of political culture, institutions and actions with the political (state), economical (market) and social (civil society) sectors. This articulation must be held in several basic agreements between ruling classes and a meaningful majority of the population, and these agreements should be institutional in character. A similar approach is shown by Campero (2002).

However, for other authors (Prats, 2001; Coppedge, 2001; Calderón, 2001), gobernabilidad of the society is a quality which depends not only on the state, but rather it must be evaluated in terms of the actions of other strategic social actors as well.

Prats (2001) adds:

"A social system is able to be governed when it is structured socio-politically in a manner in which all strategic actors interact for making

authoritative decisions and solving their conflicts according to a system of rules and both formal and informal procedures, which may involve different levels of institutionalization, within which expectations and strategies are framed." (2001, p. 120)

In this sense, Prats defines strategic actors as "every individual, organization or group with sufficient resources to impede or disturb the function of rules and procedures for decision making and solving collective conflicts" (2001, p. 120), in such a way, as Mayorga mentions (2007), for Prats the strategic actors, rules, procedures or formulas and conflicts between these actors play an important role.

Coppedge (2001) is another author for whom gobernabilidad also relies on strategic actors in society and in which the socio-political stability must face issues of conflict. For this author, strategic actors are those which hold power in society, in such a way that gobernabilidad or socio-political stability relies on following stable formulas which are mutually accepted by these actors.

Calderón (2001) proposes that the objective of gobernabilidad is the political order which assures socio-political stability; and in the case of the democracy, the construction of a plural, conflictive and open institutional order. For this author, strategic actors are those who have a national project or a vision of society as a whole, which could be defined by three dimensions: gobernabilidad, competitiveness and social integration. For this author conflicts will be the result of the priority given to these components by the different interpretations or national projects.

For all of these authors, gobernabilidad is a quality which qualifies the level of socio-political stability in the society. For some forementioned authors, is an essential responsibility of the state/government; for others, is the result of conflicts between strategic actors. In both cases, the relationship in the society is observed as a power relationship.

Before completing this review of the concept of gobernabilidad in Latin American literature, is appropriate to mention that although several

authors (Camou, 2001; Campero, 2002; Mayorga, 2007) recognize that the origin of their reflections was promoted, in part, by the report The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission, of 1975; their definition of gobernabilidad has also been influenced by World Bank definition of governance, which was published in 1992: the abilities for managing the public sector; rules and institutions which create a predictable and transparent framework for public and private businesses; and the ability for economic and financial accounting (World Bank, 1992).

In this context, which prioritizes power and the relationship between the state and society, what does gobernanza mean?

For Camou (2001), gobernanza is only the establishment of the government's agenda, the design of politics, decisions and the evaluation of their impact. For him, gobernanza would be understood as an element of the concept of gobernabilidad.

Campero (2002) defines gobernanza as a technical ability of the State to respond to social and economic demands with efficacy and transparency. Similarly to Camou, he understands gobernanza as an element of the concept of gobernabilidad.

Mayorga (2007) points out that Latin American political science has elaborated models and paradigms of gobernabilidad which could be used as analytical tools; but on the other hand, "there are not models and paradigms of gobernanza" (p. 9). There are only "normative formulas of good government or punctual studies of interaction between actors, rules, public politics and levels of government" (p. 9).

This author also concludes that "there is not a text in Latin American literature which summarizes and systematizes the use of gobernanza" (p.7) and definitions vary according to the case studies, its focus or approach.

In particular, for this author, gobernanza passed from merely referring to the action of government or the exercise of governing a region; to

include, citing Elena Martínez, the Director of PNUD Bureau for Latin America and the Caribbean, "the framework of rules, institutions and established practices which develop limits and incentives to the actions of individuals, organizations and enterprises" (Mayorga, 2007, p. 4).

Mayorga's definition of gobernanza coincides with that of Camou (2001) at the starting point but his final definition is closer to the definition of governance proposed in a policy research working paper of the World Bank: "governance as the traditions and institutions by which authority in a country is exercised" (Kaufmann, Kraay & Zoido-Lobaton, 1999).

This analysis, about the concept of gobernanza, leads Mayorga to conclude:

> "It seems more appropriate to restrict the concept of gobernanza to the analysis of relationships between state and society, on their different jurisdictional levels, when the object refers to public policies, while the concept of gobernabilidad is more pertinent to a broader interpretation of the state relationships, political systems and society, or for an analysis of social systems, but not for referring to their components." (2007, p. 9)

Hence, all of these authors give more importance to the term *gobernabildad* than to the term *gobernanza*. For these authors, the level of social stability is determined by the quality of the relationship between the state and society in political decisions (Camou, 2001; Calderón, 2001; Mayorga, 2007).

There are other Latin American and Spanish authors who think that the concept of gobernanza is more relevant than the concept of gobernabilidad. For these authors gobernabilidad is a quality of societies: the ability for governing; but as this ability relies on the order in society to this objective, gobernanza would be to gobernabilidad as the cause to the effect. Thus, they make more emphasis in studying gobernanza or the different ways for governing a society.

Among these authors is Jolly (2003), who after several projects in Colombia, and using the French literature, points out that gobernanza is "a coordination process of actors, social groups and institutions in order to reach goals which have been discussed collectively in fragmented and uncertain environments" (p. 12).

And to develop a definition with a broader application, he includes the territorial variable, and adds:

> "To conceptualize gobernanza suggests to understand the articulation of different types of regulation into a territory, in both aspects political and social integration and abitlity for action. To conceptualize it implies to examine again interactions between civil society, state and market and new compositions between these different spheres whose edges was deleted." (p. 12)

For Jolly (2003) gobernabilidad is "the capacity of societies and their political sub-systems to make decisions or initiate actions in reaction to demands and needs that occur within them" (p. 11). In this way, for Jolly (2003), governability is the ability to be governed; while gobernanza is the particular manner of governing, or according to Muller and Surel, "a way of governing"; however a mean of government which differs from the concept of local government, for this reason he adds, again cites Muller y Surel:

> "A coherent public action (…) is not only defined by the action of a relatively homogeneous and centralized political-administrative elite (…), but by putting into action multi-level and multi-actor coordination. The result of which is always uncertain, and depends on the ability of public and private actors to define a common ground, and to utilize competencies of different actors and to implement formulas of responsibility and legitimization of decisions." (p. 12)

Balbis (2001) translates the English term governance as *gobernancia*, and points out "first of all, it is a manner to refer to the issue of politics indirectly" (p. 24). He later adds: "this practice of good governance implies reforms which call for new articulations between the state, society

and the market as they relate precisely to the new role assigned in this context to NGOs" (p. 24). And citing Alcantara, he states that good gobernanza means "to create consensus, to obtain the agreement or needed acceptance to carry out a program, in a scenario where several interests are at stake" (p. 24).

From his personal experience in rural development projects, Moyano (2009) points out that the success or the failure of development projects in rural areas with similar human resources and material resources depends on the existence of good interaction between the different institutions and agents involved. This interaction has to offer the necessary infrastructure to generate trust among population, to mobilize to social actors (individuals and the collective) and to make cooperation between them easier. This author concludes:

> "Gobernanza is a system of articulation of actors, collective or institutional, public or private, where, by coordination, transforms unavoidable conflicts of zero-sum, where someone wins, but another loses, into conflicts of a non zero-sum, where everybody wins if they reach a consensus about common interests. For governance to be an articulation of interests, the current actors in territories have to trust each other as a necessary step towards cooperation." (Moyano, July 19, 2010)

This author also highlights, that the key to gobernanza is integration. Gobernanza promotes ideal conditions for integrating all development projects of a particular territory under a common social, economic and environmental strategy.

According to this view, gobernanza helps to understand that the main relationship in society is not that of the state and society, but rather the relationship among all the actors within the society. So it translates the focus toward an area of common responsibility of distinct actors within society; and, hence, it is not part of the sphere of the state/government.

Up until this point, the concepts within the Spanish terms gobernanza and gobernabilidad in the Latin American context have been reviewed. As these terms have their origin in Anglo-Saxon literature, it is important

to analyze the concepts of the terms from which they originate: governance and governability.

2.1.   Definition of governance

According to the World Bank's concerns for the effectiveness of development efforts, the concept of governance was linked to the "capacities of the public sector management to encouraging the formation of the rules and institutions, which provide a predictable and transparent framework to the conduct of public and private businesses, and to promoting accountability for economic and financial performance" (World Bank, 1992, p. 3).

The World Bank proposed a first definition of governance, namely "the manner in which power is exercised in the management of a country's economic and social resources for development" (World Bank, 1992, p. 1). This document also points out that good governance is a synonymous for good management for development.

In this way, in the early 1990 and in the context of World Bank, the term governance had the following characteristics:

1. It is associated to the quality of public management.

2. To improve the governance on a society, the decision of the government is essential. The other social actors would only help through acts of pressure.

3. It is also necessary to develop institutions for public administration.

4. NGOs, universities, professional associations, associations of women and young people may help to control government's decisions and suggest solutions to problems in society. However, their participation is always viewed as reactive.

According to Stoker, for Osborne and Gaebler, in 1992, governance is a vision of the government which is beyond the direct provision of services, that is to say, "the potential for contracting, franchising and new forms of regulation" (p. 18). However, this conceptualization was qualified rather as an appropriate definition of new public administration by Stoker, Hood and other authors.

Reviewing several conceptualizations of governance, Stoker found that there is a baseline agreement "governance refers to the development of governing styles in which boundaries between public and private sector have become blurred" (p. 17).

Jessop (1995) points out that governance refers to every way of coordination of independent activities; more restrictively, it means self-governing.

According to Rhodes, governance is "a change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rules; or the new method by which society is governed" (1996).

For Stoker (1997), governance is the "interactive relationships between and within government and non-governmental forces" (p. 38). He points out that the essence of governance is the importance that it gives to mechanism of governing which are not based in an authority or penalties, and citing to Kooiman and Van Vliet (1993) concludes:

> "The governance concepts points to the creation of a structure or an order which cannot be externally imposed but is the result of the interaction of a multiplicity of governing and each other influencing actors."(p.38)

Therefore, for Stoker, governance is not a quality of the government, but it is rather a quality of the ordered society in which all different social actors make political decisions. Citing to Kooiman, he asserts that "governing from the governance perspective is always an interactive process because no single actor, public or private, has the knowledge and resource capacity to tackle problems unilaterally" (1993).

In 1999, a World Bank's work paper of research (Kaufmann, Kraay & Zoido-Lobaton, 1999) proposed a new broad definition of governance "the traditions and institutions by which authority in a country is exercised, and this includes:

1. The process by which governments, are selected, monitored and replaced,

2. The capacity of the government to effectively formulate and implement sound policies, and

3. "The respect of citizens and the state for the institutions that govern economic and social interactions among them." (p. 2).

This definition of governance includes more elements and actors than those included in previous World Bank's definitions of governance. It does not refer any more only to the quality of government; it refers to an independence of public administration; to activities of agents able to destabilize the government or break the rule of law; and to the role of media.

Later, Kaufmann (2003) states that the corporative sector, international or national, would have a role on the improvement of the governance "the particular corporate responsibility and ethic strategies that powerful enterprises (including foreign investors) choose to carry out can further improve or undermine national governance within the country" (p. 34). In 2005, Kaufmann precises that governance are "the traditions and institutions by which the authority in a country is exercised for the common good" (p. 82).

A working paper prepared by the Institute on Governance, Plumptre and Graham (2000) presents that there are four main actors: the government, the business sector, the institutions in civil society, and the media. As well, it proposes a outline where the size of the different spheres, which can overlap, because their borders are permeable, represent the relative power that each of these sectors have at each level of decision making in a society: local, regional or national.

In 2003, the Union European Commission put forward a definition of governance in the document *Governance and Development*:

> "Governance concerns the state's ability to serve the citizens. Governance refers to the rules, processes, and behavior by which interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in that context. Governance is a basic measure of the stability and performance of a society. As the concepts of human rights, democratization and democracy, the rule of law, civil society, decentralized power sharing, and sound public administration gain importance and relevance, a society develops into a more sophisticated political system and governance evolves into good governance." (COM 2003, 615, p. 3)

In 2004, the UNDP, in *Strategy Note on Governance and Human Development*, proposed the following definition of governance.

> "Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions— achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe."(UNDP, 2004, n.p.)

For Brinkerhoff (2005) governance is "the processes through which individuals and state officials interact to express their interests, exercise their rights and obligations,, work out their differences, and cooperate to produce public goods and services" (p. 200).

In these last definitions of governance appears more relevant for describing the interactions between social actors. However, these

definitions still give more importance to rules and institutions rather than to preparing actors for interaction with each other.

However, the conceptualization of governance proposed by Kooiman goes beyond this. It emphasizes the interactions between social actors as the main element of governance. Kooiman (2003) understands that the modern society is characterized by an increase of diversity, dynamics and complexity. For this point of view, the socio-political issues imply knowledge, political and technical, which usually is dispersed among several social actors. And finally, the objectives of government are not easy to define and are constantly being reviewed.

This increase of diversity, dynamics and complexity of the social reality requires new ways of governing, where the other social actors: the market and civil society are seen as serious actors; local issues have a distinct role from that of global issues; government agreements can vary from sector to sector, in accordance with their diversity. One actor is not enough to work efficiently, it is necessary to promote interaction, create socio-political structures and processes, stimulating communication and responsibility among actors taking into consideration their differences and integrating their different points of view.

Under this conceptualization, the governing of society is re-defined. It includes from limited actions of governing individuals to large scale effects, public and private, to determine main socio-political development (Kooiman, 2003).

In this way, for Kooiman (2003) the social actor is a dynamic subject who is defined by the relations which it develops with other actors. He emphasizes more the attitudes and competences of actors than the rules or institutions in society. In this sense, Kooiman points out "pragmatic (meta) principles such as openness to difference, a willingness to communicate, and a willingness to learn are important criteria in coping with societal diversity, dynamics and complexity" (p. 7). The focus is on people and on the relations which people can develop with each other.

Another difference between Kooiman's conceptualization and others is that it is not confined to a determined social sphere. It is applicable to all spheres, from local to global.

Finally, in 2005, Kooiman proposed a more elaborate definition of governance (interactive), taking elements from the definition which he offered on the government in 2003:

> "The whole of interactions taken to solve societal problems and to create societal opportunities; including the formulation and application of principles guiding those interactions and care for institutions that enable and control them" (Kooiman *et al.*, 2008, p. 2)

2.2. Definition of governability

The term governability appears in the 1970s, in the context of the cold war, in the Trilateral Commission report, *The Crisis of Democracy,* referring to the capacity of government of the societies that were analyzed in that report (Crozier*et al.*, 1975).

Kooiman (2003) considers that governability is "a quality of a socio-political entity considered as a whole" (p. 224); and which depends on many factors: natural; consequences of the decisions of the government; external or internal factors of that entity, and some of which cannot be managed by the system of government. Therefore, governability is the result of governance.

He would later say that as "Governors, the governed and the nature of interactions among governors and the governed all contribute to governability. Governability can therefore be defined as: the overall capacity for governance of any societal entity or system" (Kooiman *et al.*, 2008, p. 3).

Chuenpagdee *et al.* (2008), in applying the definition of governance proposed by Kooiman to a system of natural resources, he points out that governability is a quality which can be evaluated according to its

determining properties: qualities and functional aspects which make this system would be more or less governable. He thinks that measuring governability could help to identify areas where governance could be improved.

2.3.   The uses and concepts of governance and governability

A bibliographic revision of the Anglo-Saxon terms governance and governability makes it possible to identify that these terms involve different, however linked concepts.

Governance makes reference to the way in which different actors in a social system interact with each other to make a political decision; and thus, to govern. Governance is a level of action which is above the state; it considers the role of the state as a component of a whole, but governance does not give the state priority over the other social actors.

In this manner, governance emphasizes that public welfare is the responsibility of all members of society; and therefore, it calls for their participation in decision making, offering them a voice and also giving them a more active role in society.

Governance cannot be understood therefore as the improvement of the capacity of the state to meet social demands. As well, it cannot only involve an increase in the skills and abilities for management; it is necessary to aim for an improvement in the interrelation between the actors, for the improvement of the ability to accept the points of view of other members of society, which implies an openness to dialogue and acting rationally.

Governance looks toward the good of the whole. It means an approach which listens to different perspectives of the members of a society. It is a tool for dealing with the complexity and diversity of modern societies, while the perspective of one actor would be insufficient to diagnose causes of problems or propose solutions to them.

Governance is a quality which develops in the process of interaction between social actors; at the same time, it creates channels of understanding, and reduces prejudices among actors. This process affects people in society, who learn to trust each other, and take on roles working towards common goals. It is not the sum of individual efforts, but the sum of individual or group collaboration which together look for a satisfactory solution. Therefore, it is social learning, and as such it is an important element in local development.

Governance has as its goal the common good. This means that all members in society should be involve in managing the public domain; instead of the traditional approach, where public concerns are the sole responsibility of the state. The public concerns are the responsibility of the whole, because they are a component of the common good; the material manifestation of this good, but the common good can only be achieved by the improvement of people.

From all of the above, one can deduce that the concepts involved in governance differ substantially from those of governability.

Governability is a quality which aims for the socio-political stability of society, and that, as Kooiman points out (2003), it depends on many factors: natural; consequences of the decisions of those in power, external or internal factors; for this reason, some of them, cannot be managed by the system of government of a society.

From this perspective, governance is one of its components. It is a quality of the social actors which contributes to socio-political stability, but as socio-political stability exists in diverse and dynamic scenarios, each one of them puts this ability of interaction between the social actors to the test, showing in this way, that they are dependent qualities, but not similar ones.

Seen in this way, governability is also the result of a particular type of governance, in such a way, as Kooiman affirms (2003), starting from a

level of governability another function of the quality of governance is reached.

Finally, the use of the term gobernanza in order to translate the term governance; and gobernabilidad to translate the term governability seem more adequate. As well, this use has been implemented by official international organisms which have Spanish as one of their official languages.

3. AN ANTHROPOLOGICAL EXAMINATION OF GOVERNANCE

As previously mentioned, governance isn't simply a structure of political decisions. It has been defined by some authors as norms, values or institutions, but rather governance is interactions between people in society. This is an essential characteristic which places the emphasis in relationships between people, and not on political structures. For this reason is important to examine how the concept of governance relates to a vision of society as a manifestation of a much more profound reality; every social actors is essentially a person.

In this sense, the anthropological foundations of the concept of governance can be found in personalist phenomenology: a concept of man which describes it as a unrepeatable subject capable of intimacy, with an internal openness which allows for self-determination; who at the same time has a capacity to give in such a way that he cannot be described as an isolated being, but rather, necessarily, and openness towards his fellow men. This point of view considers the dialogic character as an essential characteristic of a human being, as is also proposed by Taylor, Levinas and Buber (Yepes & Aranguren, 1998).

3.1. Social life is essential for human beings

The concept of governance highlights the value of personal interrelationships in political decisions (Kooiman, 2003). In this manner,

governance helps to realize that social life is a demand of the human being which is not recognized by individualism. Individualism is the conception of society conceptualized in the XVII and XVIII centuries, where society was viewed as the whole of independent individuals who are united by a social contract in order to escape from the savagery, and looking for, an easier way to get all they need for a better way of life (Yepes & Aranguren, 1998).

This vision of a social life – individualism – has the following key characteristics:

1. The freedom of each person is a choice which extends until where the freedom of another person begins.

2. What a person looks for is, above all, their own interest: they are incapable of acting against their own interests.

Under this conception, society is the collective of autonomous individuals, for whom in order to exist, they do not have any other choice than to co-exist. Thus, co-existence could not be something natural, but rather a loss of individual freedom in order to gain security which, in any other manner, could not be possible.

At individualism not fit a conduct to share, to dialogue. Neither to accept a help or to make common tasks, because it considers that human being is self-sufficient and it does not need anything from other people (Yepes & Aranguren, 1998).

As Individualism is a partial vision of social life, it brought the creation of collectivism as a consequence; an entirely opposite stance. In this other vision of social life, everything is shared, and even the person is subordinated to collective objectives.

Neither of these ideologies understands, however, the meaning of the personal being. To be human is to co-exist (Polo, 1993). Therefore, the human being is naturally social; is not the result of an agreement, but it is in their nature "To be is to be with others, with the world" (Yepes

&Aranguren 1998, p. 181). A consequence of this reality is that interpersonal relationships are essential to a person, something that could not be eliminated without negatively affecting their personality.

Due to this, for Sellés (2006), the approaches of Hobbes and Rousseau, which proposed that society is an invention, a device; and the approaches of Hegel and Marx, and the political collectivisms and totalitarianisms or the general will of Rousseau, which subordinates people to society, are erroneous.

Therefore, the necessity for dialogue between people is essential "it is not only to hold a dialogue with others, but it means that human person is dialogical" (Sellés, 2006, p. 391). Human organizations must provide these spaces for dialogue if they wish to be anthropologically coherent.

3.2.   Governance demands a rational dialogue

The concept of governance calls for this quality of the human person, when it is defined as interactions between social actors. Jessop (1998) states "the key to its success is continual commitment to dialogue" (p. 35), and Kooiman (2003) also recognizes the relevance of this dialogical character "Interactions shape actors and actors shape interactions" (p. 8).

For Jessop (1998), governance means a constant commitment to dialogue in order to find and exchange the necessary information for reducing opportunism. This reduction of opportunism is also supported by the union of the social actors in different timelines, short-term, medium-term and long-term. As well, governance promotes an attitude of solidarity between social actors, which avoids the use of public resources in arbitrary investments.

Yepes and Aranguren (1998) point out that the rational attitude is the main good of the common good. They assert that social life is the exchange of rational ideas, in such a way the idea which is approved is not that which is imposed by force, but rather by using rational

persuasion to convince the rest of the people. In this sense, a rational attitude connects people.

A free society is governed by a rational speech, which identifies wills and purposes between those who govern and those who obey, in such a way that both of them share rational ideas, objectives and motivations for common goals.

3.3.   It demands a responsibility for other people in the society

The awareness that all people are equal causes solidarity (Llano, 1988), thus, "to get the necessary goods for a good life for everybody within society is the responsibility of the whole society, and not the responsibility of one individual" (Yepes & Aranguren, 1998, p. 183).

This approach leads to the responsibility; not only for oneself, as individualism proposes; but also for everyone within society. This is another characteristic of governance. The responsibility for solving social problems or achieving opportunities does not only belong to an actor, public or private, but rather it belongs to the collective.

In this manner, Kooiman (2003) points out:

"Responses to diverse, dynamic and complex societal issues require approaches involving previously uninvolved partners looking not only at the market (…) but also looking at civil society actors, as serious governing actors."(p. 3)

He later adds:

"Socio-political governance means using an analytical and normative perspective on any societal governance that is collective. Collective not in the sense that the care and development of these activities is looked upon as a public task (the state), a responsibility of the private sector (the market), or of the third sector (civil society) in isolation, but as a shared set of responsibilities." (p. 5)

Governance makes reference to the responsibility for common goods of society, and this responsibility is incumbent on the collective.

3.4. Governance is a decision making process where all members in society participate

Kooiman, in 2008, commented:

> "Interactive governance affirms that within governance, many actors in different positions and at different levels of society are involved. However, there is also a normative aspect of the equation, an understanding that the social participation in governance is an expression of democracy and as such, something desirable. Thus, we defend an ample participation in governance, from the normative perspective as well as from a practical point of view." (p. 3)

This practical point of view is what Kooiman (2008) refers to when he affirms that participation is a demand that stems from the diversity of current society, and at the same time, it is a consequence of the multiple personal interactions which occur within society:

> "In a modern society, diversity is the first issue to take into account: only the diversity of interactions of a government can help manage social diversity. The social actors are a construct of these interactions: interactions with others define their identities. For this reason, the only way to manage the diversity of the actors in a social system is to permit those actors to participate in the decisions of government." (p. 18)

In this way, governance emphasizes the reality that the construction of a society must involve the participation of everyone in that society; which Yepes y Aranguren (1998), from the anthropological perspective express in the following way:

> "But all imply that what an abstract entity does is not enough -the state- or that each person does their share –individualism-, but rather that it is only possible to reach social excellence if everyone takes part in the effort to reach a common goal, a synergy of forces brings forth progress." (p. 197)

From this practical point of view, this participation should involve integration in communities: groups of people who aim to achieve a common good and participate in it. Thus, the public environment is part of this common good, it is a place for working together towards a common goal, in this way achieving more than the sum of individual actions, each of them with their own goals and objectives.

As Yepes and Aranguren comment (1998), living in communities is most appropriate to human nature (Yepes & Aranguren, 1998). As such, communities should be promoted in a society, although the complete development of the necessary elements for these institutions can take a long time "uniting intelligences and wills is a slow process which can be ruined by minute disagreements and lack of dialogue" (Yepes & Aranguren, 1998, p. 187).

But, as these authors point out, this participation must be the result of a personal decision. Participation should arise from a personal choice: not from an external obligation, nor as a consequence of voluntarism; it should come from one's deepest personal convictions: the recognition of the social character of a human being. To be human is to co-exist, to cooperate, thus, it is to act according to solidarity, it is to participate in working towards a common goal.

This integration would be incomplete if it remained in the structural level. Those who become a group of people in the community are individual people, with their relationships on a personal level, with their smile, with their personal attitude, which cannot be imposed upon by regulations, but rather, it should come from their own personality. This is the dimension that Pérez-López (1998) calls the informal system of organizations: the everyday relationships, not the functional relationships of the organizational structure. They are the relationships that are founded in personal friendship: "human relationships, without friendship degrade the person, and the person is the motor behind all effective work" (Llano, 2000, p. 75).

Friendship, in this manner, is relevant in the integration of communities. This is one aspect that the literature on governance has not been able to fully catch sight of yet. Moyano (2009) highlights the importance of trust for the creation of an effective system of governance, but he does not manage to discover the role which friendship can play.

3.5. Governance as based in ethic values could lead to a more profound common good

Kooiman (2003) signals that ethical and moral questions are the essence of the sphere of governance: they are the foundation of socio-political interactions. However, for this author, there is not a fundamental objective, but rather the necessity to reflect upon and reach an agreement upon how society wants to be governed. He adds that in the academic environment of governance, there is a growing interest in the question of morality.

Sellés (2006), points out that an ethic to unite society can only be valid if it is supported by values which are in accordance with human nature.

> "Pay attention to the term natural, which prescribes the personal donations and personal acceptances which take place in accordance with human nature. In this way, if you replace this natural order, its offering and acceptance are not personal, because the person should not detach themselves from or go against their own human nature – this would denaturalize them to the extent of depriving natural manifestations of their personal meaning." (p. 396)

From this anthropological point of view, the ethical demands of governance should rely on the demands of human nature itself. For this reason, Sellés (2006) indicates:

> "If the only link for social cohesion is ethics, the biggest enemy of society is not a lack of money, of administration, of culture, of information, or of raw materials, etc., but rather ethical relativism, unfortunately widespread." (Sellés, 2006, p. 401)

However, Sellés (2006) also comments that:

"Human interdependence is necessary, not only when looking at the contribution of products that make human subsistence possible: food, clothing, medicines, etc, but rather and most importantly, in order to improve people according to virtue. This improvement is ethic." (p. 401)

An ethic which defends the demands of human nature leads to the consideration of behavior according to the virtues of the individual. If one understands, by common good, behavior according to the virtues of the individual and the collective, and the objective of policies are not only the accumulation of material wealth, but rather another kind of wealth: the development of the abilities and skills of the individual within the collective (Cardona, 1966). One can conclude that the concept of governance allows individuals to approach a social reality which is much more enriching: a virtuous order of virtuous individuals. The common good of a society depends on the personal qualities and their components of individuals, which will be reflected and built upon, specifically in relationships with others. As well, in the exercise of these qualities in order to solve problems and create opportunities; in a proactive and responsible manner; in this way, putting in practice the principle of subsidiarity.

4. CREATING A DEFINITION OF GOVERNANCE IN LATIN AMERICA

4.1. A brief description of the current context of societies in Latin America

Yepes y Aranguren (1998) present a brief description of modern society which applies perfectly to the current situation in Latin America.

1. Society is profoundly impersonal, anonymous. There is a lack of public spheres where each person can act under their own name and be recognized as such.

2. It has a high level of complexity which makes it necessary to find formulas to simplify the system and make it personal: see faces and not papers.

3. As a consequence of this, individual people are very distant from power centers: they participate very little in decision making; the exercise of authority is despotic, not dialogued; those who feel injustice are forced to protest as their voice heard; and democracy becomes a power struggle between smaller despotic authorities, trying to gain a greater share of power in order to impose their decisions.

4. An absence of responsibility for public problems is created: individual citizens believe that individual liberty only functions in a private environment. The distance between public and private is accentuated.

5. Pluralism of values quite often means the absence of values and ideals, which are instead substituted by consumerism and goods of a purely material nature; personal convictions and efforts are left behind.

4.2.   A Proposed definition of governance in Latin America

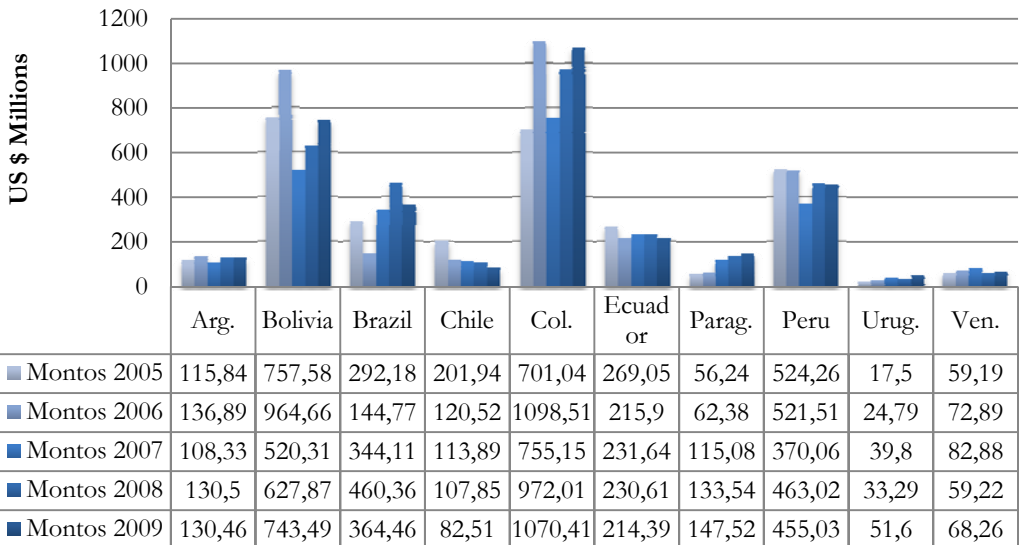In a context with these characteristics, a definition of governance should highlight the value of personal relationships, which calls for the responsibility of all members of society in public matters; to demand their participation, based on rational dialogue; to have as an objective the improvement of the material wealth which makes life more comfortable; but, above all, to promote personal development of the members of society.

For this reason, in the context of Latin America, governance is the collection of all personal interactions in society which contribute to the creation of a common good, to resolve a social problem or create new opportunities.

4.3.   Proposed applications of this definition of governance. It could help to design appropriate projects for development

Projects of international cooperation are an appropriate application of this definition of governance in the context of Latin America. On one hand, development assistance represents funding that by its nature is public, but it is not from the state, and as such, it is not subject to the restrictions of state order. Also, this funding represents significant amounts in various Latin American countries. See figure 1.

Figure 1. Amounts in Latin American countries

	Arg.	Bolivia	Brazil	Chile	Col.	Ecuador	Parag.	Peru	Urug.	Ven.
Montos 2005	115,84	757,58	292,18	201,94	701,04	269,05	56,24	524,26	17,5	59,19
Montos 2006	136,89	964,66	144,77	120,52	1098,51	215,9	62,38	521,51	24,79	72,89
Montos 2007	108,33	520,31	344,11	113,89	755,15	231,64	115,08	370,06	39,8	82,88
Montos 2008	130,5	627,87	460,36	107,85	972,01	230,61	133,54	463,02	33,29	59,22
Montos 2009	130,46	743,49	364,46	82,51	1070,41	214,39	147,52	455,03	51,6	68,26

Source: OECD. Date of access of this information: January 2011

As well, in many Latin American countries, processes of decentralization and the creation of intermediate levels of government have begun, which grant local governments degrees of freedom or ability to act with their own resources, in public initiatives, which are not strictly state-run.

It must be added as well, that projects of international cooperation have to meet demands in relation to greater participation of the beneficiaries; the criteria of having to assure its sustainability over time, and the necessity of generating their own resources; as well as the possibility of counting on the contributions of specialists in diverse areas and experts in planning, as much for the training of local actors as for the formulation of the activities.

Due to the nature of governance itself, applications which are suggested for its improvement must have a bearing on two independent, although linked levels. The first corresponds to the structural level: ways of organization which make it possible to classify interactions between social actors, in such a way that they have an impact on the improvement of governance (Cazorla *et al.*, 2005). This level of activity has been perceived by various actors (Moyano, 2009). However this is not enough, the initiatives need to have a bearing on the personal level as well, which is where the interactions between the social actors are finally founded. For this reason, the initiatives that are aimed at an improvement of governance must be oriented, as well, at eliminating obstacles which impede the development of trust between actors. Even, further on, the generation of ties of friendship.

Friendship between the different actors is an important component for adequate governance. An organization of individuals amongst themselves is only possible to achieve through a union of fraternity; and this union is always founded in what the individuals communicate to one another "Political friendship has its foundation in the communication of honest acts" (Saint Thomas of Aquinas, cited by Cardona, 1966, p. 83). For

which Cardona adds "this friendship is of absolute necessity for cooperation, (the) dynamic element of the common good" (p. 84).

4.4.   Limitations of this approach

Firstly, one of the most important limitations in the process of improving governance is the time necessary to see results. Governance is a quality which is acquired through its own process, and as it is a process of social learning (Friedmann, 1981), so the speed at which it advances is limited by the abilities of the weakest actors.

Processes of improvement of relationships between actors from different cultures who do not have the custom of interacting with each other require the assistance of external agents, who would help unite efforts, polish possible rough areas or misunderstandings, and eradicate prejudices between actors. In some cases, it is also necessary to count on the support of third parties with both technical and organizational abilities who help make more adequate decisions (Cazorla, 2007; Friedmann, 1993). However, this group of experts should be careful not to impose their own speed in decision making or make unilateral decisions without the integral involvement of the local social actors: their function is only as a support or catalyst, they are not the decision makers (Cazorla, 2007).

Secondly, in order for the action to have a direct impact on governance, the sphere of action must be local, because it is there which the interactions between the distinct members of society, in greater number and in a very close way, occur.

At the same time, various authors (Kooiman, 2003; Moyano, 2009; Stocker, 1997) propose that the interactions between three roles: the state, the market, and civil society, be considered. Of course, in some development programs, there has been success in the creation of some bodies consisting of representatives of the state, the business sector, and of families. This is the case of Grupo de Acción Local, typical of the

European initiative LEADER (Cazorla *et al.*, 2005), which Moyano (2009) highlights as a body with a serious contribution to local governance.

A concrete way to generate governance would be the promotion of communities conformed of social actors which act in representation of these three roles in society: the state, the business sector, and families. However, as the actors may include every member of society, and since governance must confront certain specific social problems or take advantage of certain specific opportunities, the participation of the members of society would be defined by the same proportion of the resources and means that they can contribute to the solution to the problem, or for to take full advantage of the opportunity. In each case, the resources need not be only material goods; they would also be knowledge, experiences, as well as skills and abilities.

Thirdly, it is necessary to act on the personal level, in such a way that the initiatives favor the personal relationships of the actors: personal circumstances, ways of being; relationships which will facilitate dialogue, due to a better understanding of the circumstances and reasons behind each other's decisions and actions. As well, in order to generate higher levels of trust, the initiatives should also promote friendship between the actors involved.

Finally, as governance has the common good of society as its objective, every action of the initiative should be proportional to this objective. Each of the actions must be ethical. It would be incoherent to try to reach an ethical end, if the means were not ethical

5. CONCLUSIONS

The ample character of governance and the diverse dimensions in which it may be applied make it difficult to transfer its elements from one cultural context to another. This has been the case, particularly in Latin America, where the concepts of governance, created in an Anglo-Saxon

cultural environment, have been transferred to the Latin American cultural environment, generating diverse definitions and interpretations.

A revision of the concepts of governance, an anthropological analysis of the fundamentals of this concept and of the current state of society in Latin America have made it possible to elaborate a definition of governance, applicable to this cultural context.

In this way, it is possible to affirm that governance is the collection of all personal interactions in society which contribute to the creation of a common good, in order to resolve social problems or generate new opportunities.

Keeping in mind the characteristics of governance, in the initiatives taken for its improvement, its limitations, its requirements and the spheres where action should be taken, must be taken into account. In this document, an analysis which may be used to orient initiatives for international cooperation for development in Latin America is presented.

As governance is a concept which gives principle importance to the interactions between social actors, the initiatives to improve governance have to work on two main levels of action. Most importantly, on the structural level, through the generation of new structures which make interaction between different social actors viable. Secondly, on a personal level, in such a way that the initiatives also consider taking actions which help develop personal abilities of the social actors to relate with one another: abilities involving communication, respecting the opinions of the others, an understanding of each other's cultural environments, and a better understanding in general of the other social actors on a personal level.

Finally, both dimensions, structural and personal, are associated with the generation of relational capital. Therefore, there is a close relationship between the generation of relational capital and its impact on governance. The initiatives which influence relational capital in a positive way create a climate conducive to the improvement of governance; and the initiatives

which have an impact on governance, will be a vehicle for the growth of relational capital.

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SOCIAL CAPITAL MEASUREMENTS FOR COMMUNITY DEVELOPMENT IN RURAL AREAS

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ABSTRACT

Social capital appears as an important element in economic development, in combination with other capitals, for its ability to increase the power of communities, households and individuals through relationships between people and groups and the organizations involved, which determine the degree of control over resources and their ability to negotiate with other actors. By non-economic factors such as trust, information flows and the norms of reciprocity within a community transaction costs are reduced and the chances of success and sustainability over time of projects increase. The definitions, components, sources and outcomes of social capital are abundant in the literature and consequently so are the methods used for measurement, with combinations of quantitative, qualitative and comparative methods. The indicators developed usually respond to the classification of social capital in its cognitive, structural and relational components and micro, meso and macro-scale. The components most often associated with the concept of social capital include social networks for the analysis of structural capital and norms of reciprocity and trust as indicators of cognitive and relational capital.

1. INTRODUCTION

The study of development of societies has been approached from several perspectives, trying to explain why some societies have achieved higher levels of welfare than other with similar geographical and economic resources (Moyano, 2005; Neira *et al.*, 2008). The analysis of social capital is one such approach, subject of numerous publications on its ability to increase the power of communities, households and individuals through relationships between people and groups and the organizations involved, which determine the degree of control over resources and bargaining power with other actors (Putnam, 1995; Durston, 2001; Grootaert & Van Bastelaer, 2002; Bhandari & Yasunobu, 2009). Its study as a factor in economic development arises in the 80's from a number of sociologists, political scientists and economists who believed that physical capital and human capital were not sufficient to explain differences in development processes among communities, so they recovered the notion of social capital present in sociology from the 60´s (Woolcock, 1998; Grootaert & Van Bastelaer, 2002; Moyano, 2005).

The term social capital includes non-economic factors such as trust, information flows and the rules of reciprocity present in a community that encourage collective action for the benefit of the community (Bhandari & Yasunobu, 2009). These factors were identified by the World Bank since the late 90's as crucial to the development of local communities (Moyano, 2005). These are matters arising from historical processes that generate particular combinations of social and institutional relationships that reduce transaction costs and improve the efficient use of other types of capital (Coleman, 1988; Fedderke *et al.*, 1999; Camarero, 2010) and that often help explain the differences of development between areas, beyond the availability of appropriate technology and the preferences of citizens (Moyano, 2005; Bhandari & Yasunobu, 2009; Camarero, 2010). In addition, several authors consider that the term also refers to economic factors, as for being a capital it fulfills the properties of economic capital, such as meeting the needs of individuals, be cumulative

and productive (Pérez, 2008; Camarero, 2010). As Camarero (2010) noted, as a productive resource, social capital has use and exchange value, as it improves the democratic quality of society by encouraging participation of citizens in government and improving economic efficiency by reducing costs of transaction resulting from the market economy.

The analysis of social capital and its empowerment can therefore be one of the differentiators in the success of development projects, since as pointed out by Grootaert and Van Bastelaer (2002), it can affect many aspects ranging from the provision of services in urban and rural areas, the influence on the expansion of private enterprises, improved management of common resources and education, conflict prevention, to the compensation for weak states. King (2004) summarizes the potential benefits of social capital highlighted by several authors, underlining the ability of individuals, groups or societies to achieve common goals, the greater coherence of action due to organizational stability and shared vision, reduction of transaction and information cost, improved efficiency, innovation and ability to complement and transform into other forms of capital and combine with them to achieve results.

Social capital can have negative effects, as noted by many authors, such as opportunistic behavior, exclusion of other groups or persons, abuse of power or conflict of interest (King, 2004; Woolcock, 1998; Neira *et al.*, 2008; Nardone *et al.*, 2010). Nardone *et al.*(2010) indicate that while bonding social capital can be positive in the early stages of developing a joint project to promote cooperation, in excess it can be an impediment to interact with other groups. It is therefore important to perform an analysis of the objectives sought and the strategies to achieve them. Given the influence that social capital may have in development processes, it must be taken into account in all phases of projects, because as pointed out by King (2004) and Neira*et al.*(2008) social capital is a resource that may increase with use and investments but it can also depreciate by no use or abuse. Durston (2001) identifies three areas to focus efforts to increase social capital so it becomes the engine is overcoming poverty,

"training and development in the practice of informal institutions of cooperation" empowering local leaders and key actors, and the development of social ties between the development agent and the community.

Definitions of social capital are abundant and present controversial issues, as stated in Section 2. From this conceptual problem, many different measurement methodologies have been developed, which are introduced in Sections 3 and 4. As a consequence of this, in social capital studies, each investigator selects his own definition and indicators appropriate to it, as indicated by Neira*et al.* (2008). In Section 5 there are some notes about development projects in rural areas, where it is important to include the analysis of social capital to plan and evaluate actions, since this combined with the physical and human capital can determine long-term success of projects and local economic development. I conclude with a section of conclusions.

2. SOCIAL CAPITAL DEFINITIONS

The definitions of social capital are varied, as they are approached from several disciplines, and emphasize different aspects, which creates confusion in the literature on the subject (Adler &Kwon, 2002; King, 2004; Moyano, 2005; Nardone *et al.*, 2010). For example, Coleman and Bourdieu conceive social capital as a resource of individuals, groups and communities in their social relations, while others, like North, Putnam and Fukuyama, emphasize the cultural, normative, symbolic and abstract aspects (Durston, 2001). In some cases, the contractual nature of social capital is considered, that allows people to join rationally to achieve joint benefits. Other authors however believe that social capital does not have a contractual nature but rather a set of internalized norms that allow cooperation and joint projects (Moyano, 2005). Several authors note that the variability in the definitions is due to focus on the concept, its sources or its effects, according to Adler and Kwon (2002).

Despite the diversity of definitions, the common features to most of them are the focus on social relationships and the benefits they generate (Coleman, 1988; Grootaert & Van Bastelaer, 2002). These benefits include items such as information sharing, collective action and mutually beneficial decision making (Grootaert & Van Bastelaer, 2002). Table 1 shows the relevant definitions of social capital.

Table 1. Social capital definitions

Author	Generating elements	Consequences
Bourdieu (1985)	Permanent networks and membership of a group	Assuring members of a set of current or potential resources
Coleman (1988)	Aspects of social structure	Facilitating certain common actions among agents within the structure
Putnam *et al*. (1993)	Aspects of social organizations such as networks, norms and confidence	Facilitating action and co-operation for mutual benefit
Fukuyama (1999)	Values or norms shared among members of a group	Allow cooperation among group members
World Bank (1998)	Institutions, relationships and norms	Go to make up the quality and quantity of a society's social interactions
OECD (2001)	Networks together with norms, values and shared opinions	Facilitates co-operation within and among groups
CEPAL (2002)	Social capital is a society's set of norms, institutions and organizations	Promoting confidence and co-operation among people, communities and society as a whole

Source: Adapted from Neira, Vázquez & Portela (2008) and Durston & López (2006).

Networks generated by these relationships are both between people of the same environment and between different people or different groups, and are held by norms of reciprocity and trust (Narayan, 1999). From the distinction between both types of relationships, Adler and Kwon (2002) classify the most relevant authors and their definitions of social capital. The authors' definitions of social capital based on relationships within a group are: Brehm and Rahn (1997), Coleman (1990), Fukuyama (1995, 1997), Inglehart (1997), Portes (1993), Sensenbrenner (1995), Putnam (1995) and Thomas (1996) (Adler & Kwon, 2002). Such relationships are called bonding social capital (Narayan, 1999; Camarero, 2010). Regarding the authors that define the relationships between different actors, Adler and Kwon (2002) highlighted Baker (1990), Belliveau, O'Reilly and Wade (1996), Bourdieu (1986), Boxman, De Graai and Flap (1991), Burt (1992, 1997), Knoke (1999) and Portes (1998). This social capital is composed of bridging and linking relations, the last refered to the connections between people or groups with other individuals or groups with political or economic power (Narayan, 1999). Finally, another group of authors base their definition on a combination of the two, as Loury (1992), Nahapiet and Ghoshal (1998), Penner (1997), Schiff (1992) and Woolcock (1998). Camarero (2010) notes that these types of social capital differ in several aspects such as inclusive or exclusive character as the radius of the circle of trust (within the networks of informal sociability, social capital tends to be exclusive), its compulsory or binding character according to voluntary or forced adherence to the rules (usually in small circles interpersonal trust links and forces, while generalized trust, which is more likely to arise in formal and voluntary organizations, links) and their classification as public or private consumer goods depending on the form of ownership and enjoyment of those goods. The combination of these types of relationships can, according to Narayan (1999) explain the different roles played by social networks in shaping economic development, affecting the productive capacity of a group (Nardone*et al.*, 2010).

Other classifications of the types of social capital that seek to conceptualize it include:

- its differentiation between horizontal and vertical, depending on whether they refer to links in the same social stratum or among different strata (Durston & Lopez, 2006; Grootaert & Van Bastelaer, 2002);

- structural, cognitive or relational, referring the first to the rules, established roles, procedures, precedents and social networks that generate social interaction and mutually beneficial collective action by reducing transaction costs and building social learning; the second to the norms, values, attitudes and beliefs that predispose people toward mutually beneficial collective action (Uphoff & Wijayaratna, 2000; Sherrieb *et al.*, 2010;Nardone*et al.*, 2010); and the third to the trust associated with social network relations, which encourages people to work together to achieve a common goal and the expectations and obligations of those relationships in the form of reciprocity (King, 2004);

- with weak ties (sporadic) or strong ties (intense and frequent);

- open or closed in terms of membership of the group members and civic goals or more of protection,

- geographically dispersed or concentrated and instrumental (association for an individual benefit) or of principles (ownership by bounded solidarity) (Adler & Kwon, 2002; King, 2004).

In addition, Durston (2001) indicates that social capital can be individual (through dyadic contracts and ego-centered networks), groupal, communitary and of neighborhood, bridging (regional and national linkages), linking (external support, contacts and clientelisms) and societal (generalized rules and institutions).

3. STUDIES TO MEASURE SOCIAL CAPITAL

Since social capital has been approached from different disciplines, and definitions vary widely at the operating level, there is no consensus on how to measure it and methods are varied (Narayan& Cassidy, 2001; Durston, 2001; Pérez, 2008). The World Bank recognizes the difficulty of measuring a multidimensional concept that incorporates different units and scales of analysis. Some authors such as Portes, Fukuyama, Fine and Arrow pointed out in the beginning of this century that the development of a convincing quantitative measure was far from feasible, and might even be impossible due to the specificity of each particular case (Durston, 2001). Grootaert and Van Bastelaer (2002) consider there is a possibility of measurement, but reinforce the view of the need for indicators that are adapted to local circumstances. As noted by Durston (2001), development of empirical studies is revealing generalizable aspects from specific cases.

The World Bank summarizes the characteristics of many studies conducted worldwide to measure social capital and makes a classification of them into three categories: quantitative, comparative and qualitative studies. Quantitative studies are based on surveys and amongst these studies stand out the ones from Knack and Keefer (1997) and Inglehart (1997) from the World Values Survey, which uses indicators of trust and civic norms to measure the strength of civic associations to test hypotheses about the effects of social capital on economic growth (Narayan & Cassidy, 2001). Narayan and Pritchett (1997) were based on the Survey on Social Capital and Poverty in Tanzania to measure social capital using indicators of associative level and confidence in individuals and associations and compared these measures with the figures for family incomes in similar villages finding that a higher level of social capital in the villages increases household income (World Bank, 2000).Temple and Johnson (1998) were based on indicators of ethnic diversity, social mobility and extension of telephone services to analyze social networks and establish relationships with national economic growth rates (World Bank, 2000). Grootaert & Van Bastelaer (2002)

identified association membership and the number of these, trust and existence of norms and indicators of collective action as proxy indicators to measure social capital, identified as the provision of services (Sherrieb *et al.*, 2010). Other studies measuring social capital based on the characteristics of communities and their integrated resources are, according to King (2004), those by Kretzman and McKnight (1993) through the mapping of community assets, Inkeles (2000) by four community-level indicators (social insitutions, cultural patterns, modes of communication and association, and psychological characteristics), and Onyx and Bullen (2000) through a questionnaire of 68 questions grouped into eight factors (community participation, social organization, feelings of trust and confidence, connections with family and friends, tolerance of diversity, value of life and work connections).

As for comparative studies, the World Bank highlights the work of Putnam (1993, 1995, 1998), Portes (1995), Light and Karageorgis (1994) and Massey and Espinosa (1970). Putnam looked at differences in social capital between the northern and southern Italy through the degree of participation of civil society, measured by voter turnout, newspaper readership, members of choirs and football clubs, and confidence in public institutions. He also studied the decline of social capital in the United States using data from the General Social Survey (World Bank, 2000) using indicators of religious involvement, participation in voting, civic and community engagement, philanthropy and socialization patterns (King, 2004). Sherrieb *et al.* (2010) summarize other work from the same survey by Kawachi *et al.*(1997). In both cases the aim was to determine social trust and participation in organizations statewide. Both Putnam and Kawachi *et al.* developed indicators of structural and cognitive social capital (Sherrieb *et al.*, 2010). In addition, Putnam has developed a synthetic index of social capital based on previous work by Onyx and Bullen (1998) from a survey of 36 questions. Putnam's work continued under the Saguaro Seminar called: Civic Engagement in America, with the design, among others, of the Social Capital Impact

Assessment, index used to determine the impact of the implementation of programs to foster social capital and development of a synthetic index of social capital adapted to the situation in Europe (Camarero, 2010). Portes (1995) and Light and Karageorgis (1994) examined the economic well being of various immigrant communities in the United States in relation to social structures in which they were integrated. Massey and Espinosa (1970) associated social capital with places, number and causes of Mexican immigration to the United States (World Bank, 2000). Rupasingha *et al.* (2006) measured social capital through participation in association activities at the level of U.S. county and in two periods of time (Sherieb *et al.*, 2010).

Finally, among qualitative studies stand out those of Portes and Sensenbrenner (1993), who analyzed the influence of community ties in the decision to leave the community for a person with economic success (World Bank, 2000). Gold (1995) studied the behavior of the Jewish communities in Los Angeles to keep the community structure and actively participate in economic life. Fernández-Kelley (1996) investigated the normative pressure on young people in Baltimore suburbs. Anderson (1995) studied the role of elders in urban poor communities of Afro-American community as sources of social capital and its progressive decline. Heller (1996) studied the positive relationship between the welfare of the population in the state of Kerala and the influence of the state to promote the organization of marginalized social groups (World Bank, 2000). Nardone*et al.* (2010) point out as advantages of qualitative studies the possibility of understanding important features of communities, mainly related to the context, but they have drawbacks as the lack of representativeness, comparability and generalizability due to the need for interpretation results.
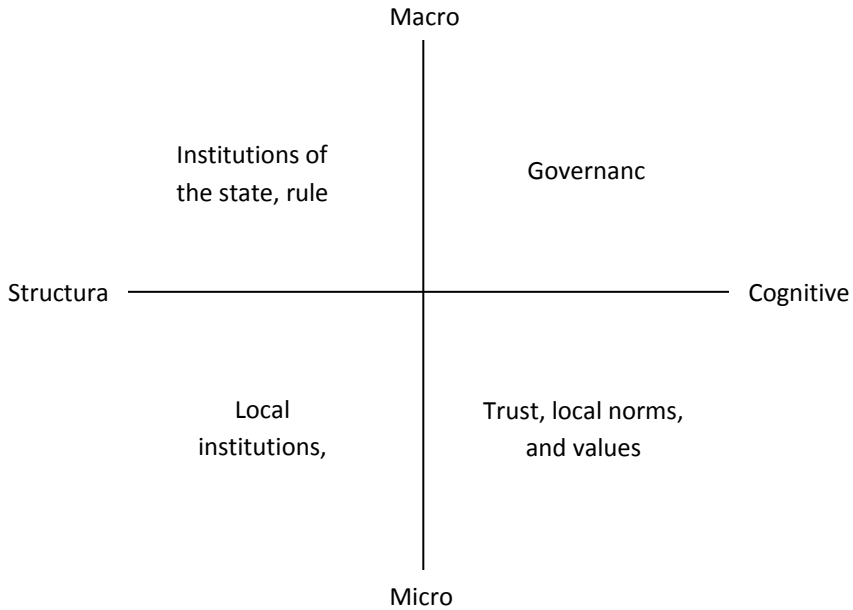
Other tools such as the Social Capital Assessment Tool (SOCAT) developed by the World Bank combine quantitative and qualitative methods to determine levels of social capital at national level (Sherrieb *et al.*, 2010). This methodology consists of three questionnaires for the

household, community and organization level. The dimensions used to evaluate the social capital for the World Bank are six: groups and networks, trust and solidarity, collective action and cooperation, information and communication, social cohesion and inclusion and empowerment and political action (World Bank, 2000). Combination of quantitative and qualitative methodologies is necessary and represents a strength and a challenge for research on social capital, as indicated Grootaert and Van Bastelaer (2002).

4. DIVERSITY OF APPROACHES TO THE MEASUREMENT OF SOCIAL CAPITAL

From the definitions and types of capital outlined in the previous section, according to Grootaert (1998) and Grootaert and Van Bastelaer (2002), the indicators that have been developed in various studies generally respond to a classification scheme based on two aspects, the micro, meso and macro scope (or the distinction between bonding, bridging and linking) and the forms of capital, cognitive and structural (Grootaert & Van Bastelaer, 2002).Moreover, they note that indicators development also comes from the impact it has on the development process. Although ideal measures should include all areas of figure 1, in general, studies focus on one of the quadrants and those who study the structural capital are the most frequent. According to Grootaert (1998) definitions of social capital are more developed at the micro level than the macro level, allowing to define more appropriate indicators in the first case, focusing on horizontal partnerships and local hierarchical relationships. However, this does not imply a greater abundance of micro-level studies, since information is rarely available and uses case studies with a limited geographical focus. Bhandari and Yasunobu (2009) point out that the concept of social capital is complex and multidimensional and has different dimensions, types and levels of measurement, pointing out as the most critical dimensions social networks, norms of reciprocity and trust.

Figure 1. Dimensions of Social Capital

Macro

Institutions of the state, rule

Governanc

Structura — — — Cognitive

Local institutions,

Trust, local norms, and values

Micro

Source: Grootaert & Van Bastelaer, 2002.

Grootaert (1998) indicates a method of measurement used for the macro level. He considers social capital as the fourth category of capital in the production function. Its contribution to economic development is calculated as the residual resulting from the calculation of the contribution of physical and natural capital, and then the separation of human capital. Alternatively, he points other studies that try to make a direct estimate of social capital through the impact of specific components of social capital in growth, equity or investments. These indicators include measures of political stability, civil and political liberties, risk of expropriation, corruption, property rights, or measures of social discrimination. Table 2 shows a summary of the indicators found by the author for the measurement of social capital.

Table 2. Indicators of social capital

Horizontal associations

Number and type of associations or local institutions	Extent of trust in government Extent of trust in trade unions
Extent of membership in local associations	Perception of extent of community organization
Extent of participatory decision making	
Extent of kin homogeneity within the association	Reliance on networks of support
Extent of income and occupation homogeneity within the association	Percentage of household income from remittances
	Percentage of household expenditure for gifts and transfers
Extent of trust in village members and households	Old-age dependency ratio

Civil and political society

Index of civil liberties	Index of democracy
Percentage of population facing political discrimination	Index of corruption
	Index of government inefficiency
Index of intensity of political discrimination	Strength of democratic institutions
Percentage of population facing economic discrimination	Measure of 'human liberty'
	Measure of political stability
Index of intensity of economic discrimination	Degree of decentralization of government
	Voter turnout
Percentage of population involved in separatist movement	Political assassinations
Gastil's index of political rights	Constitutional government changes
Freedom House index of political freedoms	Coups

Social integration

Indicator of social mobility	Other crime rates
Measure of strength of 'social tensions'	Prisoners per 100,000 people
Ethnolinguistic fragmentation	Illegitimacy rates
Riots and protest demonstrations	Percentage of single-parent homes
Strikes	Divorce rate
Homicide rates	Youth unemployment rate
Suicide rates	

Legal and governance aspects

Quality of bureaucracy	Repudiation of contracts by government
Independence of court system	Contract enforceability
Expropriation and nationalization risk	Contract-intensive money

Source: Grootaert, 1998.

With another different point of view, the measurement model developed by Pérez *et al.* (2005), is based on the consideration of the role of economic aspects in the generation of social capital and in the treatment of capital as an asset that has be produced, which is accumulated through investment process, is productive and durable. These premises are shared with other studies, as pointed out by Grootaert and van Bastelaer (2002), although the nature of the benefits differs among studies and are not necessarily economic. The essential elements of social capital levels are "expectations of future income, the degree of connection of the social network and its size, the reciprocity between agents, the degree of social inclusion and the expectations of individuals to belong to society, the marginal cost of investing in social capital, the depreciation rate of this and the time discount rate" (Pérez, 2008:7, Bhandari & Yasunobu, 2009). The proxies used for calculating the volume of social capital are based on the availability of statistical sources.

As examples of studies focusing on structural aspects, one of the typical approaches of research on social capital is the measure of access to resources through social network analysis (King, 2004). These networks can be constructed from the analysis for each individual, of the people one knows, or people who have certain resources and certain professions (Matous, 2010).It may also be analyzed the types of connections in the network from the contact density (King 2004). In addition to access to resources, it is also interesting to evaluate how people mobilize and use resources, to advance professionally, innovate products, improve the organization, to undertake, and so on. (King, 2004).Stone (2001) notes that social capital can be analyzed as the structure (social networks) and quality of social networks (characterized by norms of trust and reciprocity).

Nardone*et al.* (2010) developed a method of measurement based on three components—structural, cognitive and relational social capital—, through five direct indicators and the construction of a synthetic index of internal social capital. The authors argue that the approach of other
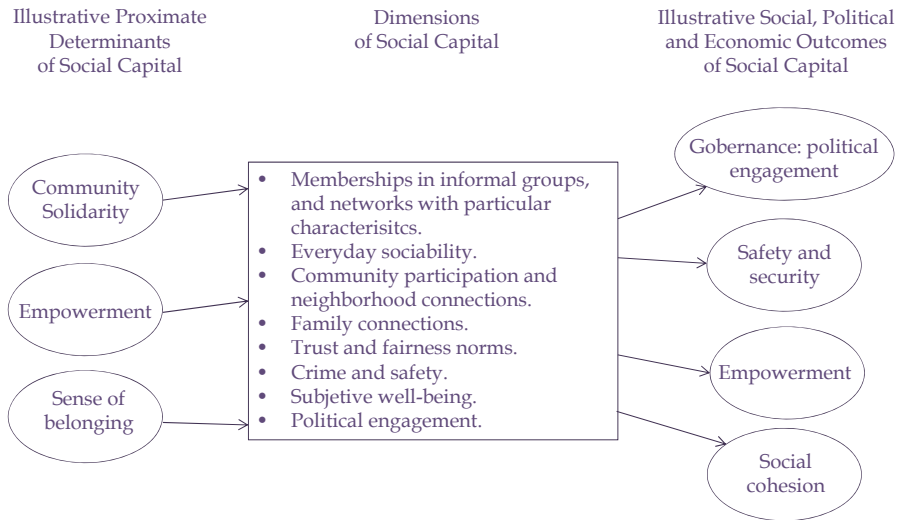
studies through proxies that are often associated with the outcomes of social capital and not to its components leads to that whenever those results are found, they are related to the existence of social capital, which may invalidate the credibility of the measures. They also criticize the methods of measurement based only on social network analysis to take into account only the structural aspects of social capital, and consider their methodology a more complete approach to the concept.

In the same vein, Pérez (2008) warns that the indicators that have been traditionally used (those of associative density, following the work of Putnam or through surveys to determine the degree of public confidence in the other, as in the World Values Survey by Inglehart *et al.* (2004) or the General Social Survey of the U.S.), present as a major problem the lack of solid theoretical foundations to establish a causal relationship between concept and measurement. For measuring the degree of association, it would also be necessary to take into account the type of association's activity and the degree of commitment. As for the surveys on trust in others, generic questions may distort the results unless the mechanism that generates confidence and the group that deserves the confidence are known. However, neither quantitative methods based on economic factors can solve by themselves the measurement of social capital and should be combined with sociological and anthropological approaches (Grootaert & Van Bastelaer, 2002).

Narayan and Cassidy (2001) also indicate the need to properly define the determinants, dimensions and outcomes associated with the concept of social capital, making a classification of them from a literature review and empirical studies at the macro level (Figure 2) using exploratory factor analysis. In addition, from a study of 25 published papers on social capital measures they indicate that the components most often associated with this capital are trust and belonging, followed by connections to family and friends, social reciprocity and proactiveness.

Figure 2.Framework for the analysis of social capital. Determinants, dimensions and performance.

Illustrative Proximate Determinants of Social Capital

Dimensions of Social Capital

Illustrative Social, Political and Economic Outcomes of Social Capital

Community Solidarity

Empowerment

Sense of belonging

- Memberships in informal groups, and networks with particular characterisitcs.
- Everyday sociability.
- Community participation and neighborhood connections.
- Family connections.
- Trust and fairness norms.
- Crime and safety.
- Subjetive well-being.
- Political engagement.

Gobernance: political engagement

Safety and security

Empowerment

Social cohesion

Source: Narayan & Cassidy, 2001.

Adler and Kwon (2002) identified three preconditions for social capital, which affect the capacity of building, mobilization and access to it: capacity, motivation and opportunity. Capacity refers to individual or organizations skills to engage in social capital building as the creation and maintenance of relationships and networks that can contribute among others, the social capital of an entrepreneur (King, 2004). As noted by Adler and Kwon (2002), if you do not have the skills and knowledge, belonging to a network is not useful. On the opportunity, King (2004) indicates that the position of people in society and the type of network they belong to determine opportunities to build networks and social relationships. Finally, regarding the motivation to invest and develop social capital, this may be selfish or not, and can be understood as a way to get a goal. In addition, the rules that are generated in groups generate in turn expectations to fulfill them (King 2004).

The specificity of the indicators depending on the context is one of the characteristics of social capital measures outlined above and that Grootaert and Van Bastelaer (2002) exemplified with the importance of measuring the membership of associations in countries like Indonesia and Kenya but not in India and Russia, where informal networks are more important. These authors recommend adapting the indicators to situations and consider improbable the identification of universal indicators, although they point to three broad classes of indicators that can guide the quantitative analysis of social capital: membership in local associations and networks, indicators of trust and adherence to norms and indicators of collective action. Membership in local associations can be used as an indicator of structural capital by measuring the number of associations, their internal heterogeneity, and functioning. In the case of networks, an analysis of their extent and their internal diversity is recommended. Cognitive social capital can be measured by indicators of trust and adherence to rules, through questions about expectations and experiences related to trust, as the degree of support they would receive in case of emergency. Finally, collective action is necessary for the provision of many services and can be measured as an indicator of underlying social cohesion. These groups of indicators are developed extensively in the Social Capital Assessment Tool from the World Bank. The first of these groups is considered by the authors as a determinant of social capital, trust is considered both a determinant and a consequence of it or even a direct measure of social capital and collective action is a consequence of social capital (Grootaert & Van Bastelaer, 2002).

Despite the diversity of methodologies developed, many authors continue to question the validity of these measures, taking into account that there is no consensus on the definitions of the concept (Grootaert, 1998; King, 2004; Bhandari & Yasunobu, 2009) and there is controversy whether indicators of social capital represent forms, sources or determinants or result thereof, as noted among others Adam and Roncevic (2003) and Nardone*et al.* (2010). However, Grootaert and Van

Bastelaer (2002) note that despite the conceptual dispersion measurements should not be abandoned but that studies are useful for advancing the concept. They note that although the developed indicators represent imperfect approximations to the concept of social capital and not the concept itself, this should not paralyze action, but should be considered, as in human capital measures proxies are considered and these are not confused with the concept of human capital. To overcome these problems faced by researchers of social capital, Portes (1998) identifies a number of precautions to be taken into account, such as theoretical and empirical separation of the definition and effects of social capital, cause and effect control of social capital not to confuse it with its results, control of the results by other factors that may explain them, and the systematic identification of the historical origins of social capital.

5. APPLICATION OF THE CONCEPT OF SOCIAL CAPITAL IN RURAL AREAS PROJECTS

In many cases, conceptual studies of social capital have been developed away from concrete or local situations or urban examples have predominated on the rural, according to Durston (2002). The author points out that especially in rural areas, characteristics of social capital reflected in closer and more lasting community networks help to clarify the general concept as elements appear more clearly than in the case of informal urban networks, especially in the territorial dimension of social capital. Rural areas combine conducive and harmful elements to social capital, the first due among others, to ethnic identity, family relationships, the relative stability of interpersonal relationships and shared territorial space for very long periods of time, and seconds are usually related to rivalries between groups, competition over access to resources or geographical dispersion of neighbors coupled with lack of transportation. The same precursors of social capital are therefore the ones which can lead to conflicts between people and groups, although

they are diluted when increasing the scale of analysis and they face a common problem (Durston, 2002).

Another feature of many rural communities is the existence of strong ties in small local groups that generate obligations and expectations of people in the community, and these lead to the development of a set of rules and sanctions that are harder to be unfulfilled than in the case of weak ties (Portes, 1998). These relationships are important to develop companies in which there has to be a contribution of resources, to which trust is essential. In addition to these strong ties, weak ties are established with other local communities, and it is these that according to several authors allow broader cooperation and exchange of valuable information (Durston, 2002). Both types of ties are important in different phases of project development, so their joint analysis allows to establish the relationships that must be created and fostered for the success of projects.

In development projects, incorporating the analysis of social capital at the community level can be done from the standpoint of its creation, maintenance or use (King, 2004). The inclusion of this capital in the design, implementation and evaluation of development projects is justified by its influence on the processes of economic development, as well as human capital and physical capital (Coleman, 1988). Grootaert and Van Bastelaer (2002) note that the inclusion of information on social capital in the project design is necessary to maximize the positive effect that social capital can have on the results of the project, reducing project costs and increasing likelihood of success and sustainability over time. In some cases the analysis will lead to the creation of new social capital, in situations where existing norms and practices perpetuate poverty through discrimination against certain groups and existing institutions represent exclusionary barriers and reduce the opportunity for these groups to generate assets. In other cases, the capital must be enhanced when there are already groups that create opportunities and security that people would not have individually. This must be done through a process of empowering communities through capacity building at local

level (Grootaert & Van Bastelaer, 2002). This social capacity or social capital should be based on leadership, trust and networks.

Empowering communities through participatory processes supported by existing social capital at local level has many success stories in rural areas, such as micro-credit initiatives, projects, joint agricultural and environmental community forests, irrigation communities, fisheries, etc. In many cases local groups are those who take an active role in their development from bottom-up initiatives based on this social capital (Vázquez-Barquero, 2000). However, the development of the triple role of external agents, of provision of methodologies available in this field, synergic working co-production in contact with the community, and protection during the formation of a new social actor in regional scene is essential for rural social capital to grow quickly and surely (Durston, 2002, p.142).

In any case, empowerment strategies must address both the construction of personal and organizational skills and the strengthening of social capital to manage projects properly (Contreras, 2000). Durston (2002) provides some ideas about empowerment strategies such as the creation of appropriate institutional spaces for the participation of excluded groups, encouraging the organization to influence social strategies through expanding networks and empowering of technical, economic, negotiation and implementation capacities.

Finally, the requirements posed by Durston (2002, p.142) that social capital can be the "necessary factor to overcome poverty, to ensure local cultural and ecologically sustainable development, to improve the quality of education and to strengthen weak social actors", are that the State must promote synergy and co-production of institutions.

6. CONCLUSIONS

Research on social capital, its definition, components, sources and results are very abundant in the literature and consequently so are the methods

used for measurement. As indicated in previous sections, studies can be addressed with quantitative, qualitative, comparative methods or using multiple methods. In each study the focus of the work is defined focused on the dimensions, in the work of creation, maintenance or use of social capital, in the individual, group, community, capital etc. (King, 2004). Grootaert and Van Bastelaer (2002) indicate that the diversity of definitions should not cause the abandonment of attempts to measure, precisely because these measures help to develop the conceptual basis of social capital. The authors suggest an integrated view of cognitive, structural and relational components both at micro and macro level that exceeds the studies so far, mainly focused on the impact of social capital at micro level. The components most often associated with the concept of social capital include social networks for the analysis of structural capital and norms of reciprocity and trust as indicators of cognitive and relational capital.

Social capital appears as an important element in economic development but, as noted Grootaert and Van Bastelaer (2002), Durston (2002) and Neira, Vazquez and Portela (2008), by itself does not guarantee growth but acts as a facilitator, so it must be accompanied by other types of capital and the combination thereof is what can cause long-term economic development. The authors also note that it is necessary to determine whether these combinations of social capital are different for different stages of development, noting that in certain situations, social capital may have negative aspects. Grootaert and Van Bastelaer (2002) state that the inclusion of information on social capital in the projects design maximizes the positive effect of social capital on the results of the project, reducing costs and increasing the chances of success and long term sustainability.

Community social capital can be an element of economic development and poverty reduction provided that the state encourages policies promoting this capital by supporting local institutions and considering

them valid interlocutors to carry out strategies for development at the micro and macro levels.

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NOT FOR MEMBERS ONLY: COOPERATIVES AND COMMUNITY DEVELOPMENT

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ABSTRACT

Though cooperatives have existed for millennia, the social development literature does not robustly address their practice and their promise in achieving social welfare aims at the community level. When the literature addresses cooperatives, the image that is often presented is one of a small group of people who act in their own interests, i.e., that of its members. However, my research in Latin America shows that the cooperatives go beyond providing services to members by investing in the entire community. Given its attention to people-centered development, the community-based approach to cooperatives deserves more attention than currently given. The paper concludes by considering the underexplored promise of cooperatives as agents that not only serve their own members but the community as a whole by contributing to community development projects. It suggests further exploration to strengthen that promise.

1. INTRODUCTION

Cooperatives have played a long and venerable role in promoting social welfare aims. From the ancient guilds in Babylon and Egypt, to the Rochdale Society of Equitable Pioneers during the Industrial Revolution,

to the United Nations' (UN) declaration that 2012 is the International Year of Cooperatives, the potential of cooperatives to harmonize economic and social aims has long been recognized and harnessed by groups of people. Noted UN Secretary-General Ban Ki-moon, "Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility" (UN Department of Economic and Social Affairs, 2011). Exploring the promise of cooperatives is particularly appealing today given the repercussions of rampant global capitalism. Cooperatives have been touted as a means to confront unfettered transnational capitalism (International Labor Office, 2004), which erodes the social, cultural, and environmental fabric of communities. Warbasse (1942) noted decades ago that cooperatives have fewer failures and provide more economic security than for-profit enterprises. Noted a recent UN report, "As the world today faces unstable financial systems, increased insecurity of food supply, growing inequality worldwide, rapid climate change and increased environmental degradation, it is increasingly compelling to consider the model of economic enterprise that cooperatives offer" (2008, p. 1). At no time in recent history has researching the cooperative model held such relevance.

In spite of the laudatory rhetoric about the promise of cooperatives as agents of progressive social change, the literature does not robustly address their promise as actors of community development. The literature often frames cooperatives as groups of people who meet voluntarily to promote their own interests. This paper does not dispute the claim that cooperatives, indeed, promote the interests of their members. However, research from Central America, specifically Costa Rica, suggests that cooperatives go beyond providing services to members only. Rather, cooperatives act as agents of community development broadly speaking. In so doing, this paper contributes to an underexplored area of cooperative theory and cooperative practice: cooperatives as key players in *community* welfare.

To substantiate the claims made in this introduction, the paper is divided into three sections. The first section fleshes out the parameters of cooperative theory and practice. It defines cooperatives, identifies types of cooperatives, and delineates the history of cooperatives as agents of social change. It draws from the long and rich history of cooperative theory and cooperative practice. The second section explicates the role of cooperatives as being reflective of a social development approach to social welfare. It discusses the dual bottom-line of cooperatives to promote both economic and social objectives. The third section builds on the preceding one, yet it extends the existing literature by examining how cooperatives serve as community development agents and not just as agencies to benefit their members only. This third section draws from preliminary dissertation research in Costa Rica. The paper concludes by suggesting areas for further exploration regarding cooperatives as community development agents.

2. COOPERATIVE PARAMETERS

To understand the current activities of cooperatives, it is important to understand what they are and how they have evolved over time. An examination of the history of cooperatives reveals how practice has informed theory and, in turn, how theory has informed practice. The mutually iterative evolution of cooperative theory and cooperative practice has given rise to the robust literature that lauds cooperatives as promising vehicles for progressive social change. To begin, the International Cooperative Alliance (1995) perhaps posits the most cited definition of cooperatives. It defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise." This definition, commonly accepted by many adherents of the cooperative movement, was not constructed in a vacuum. Rather, this definition stems from the

principles espoused by the Rochdale pioneers, which, in turn, evolved from previous cooperative associations.

There is evidence for the existence of cooperatives in ancient civilizations (Roy, 1964). In ancient Egypt, the workers participated in extensive trade associations. However, these associations would not likely be characterized as cooperatives today because they were established by the state rather than by the workers themselves. In BC 1700, the Code of Hammurabi had stipulations for agricultural cooperatives. Farmers were able to assume control of large estates cooperatively. In ancient Babylon, there were also loan societies in addition to the aforementioned agricultural groups. In BC 500, there is evidence of Greek burial associations, and in BC 200 there were Chinese savings and loans associations. The Roman Era witnessed the rise of collegia, or craft-specific cooperatives. The Middle Ages saw the emergence of guilds, or associations of craftspeople that promoted the interests of members. The guilds owed much to the preceding collegia of the Roman Era, and the Middle Age guilds served as predecessors to consumer cooperatives during the Industrial Revolution. Finally, joint-stock companies flourished during the Renaissance Era. In a joint-stock venture, members received profits in proportion to the capital they had contributed, a practice which was modified and incorporated as a principle by the Rochdale pioneers. The existence of cooperatives in preceding social formations is perhaps evidence that cooperation is engrained in the human condition, as contended by some subsequent scholars such as Peter Kropotkin (1902/1972) and Martin Nowak (2011), both of whom argue that cooperation is innate and drives evolution.

These early forays into the cooperative assumption of roles and responsibilities by small groups of people fed into the landmark founding of the Rochdale cooperative. The skilled and self-educated craftspeople of Rochdale acutely felt the pang of the Industrial Revolution, which had widened the gap between capital and labor (Birchall, 1997). The skilled laborers could not compete with machines. Within their lifetime, the

cotton and woolen weavers' wages declined from 30 to 4 or 5 shillings a week (Birchall, 1997, p. 3). These skilled workers transformed their guild into a consumer cooperative by uniting and buying their food staples in bulk, which they resold to themselves at a fair price. The Rochdale pioneers developed 8 principles, which largely endure as the basis of the cooperative movement. The principles are the following: (1) democratic control, i.e., one member, one vote; (2) open membership; (3) fixed and limited interest on capital; (4) distribution of the surplus as dividend on purchases; (5) cash trading; (6) commitment to providing only pure and unadulterated goods; (7) commitment to education; (8) commitment to political and religious neutrality (Birchall, 1997, p. 7). The Rochdale cooperative focused on serving members' needs and interests based on these principles.

In 1895, the International Cooperative Alliance (ICA) was founded, which endures today as an umbrella organization that links cooperatives around the world. Its mission statement purports to unite, to serve, and to represent cooperatives around the world, and its website claims that it is the largest nonprofit organization in the world, counting 269 member organizations from 97 countries that represent over 1 billion people (ICA, 2011b). The organization claims to raise awareness about cooperatives, create a policy environment conducive to the promotion of cooperatives, share information about best practices, and provide technical assistance to cooperatives. The pioneering Rochdale cooperative was devoted to consumer needs and interests; now the ICA represents a variety of cooperatives, ranging the gamut from those that focus on producers, service provision, workers, and housing (Barratt, 1989). Some readily recognizable enterprises, such as Land O'Lakes, Sunkist, Ocean Spray, True Value, and REI, are all cooperatives.

The ICA has only modestly tweaked the original Rochdale principles. In 1937, the alliance adopted the Rochdale Principles of Co-operation (ICA, 2011a), excising only principle 6 (i.e., the commitment to providing pure and unadulterated goods). In addition to the affirming the Rochdale

principles, it also endorsed the Rochdale feature of trading exclusively with members. In 1966, the principles were again revised; the principle of political and religious neutrality was excised. The most current principles were revised in 1995. There are seven: (1) voluntary and open membership; (2) democratic member control; (3) member economic participation; (4) autonomy and independence; (5) education, training, and information; (6) cooperation among cooperatives; and (7) concern for community. The original Rochdale principles were written in 1844. For about 150 years, the focus of the principles had been on members' interests. It was not until this latest iteration of principles, the list from 1995, that concern for community was explicitly highlighted as a guiding principle of the cooperative movement.

At the same time as the ICA principles were being revised in 1995, leaders across the globe united at the World Summit for Social Development. At the summit, participants highlighted the potential of cooperatives in attaining social development goals, which were later enshrined as the Millennium Development Goals (MDGs). Participants vowed to fully commit themselves to exploring the promise of co-ops in attaining these goals. Cooperatives offer several conduits to attaining the MDGs, from promoting food security, to decreasing poverty, to increasing income security. In spite of their promise, most recent attention has been directed to increasingly commercial-driven interventions in the fields of microfinance and microcredit. Though deserving of attention, delegating social development to for-profit enterprises can perhaps lead to creaming as well as the individualization of problems and interventions. Cooperatives seem to offer a counterpoint to this trend by focusing on the collective assumption of problems and interventions, thereby pooling risks and resources. To explore the promise of cooperatives, the UN declared 2012 to be the year of cooperatives.

In sum, the historical trajectory reveals the mutually iterative development of cooperative practice and cooperative theory and

contextualizes the current conception of cooperatives. The ancient guilds focused primarily on promoting the interests of their own members. The founding of the Rochdale cooperative, too, signaled a concern primarily for the interests of its own members. 150 years later, however, the International Cooperative Alliance enshrined concern for the community as a core principle of the cooperative movement. Though codified as a principle, the community dimension of the cooperative movement is oft neglected, an omission which the third section of this paper attempts to elucidate. Thusly defined and contextualized, the paper now turns to cooperatives' promise in promoting development, broadly defined.

3. COOPERATIVES AS AGENTS OF DEVELOPMENT

Because of their focus on both economic and social objectives, cooperatives exemplify a social development approach to social welfare. Social development, according to Midgley (1995), refers to "a process of planned social change designed to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development" (p. 25). Development, notes Midgley, is often equated with economic progress. However, economic progress alone does not necessarily promote social welfare aims. Rather, societies and communities can fall prey to what Midgley terms distorted development, or a state wherein economic progress has not been concomitant with progress in social indicators. Results of distorted development, according to Midgley, include economic deprivation, social exclusion, and environmental degradation. Social development, therefore, purposefully seeks to harmonize economic and social aims to promote development holistically.

The cooperative movement, too, attempts to harmonize economic and social goals, which couches it strongly as a social development strategy. Notes the International Labor Organization (ILO) (1988), cooperatives often originate from moral motivations, and as they develop they are also

concerned with economic dimensions to ensure sustainability. The cooperative movement, notes the ILO, is based on the ideas of mutual aid and shared progress, ideas that have been woven throughout the ancient guilds, the Rochdale experiment, and contemporary cooperatives, as noted above. Thus, the cooperative movement is Janus-faced; it attempts to harmonize economic and social objectives to promote holistic development that promotes the welfare of the group.

From an economic perspective, cooperatives attempt to dissolve the dichotomy between capital and labor. People are at the center of their business model (ICA, 2011c). All members have a stake in the organization; all are owners, controllers, and beneficiaries. Cooperatives are enterprises, but they embody values beyond merely making a profit (ICA, 2011c). Thus, the success of a cooperative enterprise promotes the economic welfare of all members. Though all members are owners and have a voice in cooperative issues, the quotidian decisions associated with running a business are entrusted to cooperative management. A high-quality management team, in fact, is credited as a key determinant of whether cooperatives thrive (Williams, 2007). Management attempts to balance short-, medium-, and long-term plans to ensure that the cooperative is financially sustainable. The agricultural cooperatives in this study, for example, pursue a variety of market linkage strategies to ensure financial sustainability. Some have forged relationships with niche markets, such as fair trade; others rely on the conventional market; and still others produce for domestic consumption. The cooperatives, like any enterprise, attempt to maintain a portfolio of strategies to manage risk and to ensure profitability.

It was noted above that cooperatives are Janus-faced; they balance both economic and social aims. To pursue social objectives, cooperatives, such as those in this study, offer a number of social welfare services ranging from credit, to competitively priced food staples, to investment in schools, to housing assistance, to financial support for funeral services. Offering these services, obviously, cuts into profits. However, as noted

above, cooperatives are guided by a different set of values. They are not concerned with making a profit for profit's sake. Rather, they are concerned with making a profit in order to serve people. Cooperatives, in sum, are reflective of the rich social development heritage as described by Midgley. Cooperatives are progressive, interventionist, and engender social solidarity.

Most of the cooperative literature assumes that there are or should be limitations to the inclusiveness of cooperatives. That is, the descriptive and normative literature often assumes that cooperatives do serve or should serve primarily their members' own economic and social interests. That is not to say that arbitrary restrictions are placed on membership. Indeed, the spirit of the cooperative movement upholds the tenet that anyone meeting the criteria for membership should not be discriminated against on the basis of race, ethnicity, gender, or other social constructs irrelevant to membership.

Nevertheless, the literature assumes that cooperatives do and should chiefly serve those who have assumed the responsibilities of membership. Descriptively, the Rochdale Society of Equitable Pioneers, the group described above that was a key group to the development of modern-day cooperative theory and cooperative practice, did not enshrine concern for the community as one of its original principles and focused instead on services and benefits for members. The U.S. Department of Agriculture in its description of cooperatives maintains focus on the advantages that cooperatives provide to members and lists cooperative beneficiaries as members, directors, managers, and employees. Johnston Birchall, an expert on cooperatives, defines them as being "essentially self-help groups of people who get together to serve their needs" (p. 3). The definition of a cooperative by the International Cooperative Alliance cited in the preceding section highlights the role of cooperatives in meeting members' needs. Absent from (or only implicit in) the literature are the benefits accrued by all community members as a result of cooperative enterprises.

Normative claims suggest that cooperatives should serve only members in order to maximize organizational cost efficiency and to ensure member loyalty. Porter and Scully (1987) note the inefficiencies brought about by cooperatives providing public goods and advocate for the curtailment of such practices. Olson (1965/1971) claims that cooperatives should offer non-collective incentives to members for organizational maintenance and growth. In the absence of such special non-collective incentives, claims Olson, no individual will incorporate into the group. Staatz (1984) concurs that cooperatives must offer inducements to individuals for them to pledge loyalty to a cooperative enterprise. Cook (1995) claims that neo-institutional cooperatives should become more offensive and eliminate external free rider problems in order to remain viable.

Not all the literature, however, conceives of cooperatives essentially as self-help groups. There are a few scholars who take the last principle of cooperatives, i.e., concern for community, seriously and have considered the multiplier effect, or the belief that self-help for members has positive externalities for the entire community. Majee and Hoyt (2011), in particular, have pushed the question of cooperatives as agents of community development to the fore. These authors define community development as the ability of community to harness strengths to build capacities that enhance economic and social conditions. They see cooperatives as being key actors in the process of community development through social capital mechanisms.

Cooperatives support the thickening of social capital, or the networks that facilitate collective action. Specifically, cooperatives engender both bonding and bridging social capital. Bonding social capital refers to the reciprocal networks within a group of similar people. Through regularly scheduled cooperative activities, members gain knowledge of each other, and trust grows among individuals. This trust facilitates informal aid among persons. Bonding social capital also facilitates the establishment of a strong cultural identity. Cooperatives also facilitate bridging social

capital, or the type of social capital that links homogeneous groups of people to the broader social and political economies. Bridging social capital is often credited with helping groups of people advance or "get ahead." Cooperatives can serve as a conduit for communities to become involved in advocacy and influencing policy agendas. That is, cooperatives enable members to influence macro-level factors that shape community welfare. Through thickening both bonding and bridging social capital, cooperatives can serve as powerful conduits of community development. Trust, cultural identity, and advocacy have spillover effects that improve the lives of all community members and not just cooperative members alone.

The next section builds on the article published by Majee and Hoyt (2011). Using preliminary dissertation research, it considers the ways in which cooperatives exhibit concern for the community by pursuing both economic and social aims. As noted previously, it is often assumed that cooperatives primarily serve or should serve their members' interests. However, this research suggests that cooperatives offer benefits to all community members irrespective of their standing with the cooperative. Thus, cooperatives can, and perhaps should, serve both members and the community.

4. COOPERATIVES AS COMMUNITY ACTORS

Cooperatives comprise a long-revered institution in Costa Rica. Cooperativism and democracy are lauded values in national discourses, and the government in Costa Rica has implemented policies that create an environment favorable to the founding and the flourishing of cooperatives. Specifically, after the civil war in Costa Rica in 1948, the government took policy initiatives to encourage cooperative formation through tax concessions and preferential rates (Luetchford, 2008), and eventually it also created Fedecoop, an organization of cooperatives. This research focuses on five producer cooperatives in the Zona Sur of Costa

Rica, a region that is geographically isolated from the rest of the country. Because of its geographic isolation, there is a limited state presence and scant political representation, and thus cooperatives play pivotal roles in community economic development and as purveyors of social welfare services. Thus, though cooperatives are interwoven into the institutional fabric of Costa Rica, they are particularly important in this region of Costa Rica.

It was mentioned in the preceding section that cooperatives are Janus-faced; they pursue both economic and social aims. The paper will only briefly mention the economic activities of the cooperatives featured in this study. All are agricultural cooperatives, producing palm oil, bananas, and coffee. They all attempt to capture value-added processes, such as processing palm oil or roasting coffee, in addition to recollecting raw agricultural goods from members. These cooperatives pursue various market linkage strategies. One produces agricultural commodities solely for domestic consumption; the other four, for both domestic and international consumption. Of the four that engage in international trade, three are fair-trade certified. A full explication of market linkage strategies is beyond the scope of this paper. The paper focuses mainly on cooperatives' attempts to promote social objectives.

The cooperatives' mission statements note explicitly that they have dual commitments to both economic ventures and social aims. The social aims, claim the mission statements, are what distinguish a cooperative from a typical business. Notes one cooperative, private businesses seek profit as an end whereas cooperatives seek profit as a means to invest in the community. To invest in the community, the cooperatives involved in the study offer a range of services that have social welfare purposes. To determine which social welfare purposes are prioritized, each cooperative has a social welfare and education committee. The committee of each cooperative functions according to a different set of policies and procedures, but more or less each is in charge of evaluating the potential of various projects and allocating money accordingly. Some social welfare

and education committees seek out potential projects; others solicit written proposals from community members. A committee member at one cooperative specifically mentioned that projects are given priority which benefit the whole zone. Service on this committee, as per cooperative principles, is determined by democratic and transparent processes.

The social services offered by cooperatives can be classified as those that pertain to the realms of health, education, housing, environmental stewardship, consumer needs, community infrastructure, and miscellaneous personal needs. The fields of health and education are perhaps where cooperatives are most involved in the community. Two cooperatives in the study run health clinics, and one funds the clinic through benefits reaped by participating in fair trade. At one of these health clinics, anyone is eligible to receive services; patients merely pay 3,000 colones (about US $6) as a co-payment. The cooperative that runs the open-to-the-public health clinic also hosts an enormous health fair on an annual basis. The health fair is advertised at the regional level via radio announcements, fliers, and roaming public intercom. The health fair brings experts in specialty fields from the capital city to cooperative facilities. Regional community members can then be attended by these specialists for about US $20. These specialty services are important to rural producers who might not be able to afford travel to the capital city (about a 9-hour bus ride away). Specialty physicians who come to the fair include ophthalmologists, gynecologists, and orthodontists, among others.

All the cooperatives are involved in educational activities. In some cases, the supported educational activities relate to improving agricultural practices (e.g., by converting to organic techniques) or to learning managerial skills, both of which directly improve cooperative functioning. In other cases, the educational outreach addresses the needs of children and youth in the community. Some of the cooperatives, for example, give scholarships to students who might not be able to afford

the cost of books and uniforms. Cooperatives have committed to constructing primary and secondary educational facilities or to selling the materials needed to construct educational facilities at a discounted price. Cooperatives also aid schools by providing didactic materials, computers and computing facilities, lunchrooms and lunchroom furniture, and various electronic appliances. One cooperative in the study helped a local high school to construct recycling facilities. And another actually influenced the curriculum of a local school by teaching the value of cooperation in a civic education class. Finally, cooperatives often open their doors to young people by providing internship opportunities and other opportunities for educational enrichment.

Other areas where cooperatives support community development relate to housing and environmental stewardship. Two of the cooperatives have been very active in providing housing to members and to their families. One cooperative went about this task by purchasing a large tract of land. It then divided the tract into parcels and entered interested members into a lottery for each parcel to construct a homestead. Another cooperative actually built housing units for its members and its families. In the area of environmental stewardship, all the cooperatives have been active to varying degrees. Some have promoted recycling or installed conveniently located trashcans. Others facilitate training that encourages organic practices. One cooperative with the support of a U.S. university has been experimenting shade-grown farming practices and composting among other environmentally friendly practices.

The final three areas where cooperatives are active as agents of community development involve consumer needs, community infrastructure, and miscellaneous services. In terms of consumer needs, each cooperative in the study sponsored some type of grocery store that charged consumers the lowest possible prices (in the same vein as the Rochdale pioneers). Others also sponsor stores where it is possible to buy staples in bulk, hardware stores, fertilizer and agricultural input stores,

and gas stations. These stores offer the lowest possible prices, and they also afford short-term credit to *all* consumers. Cooperatives also invest in community infrastructure, such as bus stops, aqueducts, waste disposal systems, trash collection, parks and other recreational areas, and bridges and roads. Cooperatives also assist families on an ad hoc basis. For example, if a family needs money to bury a relative, the cooperative can often step in to supply the necessary funds.

The literature would suggest both descriptively and normatively that all these services either *are* or *should be* offered primarily to members. However, interviews with members of the cooperative management indicated that many of these services and benefits are offered to all community members irrespective of their status (or lack thereof) in the cooperative. Some of the services were cited as being offered only to cooperative members. Scholarships to attend school and housing privileges, for example, are offered only to members and to their families. Agricultural and managerial skills trainings, too, are offered only to members. Nevertheless, many other services are offered to all community members. Most of the health services, for example, are open to everyone. All community members benefit from infrastructure projects, such as the construction of roads. Moreover, all community members are able to save money by purchasing staples at the rock-bottom prices offered at cooperative-sponsored stores.

There are a few explanations regarding why cooperatives choose to offer many services to all community members. First, offering services to all community members enables cooperatives to benefit from the maximum possible clientele. Grocery stores with a high volume of customers, for example, are able to offer a wide selection of goods and fresh produce. By permitting all, and not just members only, to use the grocery store, cooperative members maximize their own utility. The case of the health fair is another example wherein cooperative members maximize their utility by offering services to the entire community. The cost of bringing health experts from the capital city is a fixed one. To

ensure a recoupment of investment, it is in the cooperative's best interest to offer the service to all community and region constituents.

A second explanation regarding why cooperatives offer services to all community members is that it can be difficult, and perhaps impossible, to target solely the cooperative members as beneficiaries. A road, for example, cannot be open solely to cooperative members. All community constituents must pass through the road. The construction of school facilities and the provision of educational materials, such as computers, too, cannot be offered only to cooperative members' children without deleterious segregation and stratification. Thus, some of the services offered by definition are public goods, and it would be challenging to direct them specifically to cooperative members and their families.

Thirdly, it could be that cooperatives serve as proxy agents for the state. As noted in the first paragraph of this section, cooperatives receive preferential tax breaks and other policy incentives to promote their survival and their functioning. It is possible that the state, in fact, counts on cooperatives through the favorable policy environment to serve as a substitute for a strong state presence. Thus, cooperatives would have a moral, and perhaps legal, obligation to provide public goods available to all irrespective of status within the cooperative.

In sum, cooperatives provide a number of services to promote the social welfare of communities. Many of these services are offered to the community at large. This section suggested a number of explanations as to why cooperatives might provide social welfare services that are not narrowly targeted to members. These cursory explanations warrant further exploration, as do several questions mentioned in the proximate concluding section.

5. CONCLUDING REMARKS

An understanding of cooperatives as potent agents of community development is inchoate at best. The literature often assumes that

cooperatives do or should serve primarily their own members. However, the Majee and Hoyt (2011) article suggest in theory that cooperatives could serve as potent agents of community economic and social development. The preliminary dissertation research explicated in this paper buttresses the claims made by Majee and Hoyt. Looking specifically at the social objectives of cooperatives, initial research indicates that cooperatives offer a wide range of social services to the community, ranging the gamut from health, to education, to infrastructure. These services are offered to all community members, even only tenuously connected members, such as the migrant indigenous population.

Though the paper has argued that the cooperative literature should explore cooperatives' potential as agents of community development, this paper perhaps raises more questions than it answers. First, to explore the potential of cooperatives to contribute to robust community development, it would be helpful to know how market linkages help or hinder their abilities to provide social services. The cooperatives in the study to varying degrees rely on domestic and international market linkages. Does producing solely for a domestic market enable cooperatives to better manage market fluctuations, thereby minimizing the risk associated with providing services to all community members? Or does producing for the international market enable cooperatives to fetch the highest possible worldwide price for agricultural commodities, thereby maximizing profit, which can be reinvested into the community?

For the cooperatives that are involved in the international market, some sell to the fair-trade market and others to the conventional market. Participation in fair trade makes demands of both traders and producers. One specific requisite involves the social premium. Traders are to pay producer groups a social premium above and beyond the price of the commodity. Producers, in turn, are to earmark this social premium for community development projects. Because of this social premium, it has been noted by researchers that perhaps fair trade benefits entire

communities and not just producers (see Lyon, 2007; Ruben, Fort, & Zuniga-Arias, 2009; Nicholls & Opal, 2005; Daviron & Ponte, 2005). Does this social premium, indeed, strengthen cooperatives' roles as agents of community development? Or is there a slip between discourse and practice, and do the stringent fair-trade participation criteria detract from cooperatives' abilities to invest in the community?

Another question ripe for further exploration stems from the composition of communities. Specifically, does the homogeneity among community members impact the degree to which cooperatives are willing to invest in community services? It could be hypothesized that similarities among community members are likely to fortify cooperatives' willingness to provide services to all community members whereas heterogeneity along lines of race, ethnicity, language, and religion, among others, are likely to detract from a cooperative's willingness to provide services for all community members.

Yet another area for further exploration stems from the transparency and the inclusiveness of cooperative agenda-setting processes. How is it decided which services are offered and by whom and to what extent? It could be hypothesized that cooperatives that engage in truly transparent and democratic processes are likely to offer social services to all community members whereas those that are controlled in practice by a select few are more likely to focus solely on the interests of members. Also, does the composition of the committee of social welfare and education as defined by gender, race, and class influence cooperative agenda-setting processes?

Finally, the level of human capital of cooperative management might be a determinant of the degree to which cooperatives are involved in community development processes. Do well-educated and well-trained managers recognize the importance of lifting the welfare of the community as a whole in order to ensure cooperative vitality? That is, do cooperative managers with high levels of human capital recognize the argument that cooperative vitality and community welfare are

inextricably linked? Or, on the other hand, does a strong managerial staff recognize the importance of organizational efficiency, thus leading to the decision to minimize services provided to all community members?

These questions, among others, are ripe for exploration. Cooperatives have existed for millennia, and surely they will persist as viable enterprises in the future if history predicts the future. From the 1995 world summit, to the creation of the MDGs, to the declaration of the International Year of Cooperatives, the power of cooperatives to promote social welfare has been heralded. What remains to be understood is why and how they promote community economic and social development. It is hoped that this paper begins to shed light on these pressing questions and to open areas for subsequent exploration.

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PART II

CASE STUDIES

A PROPOSAL FOR POLICY MANAGEMENT IN INTERNATIONAL DEVELOPMENT COOPERATION

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ABSTRACT

Development concept is frequently used in recent decades to replace the term progress, which became from oldest and one-way approaches. Development of people is understood as a complex process that is usually associated to a specific policy when applying for the financial support to countries in need.

This document is proposed to emphasize that the aid system to developing countries did not fulfill its intended purpose. It is a problem of resources, but not only resources. It is necessary to innovate the models that have been previously applied: they have been aged and there is some "tiredness" in developed countries to keep donating funds with such scarce results.

This is complemented with a model that has worked in the less developed and isolated areas of the European Union and called Leader Community Initiative. Where is the success of this model? The writers of these pages do not naively think that here they can find the "philosopher's stone" to solve such complex problems, but that there are elements than can be adapted easily. Along the following pages these

ideas synthetically presented here are developed and another way of working is suggested.

1. INTRODUCTION

On November 8th, 2006, the book The end of hunger in2025 (Trueba, 2006) was presented, where a large number of researchers, development professionals, International organizations and university aid workers, raised "two questions clearly differentiated. One, the strategy to end with hunger (socio-economic character) which establishes actuation and budgeting priorities; and second, with social and ethical character that pursues public awareness" (Trueba, 2006). Five years later, the same team of 38 international experts, coordinated by Professor Trueba confirmed this strategy from two objectives. The first is to eradicate hunger as soon as possible. The second is to create the conditions of production and food consumption in a sustainable manner, to satisfy future world nutritional needs. To do this, new knowledge and an efficient and creative innovative management are required (Trueba, 2011).

Table 1 shows the classification of actuation priorities in the 51 countries analyzed with a set of indicators, also considering the growth these countries will experience until 2025. Priority 1 countries are the ones where it is required to act with greater urgency, being Sierra Leona the weakest one and Dominican Republic the strongest of them. As we can see, the annual budget to end with hunger from 2006 to 2015, is estimated in 55.035 and from 2015 to 2025 in 31.596 US$ (using as a reference the US $ of 2003).

Logically these projections, referred to these years, may have variation levels, though the effort to adjust to specific projects and actions against a set of indicators shown in this work must be essential for political decision making.

Table 1.Classification of countries according to the priority of action

Priority	Country	Priority	Country
1	Sierra Leone	4	Gambia
	Liberia		Rwanda
	Eritrea		Vietnam
	Ethiopia		Mongolia
	Niger		Guatemala
	Central African Republic		Philippines
	Dominican Republic of Congo		Honduras
	Chad		Nicaragua
	Mali		Sri Lanka
2	Mozambique	5	Indonesia
	Burundi		Thailand
	Zambia		Bolivia
	Nigeria		DPR of Korea
	Haiti		Brazil
	Angola		China
	Sudan		Colombia
	Malawi		Dominican Republic
	Yemen		
	Cambodia		
	Guinea		

Priority	Annual budget 2006-2015 (Mill. $)	Annual budget 2015-2026 (Mill. $)
1	6.225	3.960
2	4.763	2.906
3	25.597	14.691
4	3.435	1.982
5	15.015	8.057
Total	**55.035**	**31.596**

Priority 3 countries: India, Madagascar, Pakistan, Cameroon, Tanzania, Togo, Kenya, Laos, Namibia, Bangladesh, Senegal, Zimbabwe, Congo, Botswana

Source: Own elaboration

In short, there is some global awareness of the problem we have and the stress is always placed in asking for a bigger number of resources, without thinking on cultural, social and political context of each country.

On January 20, 2007, during an interview, Mohamed Yunus, Nobel Peace Prize winner, said that: "…Also South Korea and Bangladesh were similar regarding to their poverty levels in the 50s. Nowadays Korea is the tenth world economy and donor to Bangladesh. Why? Even within the same system, different political leadership circumstances and other factors make a difference" (Yunus, 2007).

This document is framed into this conceptual scope. Obviously financial support levels must be increased, but we must think about how these models are working. There is no proportion between financial support used and outcomes. Countries and international organizations have not worried about establishing evaluation mechanisms to correct inefficiencies. Intermediate bureaucracies had been created so that a significant percentage does not reach people in need.

William Easterly said during an interchange of opinions with Jeffrey Sachs, Millennium Goals Program Director, about bureaucracies of international organizations: "Words, words, no matter what they say, but what they do, that is to strengthen bureaucracy. This is my main disagreement with Sachs. He believes that to eradicate poverty more bureaucracy is required" (Easterly, 2007).

In short, the authors of these lines, thinking from their expertise of more than 20 years as project director and responsible of regional and national policies[1] that if this will be better performed, developed countries will provide more resources. There is certain mistrust in the governments of developed countries to provide more resources when

[1]Cooperation projects management since 1992. Management from the Spanish National Institute for Agricultural and Food Research and Technology (INIA), Member of the Consultative Group on International Agricultural Research CGIAR- EIARD System, European Initiative for Agricultural Research for Development between 2000 and 2004. Gesplan Group (Universidad Politécnica de Madrid).

there are no control and monitoring mechanisms; in many cases that financial support to specific projects is not articulated, and, of course, there is not an evaluation of results.

Given this situation, we will analyze in first place models used, its positive and negative aspects and then we will present a conceptual and action proposal, based on *Learning/doing* principle and ending with some conclusions.

2. FROM SOME MODELS TO OTHERS

After the Second World War, in April 1948, The European Organization for Economic Co-operation and Development (OECD) was established to co-ordinate the Marshall Plan which will bring a process of European reconstruction and the starting of the so-called "consumer society", American invention exported worldwide.

During the 50s France, Germany and Italy had some leaders with an extraordinary category and such a clear view of what "should not happen again", that led six countries to sign in 1957 the Rome Treaty. Key people were Konrad Adenauer, Alcide De Gasperi and Robert Schumann who, along with Jean Monet and Paul Henri Spaak, were the architects of what would be called later the European Union formed by 27 countries[2].

Among the most important milestones in the building process of what currently can be considered as the only place that can compete with the United States and Japan, the European Union, it is worth to highlight in the topic we are discussing, the starting of the CAP (Common Agricultural Policy) in 1962. A few years before, when Lord Boyd retired from FAO Management, he said: "two thirds of the world's population is

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[2]Adenauer, Konrad, Chancellor of West Germany (1949-1961); Schumann, Robert, French Minister of Justice; De Gasperi, Alcide, Italian Prime Minister (1945 – 1953); Monnet, Jean, President of the High Authority of the European Coal and Steel Community (1952 -1955); Henri Spaak, Paul, Secretary General of NATO: 1957 – 1961.

hungry" (Diccionario de la Naturaleza, 1987). Although this statement was tempered and verified by other geographers, with adjusted data, it was the first time that the society was aware that there was a problem, and a very serious one.

The decades following the Second World War also consolidated a growing prestige of scientists and engineers that became heroes of their times, for being able to discover the secrets of nature, to exploit its resources, the space and finally, to conquer the moon. New scientific disciplines and new professional fields created after the war – planning as a social reform, policy analysis, development organization – contributed to solve the problems of mankind.

At the end of 60s and beginning of 70s, arose most international research organizations such as CGIAR (3) and national ones, as the National Agrarian Research Institute network (NAR´s), in Europe and in many other countries all over the world.

The dominant approach at that time gave a strong prevalence to scientific development. Planners were convinced that all problems of society can be solved with scientific agreements and technical expert interventions. But subsequent events and the lack of defaults led to a loss of hope in science as a tool to provide a solution of problems. In the hands of the state and corporations, Science contributed to the destruction of nature -the scientists had "unlocked the secrets of Nature"(Friedmann, 1988).

In those moments American society appeared to be concerned about some loss of hope in science, compared to the response ordinary people can offer for solutions. Paul Collier (2007), professor of economics at Oxford, explained in his book "The bottom billion" the need for giving hope to the people to offer new possibilities for mankind development:

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[3]The CGIAR is a global partnership that unit organizations engaged in research for sustainable development including developing and industrialized country governments, foundations, and international and regional organizations.

To my mind, development is about giving hope to ordinary people that their children will live in a society that has caught up with the rest of the world. "Take that hope away and the smart people will use their energies not to develop their society but to escape from it"(Collier, 2007).

Professor Friedmann criticized scientific models with lack of ethical commitment from people and not very open to human needs: "There is no salvation coming from science. What it is needed is a new set of beliefs that will express new set of power relationship" (Friedmann, 1986). They are complicated models where researchers do not reach to real problems and where public relations are situated above people; "objectives do not motivate anyone to do anything because no one is identified as responsible at an individual level"(Easterly, 2007).

This way, the technological model that tries to solve mankind problems with great projects got relevance. The dominant approach at that time is technological development, where planners think everything can be solved with agreements and interventions of experts and technicians in great projects. There is co-operation among countries for projects but there are not the implied people behind them, so they result "soulless" structures, and this creates base errors, which probably were not detected during the 60s, but they are noticed in the early 21st Century. Sometimes, this technological development does not correspond with an ethical progress, becoming a threat to people.

In 1968 the failure of the concept of limit appeared, environmental variable strongly burst into, as well as, a few decades after, the concept of sustainable development. From the Sussex University, R. Chambers, and from the World Bank, Michael Cernea, appeared and boosted the inclusion of people in these projects. These researchers published two important books on the topic where people is set in the first position (Chambres, 1995), hitherto appeared in the last position, and Michael Chernea (1984, 1991) incorporated social variable in all project formulation processes.

In this context of need of change of development patterns, Prof. Friedmann, in the middle 70s, coined the concept of social learning, whose origin is in John Dewey's philosophical pragmatism influenced by Edgard S. Dunn (1971). Planner is in possession of certain kinds of "processed" knowledge, abstract, formal and often quantitive (Friedmann, 2011) and acts not as an expert who knows what to do, because he makes mistakes, but as a coordinator of a learning process that incorporates knowledge and expertise of population in the creation of policies, programs and projects. The responsibility of decisions is focused in people, the role of local leaders is reinforced, small projects acquire value and importance and doors are opened to instill hope in their enhancement to people.

3. RUNNING MODELS ANALYSIS

To date, the evolution of planning models in recent years is described. The particular elements each one brings to deal development planning are described below. An analysis of planning practice can be approached from the point of view of social relationship system. This analysis can lead us to considerate that there exist four key domains or subsystems, as shown in figure 1, which serve to explain some aspects of reality of societies.

The representation of the system described consists of a cross-shaped four-axis diagram, representing each one of considered domains: political, public-administrative, economic-entrepreneurial and social. The presence of each of these domains is represented (Fig. 2) by spheres, which acquire a greater or a lesser radius according to the importance attributed to it.

A scheme where the four spheres acquire the same size will represent a planning model with a balanced system of social relations, showing the four aspects the same meaning. On the other hand, the inequalities of the sizes of the spheres indicate imbalance in social relations.

Figure 1. Social practice domains

Figure 1. Social practice domains

1. Public administrations and public initiative actions

PUBLIC ADMINISTRATIVE

4. Other relationships that exist in society

POLITICAL

Social practice domains

SOCIAL

3. Formal political organizations in its various manifestations

2. All economic activities of private enterprise, large economic corporations

ECONOMIC-ENTREPRENEURIAL
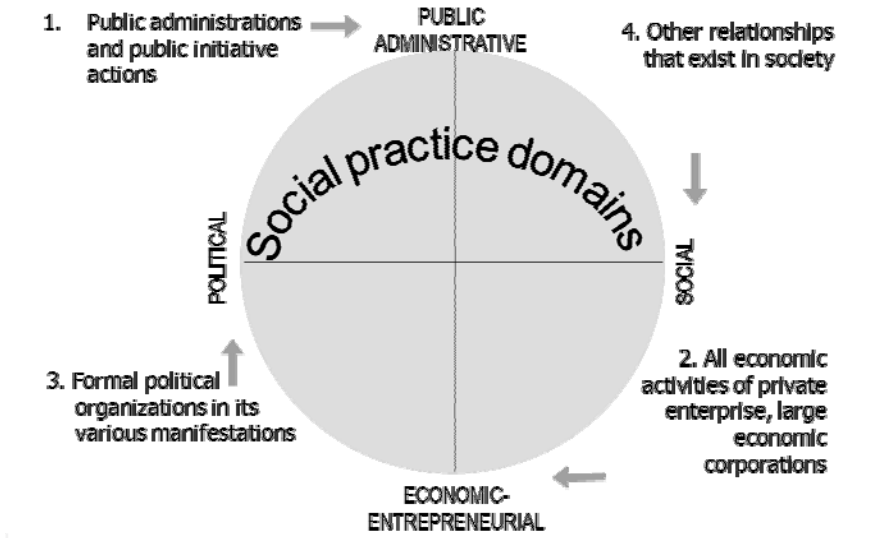
Source: Own elaboration from Friedmann, 1992.

Figure 2. Model of representation of planning domains

Figure 2. Model of representation of planning domains

PUBLIC ADMINISTRATIVE

Maximum representation

Half representation

Model of representation of planning domains

POLÍTICO

SOCIAL

Poor representation

Lack of representation

ECONOMIC-ENTREPRENEURIAL
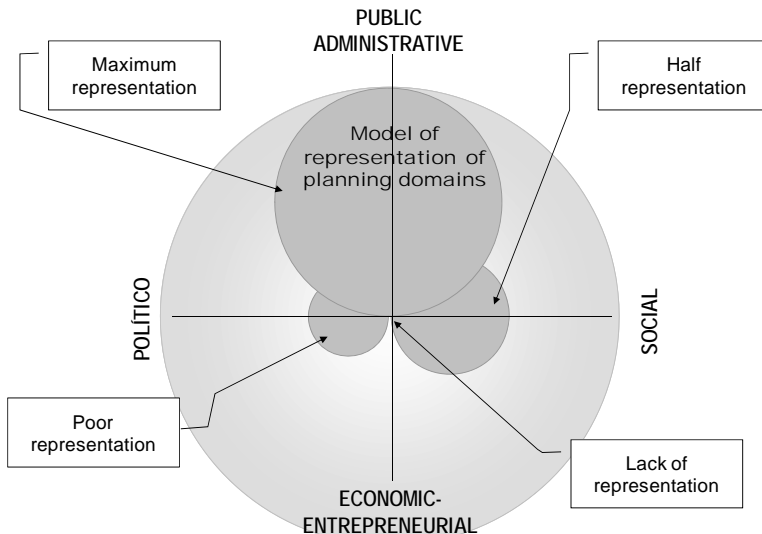
Source: Own elaboration from Friedmann, 1992.

3.1. Exclusive agricultural research model (Social Reform Model)

A reflection on the evolution of the thinking about planning allow us to detect, possibly without their sponsors notice it, the idea that **research** is the way to eradicate poverty, without considering other aspects such as socio-cultural contexts where it is carried out. This idea, as we have seen, belongs to a scientific model, stuck in a planning tradition, which began in the 19st Century: Social Reform (Friedmann, 2001).

Social reform is called as "the grand tradition in planning theory"(Friedmann, 2001),creating not only the first institutionalized planning models in the United States (Person, 1934: Tugwell, 1932, 1935, 1940, 1975; Tugwell &Banfield, 1951), but also significant monographies and great treatises (Mannheim, 1949; Lindblom, 1959; Etzioni, 1968). Also, it stimulated the invention of other calculation and central planning quantitative models, including social accounting, investment and production analysis, economic policy models and regional and urban analysis models.

Figure 3. Basic features of Social Reform model

Source: Own elaboration.

This model has a clearly inheritance of scientific optimism: everything can be solved by research- However, an analysis of it shows that the link between (scientific) knowledge and action (practice in society) has a decreasing "top-down" character, with difficulties to integrate the beneficiaries and the entrepreneurial system (Fig. 4). It is planned as an activity of public domain which has demonstrated the lack of outcomes.

Figure 4. Representation of social domain in the Social Reform Model
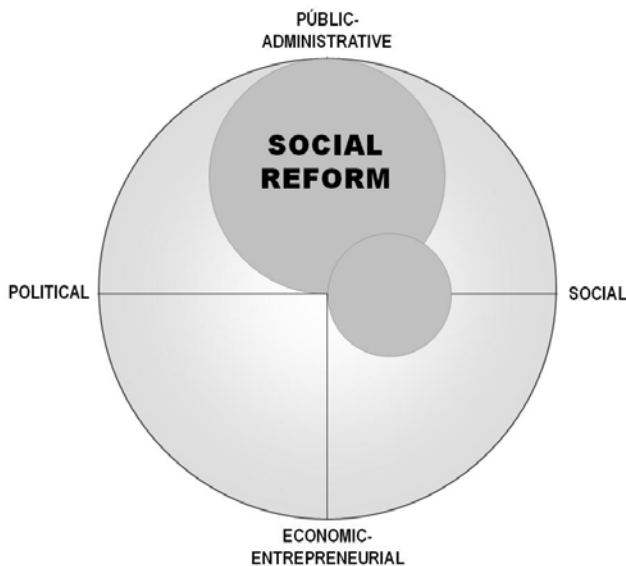
Source: Own elaboration.

Within this scientific model in the International Agricultural Research System stands out the Consultative Group on International Agricultural Research (CGIAR), founded in 1971 to enhance the efforts made for years by Rockefeller, Ford and Kellogg Foundations to support four agricultural research centers in Colombia, Mexico, Philippines and Nigeria. The success in Mexico with enhancement programs for corn and wheat were so remarkable that they give rise to what was called "Green

Revolution". In 1960 The International Research Centre for Rice (IRRC) was created and in 1966 the International Centre for Enhancement of Corn and Wheat (CIMMYT) was born. CGIAR nowadays is a strategic alliance of countries, regional and international organizations and private entities supporting 15 international centers.

CGIAR is open to all countries and organizations that share the commitment of a common research agenda for development and that are willing to give financial support and to invest human and technical resources on it. From 2002 to 2005[4], six new members have joined the alliance and the number of participants tends to increase even more. In 2004, CGIAR members gave approximately 437 million US$, which accounted for the largest investment of public goods to mobilize science for the benefit of poor agricultural communities through research.

In 2002, the Department of Operation Evaluation (DEO) of World Bank (World Bank, 2003) implemented a meta-evaluation of CGIAR where the organizational causes that gave priority to funds conditioned by donors where analyzed. CGIAR's experience shows that the sum of interests of all involved in a world organization does not necessarily define a global public good. Within this model the NARS are also inserted, which were created as National Agrarian Research Centers to reach particular results (plant patents, entry of companies…) in the countries.

This scientific model that acts with the International Agricultural Research System, and which had its moment of glory during the so-called "*Green Revolution*" –with spectacular increases in wheat, rice and corn production- however, has entered in a deep crisis in the last 20 years. Why?

This model searches a scientific model which will work for everyone and can be applied everywhere and here is where the error lies in. In

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[4] In 2002 Israel, Malaysia, Morocco and Syngenta Foundation have joined the alliance; in 2003 Gula Cooperation Council; and in 2005 Turkey.

development this has not worked; this is not a problem of performed research, which is enough to take the planet out to this situation, but other causes. As inheritance of scientific optimism, we believe that everything can be solved through research. This implies that the system creates a large administrative system from which means are taken to families, farmers, needed people, but without knowing how. The general thinking is that this is true, but it is not. System entrepreneurs are never taken into account, and the political domain is out of it and without connection to problems, in its own territory.

In the schematic representation of social relations system, the domain which has more importance in this model is, no doubt, the Administration of the multilateral system aforesaid, to orient policies in scientific domain. It is an unbalanced and complicated model, strongly conditioned by administrations, where researchers may not reach the solution of real problems, due to the fact that there are not included within the priorities of fund donors for research.

3.2. Model from technologies (Policy Analysis Model)

The model from technologies, stresses on the product and is oriented according to a planning model such as Policy Analysis, which appears in the second half of the 20th Century, as a result of the implementation of new analytic methods to decision making process.

The idea to incorporate analysis systems increasingly detailed to the technologies decision processes arises from the conviction about the complexity of causal complex relationships (Lilenfeld, 1978). Policy Analysis considers networks of events which interact in an increasingly complex manner. These networks of events end up having global effects, which are the object of planning, so, to anticipate we must resort to processes as complex as wider are the network of events considered.

The extent of this network of events in development refers to the degree of detail we want to be represented. The more variables

introduced in analysis models, the more detailed will be the approximation of reality, and therefore, more reliable.

With this model for technologies and policy analysis, political decisions for investment are taken according to the decisions adopted after examining and analyzing the events which interact in a complex manner and that end up with global effects. The governments adopting this model require to set up an important administrative system for decisions (Fig. 5), but, as it involve neither people neither the entrepreneurial system, a few entrepreneurs appear and projects could end up dead. Great projects are implemented, where there is co-operation between governments, but behind them the involved people in major decisions are not present.

Figure 5. Representation of social practice domains in Policy Analysis Model
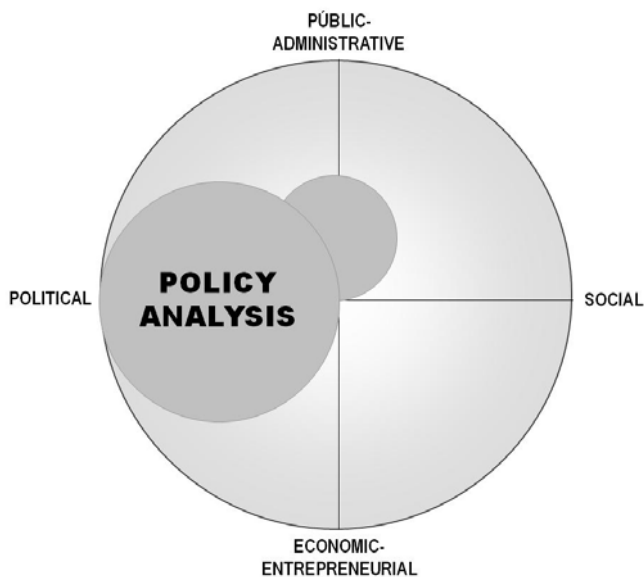
Source: Own elaboration.

Efforts are focused in establishing appropriate analysis processes, rather than achieving implication of population. This model, typical from the European Union, may be appropriate or not depending on the context it operates. For instance, after 20 years of European financial supports, with this system, Spain and Ireland have developed their areas and have left the "poor cousins club", while Greece and Portugal have been left behind with the new ones (Bornstein, 2007).

Portugal from 1995 to 2006, have increased its GDP from 65,8% to 65,5%, meaning that in 11 years it did not progress at all, "zero convergence"; while Spain, in this same period jumped from a 78,4% to a 90,5%. It is not enough to make decisions and spend money, a structural support and stability in administrative system is also required.

3.3. Model from primitive social learning

A third model is focused in Social Learning, which directly starts and ends with the intended action to change the reality in which it operates; it contemplates political strategies as a mean for overcoming resistances and the values which inspire actions.

In this model from primitive Social Learning, agents are the people from the social group affected by planning of small projects, so in their actions are more prominent the ones which are have more entrepreneurial character. They are small groups with common features – articulated by Non Governmental Organizations and volunteers- and that establish the main core of their actions within social learning; task-oriented action groups (Friedmann, 1986).

Social learning action involves a cooperation process within a collective. As professor Friedmann says these groups constitute relatively changeable structures within the bigger set they belong (Friedmann,

1979), so their influence in the territory and the ability to solve problems in the medium and long terms are very limited.

The composition and variety of these local groups will be more complex when larger the social domain covered by planning. These groups, not being permanent organizations, are subject to continuous changes and the evolution of actions and the learning associated with them, influence the motivation of each member to the extent they are affected by them.

In these small groups it is easier for people to feel responsible at an individual level, so the model can enter in the field of subjectivity, considering specific aspects of each one affected by planning, whose situations and experiences always acquire personal nuances. However, this planning, local most of the times, is not noticeable in the political and administrative domains of the country, and actions and projects remain without tangible interlocutors and responsible in these domains. They do not get to establish a dialog and a shared commitment nor with formal political structures nor with the different public administrations; there is a lack of total social learning.

This model is launched thanks to the Non-Governmental Organizations, the volunteers, but with absences of political institutions and existing public administrations. As shown in Figure 6, there is a strong presence of the entrepreneurial domain, highly intellectual importance and with a large presence and connections with families solving small problems. But when the local group –the NGO- finishes its work, if a human capital able to continue with the project is not prepared, this will wane due to the lack of motivation and support. There is some failure in administrative organization coming from the government, certain responsibility in what has been created to achieve continuity in the model.

Figure 6. Representation of social practice domains in primitive social learning model

PÚBLIC-ADMINISTRATIVE

POLITICAL

SOCIAL

**SOCIAL LEARNING**

ECONOMIC-ENTREPRENEURIAL
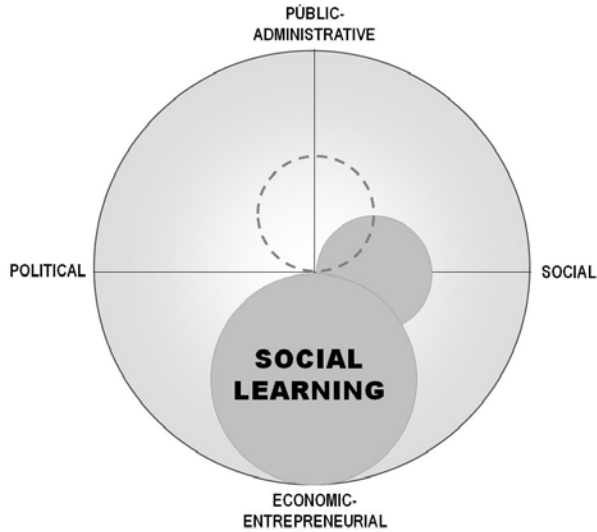
Source: Own elaboration.

4. PROPOSAL OF A POLICY FOR PUBLIC DOMAIN

The proposal must consider three aspects. First, it must be done from public domain to orient the action according to the cultural and political contexts. Second, the innovation must be in the management of public domain, because some are right but the action is very microcosmic and others are wrong but their projects are *macro-cosmic*. Finally, the proposal is a mixed model, i.e., a combination of policy analysis and social learning.

The first commitment must be political. The policy must be seen from the national and international points of view. National government must have the required knowledge to see the more interesting place to put the money given by donor countries, fact that never happens. Is therefore important a national and international bet for a specific policy with territorial approach and previous and serious diagnosis of needs. This

implies that the administrative system to organize it has to be mixed, i.e., national administration with international monitoring. As professor Easterly from M.I.T. said, "you can only change institutions like the World Bank changing the external political environment where the institution works, and this environment must demand evidence that their money is used in a proper manner" (Easterly, 2007). This settlement leads us to some already known, the need the political system have to incorporate the evaluation culture and agrees to submit its actuations to independent assessments carried out by third parties. The European Union has developed methodologies that will apply to evaluate set up specific projects.

Figure 7.Representation of social practice domains in the proposal of action from public domain
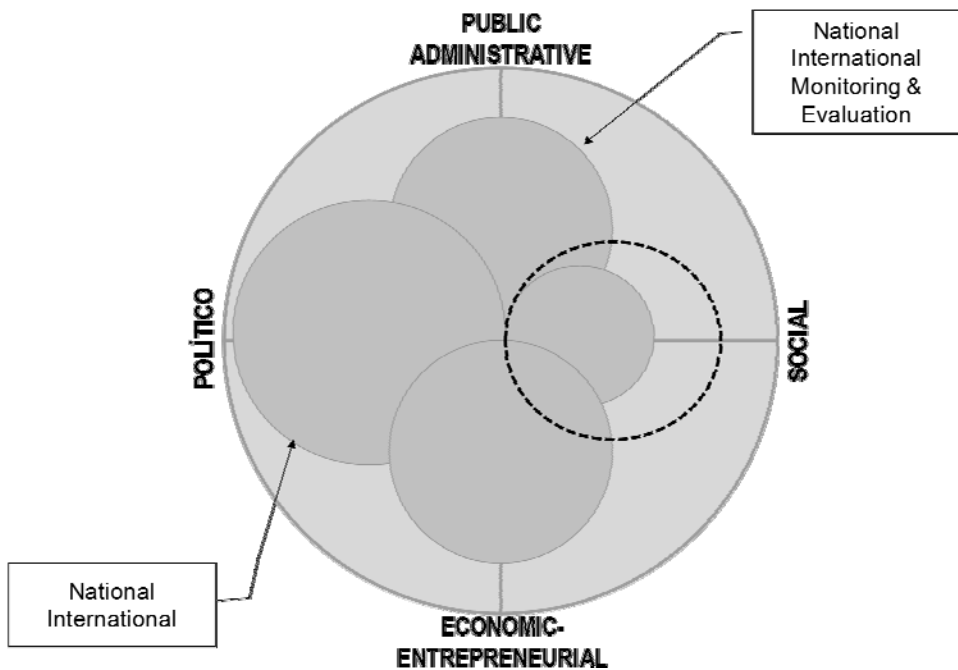
Source: Own elaboration.

Moreover, the model needs to link small, medium and big entrepreneurial systems. A greater participation is created this way, because people in this poverty situation should be very passive, so, as these policies are having good results, their roles are increasing, being more confident about the ability they have of being and achieving the appropriate means, if they have the opportunity to get them.

Although the model emphasizes to achieve the commitment of political powers, the family is considered as the main sociopolitical entity to achieve what Friedmann called "self-production of life". "It is in the reconstructed household economy, partially de-linked from the market and joined with other households into local and regional networks, where the first steps should be taken for a recovery of the political community"(Friedmann, 2001)

Therefore it must be a nexus between political power, responsible of regional planning, and household economy, addressing the need to move towards a greater "local self-dependency"."Change must be created from the inside of societies, but the measurements and policies we adopt will help our own initiatives to have more probabilities of being undertaken and fruitful" (Collier, 2008).

These policies for development must give opportunities to the families to develop entrepreneurial networks –with small businesses, joint ventures- with capital from its own local community (Carnoy & Shearer, 1980) and whose owners should be its own workers (Bowles *et al.*, 1983).

The recovering of political commitment also assumes to incorporate a system of values that should guide social practice and the respect of human rights. For some authors (Hoch, 1990) the incorporation of this system of values in public domain is one of the most important tasks of planner, so they become the main guardians of public interest (Mazza & Mandelbaum, 1990).

Thus, monitoring and evaluation activities have a key role in the reconstruction of political commitment, without decreasing planning to the merely political, and focusing attention in entrepreneurial system and in the family. Professor Luigi Mazza from Milan Polytechnic, expressed the need of this family role to achieve the recovery of political power as follows: The family is a basic workshop with an extraordinary social power and, at the same time, it is a metaphor for dialectics in the political community. The reference to the family provides a specific dimension to the recovering of the political community (Mandelbaum *et al.*, 1996).

On the other hand, the proposal shows five aspects (Fig. 8): a) political planning, b) negotiating, c) regulating, d) innovative, e) social learning-based (Friedmann, 1994).

Figure 8. Representation of social practice domains in the proposal of action from public domain
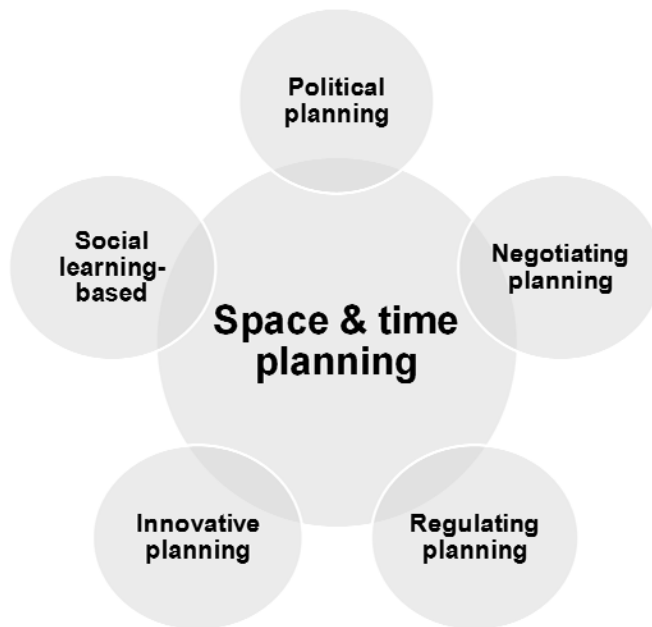
Source: Own elaboration.

a) **Political**: There must be a clear framework of actions and priorities. Some areas must be entered and others not; for example, there are people who think that corrupt governments must not be helped (Friedmann, 1995). In any case there must be some priorities where efforts and investment in territories with specific indicators have to be concentrated, they can be more or less debatable, but enable us to orient policies and to monitorize outcomes. Within this political framework we can involve national political action with its three levels -national, regional and local governments- and we have to avoid that "donor" implies a proper concept for countries receiving the aids, so donor-counterparty must be linked by the projects they jointly undertake.

b) **Negotiating**: for joint projects we have to look for co-financing, since in the fight against poverty they have to finance it also with money from national bodies in these same places. They have to provide jointly specific policies and commit to fight against poverty without hoping problems will be solved from the outside. In development negotiations must be conducted with due consideration regarding each party position, conducted in an open manner. These negotiations should be developed not only from the political domain, to satisfy all parties with the agreed commitments. In face to face negotiations between planners and affected population is where we can find an adequate knowledge basis for the problem and, therefore, the right path for a best solution (Friedmann, 1995). Also there must be a coordination of programs and projects, because most of the times what is done is to mitigate poverty and not solving it. Sometimes corruption occurs, so we have to look for intermediation of prestigious institutions, especially in the management of financial funds, and the World Bank Centers are scrupulous in these aspects but the operating costs they require are very high. When there is no bureaucratic structure of this kind it is important an intermediation.

c) **Regulating**: we do not have to see it as a regulation but as included ethical values. Concepts like solidarity, justice and equity have to be

present in the designing of own projects and in its evaluation. As we have seen to incorporate a system of values that leads social practice in the political domain is one of the most important tasks of the planner. Since planners' work is unavoidably of "public interest", the search for a common good must be among its guiding principles[5].

d) **Innovative**: as to how to mobilize these human and economic resources in public domain. Innovative means that the project promoters must have adequate preparation, assuming an *entrepreneurial function* in its best sense, as activator of all kind of resources – human, economic, public, private- and it entails the concertation of powers corresponding to some actors. It, therefore, involves a great ability for mediation, commitment and to be prepared to take risks, even being officially responsible of them (Friedmann, 1994). Time and space refer to the consideration of local and regional domains, where projects have to be focused in a specific period of time. In these periods –three or four years- they must incorporate a continuous evaluation system for policies, programs and projects.

It will be necessary to promote a joint work of a series of countries willing to invest, with a policy that lasts for a long time (at least 10 years) with the corresponding corrections. Thus, programs will include a set of related projects and the required organizative changes to achieve strategic goals and expected benefits. This means the decision of applying development innovations as management in public domain, and the inclusion of the guidance concept in administration through programs and the development of competences in program management (IPMA, 2009). Strategic goals are achieved through programs and projects.

e) **Social Learning**: mechanisms to train people who will carry out these policies and these programs. This training means to incorporate in

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[5]In a lecture given by John Friedmann in April 2007 at the Universidad Politécnica de Madrid (UPM), where he was invited as world expert in planning, Friedmann reflected on the importance of planner's values and on the need for citizen participation in city planning. In his lecture he referred to the "public interest" of planner actions and to the search for a common good.

managers an open attitude to develop an appreciation of values from public domain (IPMA, 2009), understood as the ability to perceive the intrinsic qualities of others and to understand their points of view. It also implies to develop the ability to communicate with the people affected by the projects and to be receptive to their opinions, value judgments and ethical standards. The central basis to appreciate these values is mutual respect.

Trying to synthesize all above, in Figure 9, we talk about planning as a social learning, that tries to top-down balancing public action in the territory where people and structures are, and bottom-**up** balancing the creativity and innovation, with the people involved in the process. Linking both processes, in a specific area, allow project managers and directors to exploit collective creativity of people and organizations working to solve problems.

Figure 9. Representation of the proposal of Planning as social learning
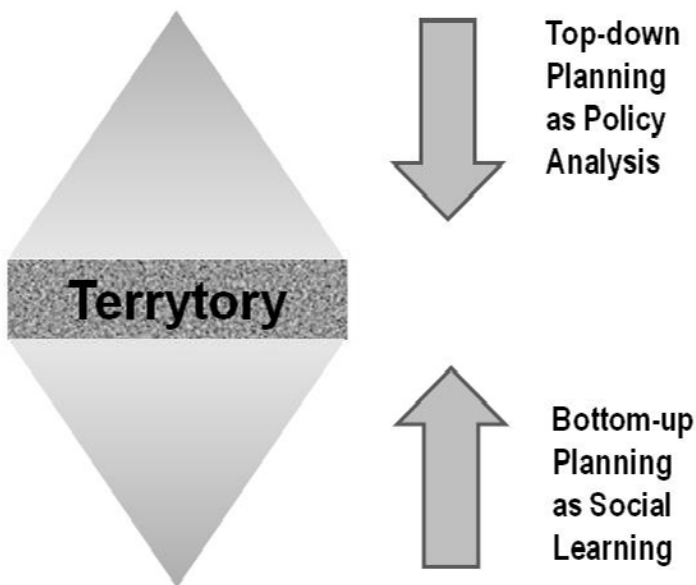
Source: Own elaboration.

5. LEADER MODEL: FROM 1991 TO 2011

In the 80's began the widespread view that the European Union (EU) requires more effective rural development strategies, based in an endogenous development and in the creation of new organizational structures at a local level. Within this context in 1991 was born the LEADER initiative as an experimental way to deal with the rural development in the EU, based in a territorial approach, the creation of participative local government structures and in a decentralized management.

The basis of this initiative, through a planning model social learning-based, were implemented in some regions in Spain (Cazorla et al., 2005) and in several territories in Mexico (De los Ríos et al., 2011a, 2011b; Díaz-Puente, 2009), giving evidence that there is a new and effective mean to articulate rural development in different contexts.

This LEADER initiative although launched in 1991, still worked until 2006 as communitarian initiative, creating a culture in Europe. Nowadays it is included as a European priority for the period 2007-2013. The new concept of development LEADER gives is based in the rapprochement among different agents, linked top-down, and bottom-up. The original approach is the rapprochement among the responsible of interventions and potential beneficiaries. This is to look for a model that emphasizes the establishment of linkages between activities, projects, territories and sectors; both of individuals and associations as of productive sectors.

The initiative has evolved in three stages of (Fig. 10) programming to its current consolidation as rural development policy. In the first stage the initiative LEADER I (Commission of the EU, 1990) a set of 217 pilot programs were started to test the validity of this new approach. In a second stage LEADER II (Commission of the EU, 1994), with the same basic criteria than the first one, the model was implemented in 906 territories. In 2000 the Commission adopted the guidelines for a new

stage (2000-2006) called LEADER+ (Commission of the EU, 2000)emphasizing its main initial goal: To promote and experiment original development actions that can guide EU rural policies. This third stage maintained the progressive increase of European financing, reaching over 2,000 million Euros for this period.

With (CE) 1698/2005 (Commission of the EU, 2005)regulation Leader happens to be a European Initiative to be included as a priority until 2013. From this moment on the LEADER approach is consolidated as rural development policy, with the following elements as operational aspects:

a) local development strategies by zones, designed for sub-regional rural territories clearly identified;

b) local partnership between the public and private domains (local action groups);

c) a bottom-up approach that gives local action groups a decisive power on the preparation and implementation of a local development strategy;

d) multi-sectorial conception and implementation of strategy, based on interaction between agents and projects from various local economy sectors;

e) implementation of innovative approaches;

f) implementation of cooperative projects; and

g) networking of local partnership.

Rural development strategies submitted by territories with this Leader approach must show, in addition to its economic feasibility and its sustainability, its originality. The idea is to support ambitious and original development approaches, which are transferable and supplementary to the interventions carried out in the territory by main programs (Commission of the EU, 1999).

Figure 10. LEADER initiative stages
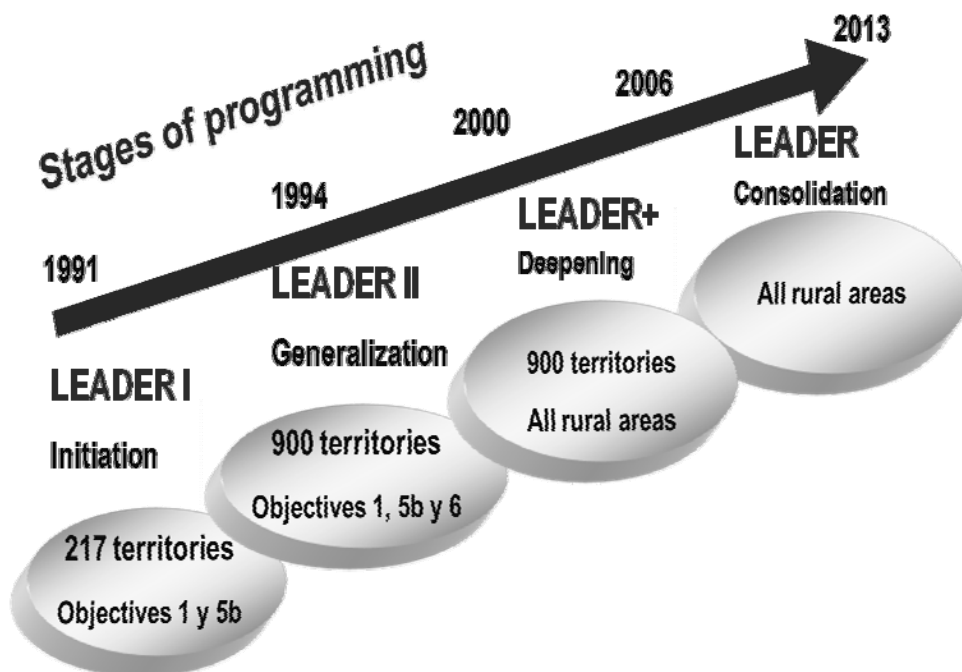
During this development stage, the experience has shown that the specificities of Leader model simultaneously affect in the planning process of rural development projects in the local domain (AEIDL, 1999) providing an added value to the following seven aspects (Fig. 11):

- **Territorial approach**, that allows initiating the process based in resources and specific needs of each territory.

- **Bottom-up approach**, because projects go bottom-up and allow implying, in a participative way, local agents, taking into account at the same time particular circumstances of each territory.

- **Local Action Group** is organized into horizontal cooperation, where the agents and local institutions are grouped. Partnership and local action group are adjusted as board of management for territorial programs.

- The **innovative** character of actions, from the point of view of public management of resources, the link between them and the multi-sectorial approach that influence the actions, as well as the expected outcomes and impact.

- The **integrated** approach, required for multi-sectorial and systemic search of linkages among actions, within the framework of an integrated territorial strategy (L.E.A.D.E.R. acronym comes from: "Liaisons Entre Actions de Développement de l'Economie Rurale", "Links between rural economy development actions"). So, the integration is done in the territory.

- **Networking** and **transnational cooperation** have an influence on relations between local level and the outside world (flow of information and knowledge, development of common projects). It allows leader groups to be interlinked creating a rural development philosophy.

- **Financing** and proximity management are revolutionary in leader projects, because Public Administrations give the action group money in advance to manage its projects, and submit to be agreed by a collegial Board of Management. This means innovation in management and gives flexibility to the program throughout the implementation period, as well as the kind of projects which could be funded.

Figure 11. Seven key aspects of Leader Initiative
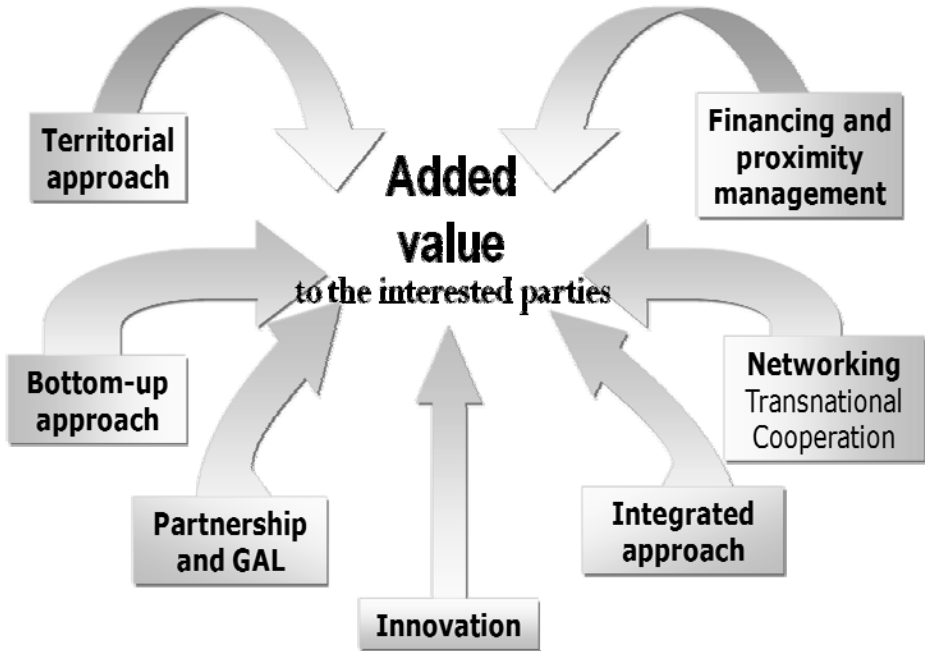
Source: Own elaboration.

Three elements of the development trilogy –that did not appear in other models- are clearly related in Leader model: a clear and defined **strategy**, a **territory** where it is implemented and **partnership** (top-down, bottom-up and territory as union point).

Partnership is the group of public and private agents constituted in various ways, able to organize and assume a collective commitment and with legitimacy to manage public funds. This is the most efficient and attractive of Leader system. In many member states, like Spain, it has been a real innovation: creation of partnerships as local government structures. This is the strategic element that makes de difference of LEADER with other programs, difference consisting of having been based on aspirations and projects born in the local domain (MacSharry, 1992).

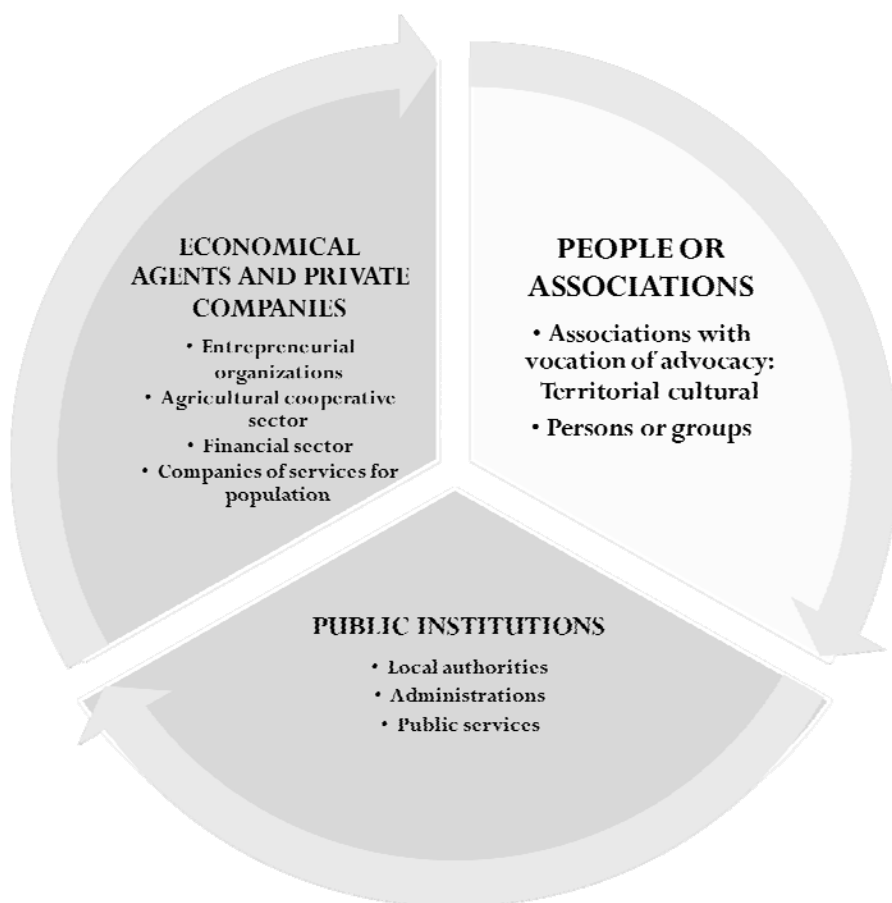**Figure 12. Development trilogy in LEADER model**
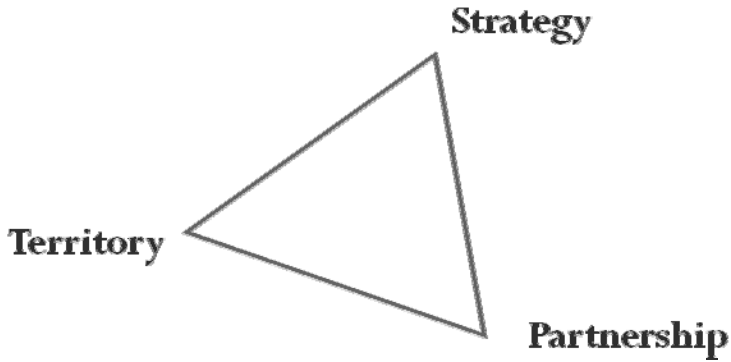
Source: Own elaboration.

This partnership, in one side, consists of individuals and associations; in other, of economic agents and private companies, and finally, of institutional domain (Fig. 13). This relation and participation of the affected population is formally grouped in a partnership that in LEADER takes the form of Action Local Group (LAG).

Regarding **funding** or fund management, international mechanisms must be simplified and combined with the responsibility and control (transparency in responsibilities and proximity to the beneficiaries). That is, the beneficiaries are the ones who mobilize themselves to lead projects, and the local action group (LAG) at the same time animates these people to present their projects according to the needs they have, always with co-financing up to 60-70%. To achieve this co-financing the creation of LAG also implies a link among decisions taken at a local level and the ones taken at a regional, national and community level (Hart & Murray, 2000). This link is made by designing control plans on local decisions and actuations of LAG.

Figure 13. Potential partners categories in partnership

ECONOMICAL AGENTS AND PRIVATE COMPANIES
- Entrepreneurial organizations
- Agricultural cooperative sector
- Financial sector
- Companies of services for population

PEOPLE OR ASSOCIATIONS
- Associations with vocation of advocacy: Territorial cultural
- Persons or groups

PUBLIC INSTITUTIONS
- Local authorities
- Administrations
- Public services

Source: Own elaboration.

To this link among local, regional, national and community level, Leader system strikes in the **decentralization**; there is a tutelary administration being at the second control level, but the first control level is carried out by the system that sets it. In the process responsible and Intermediary Organization to the EU, depending on the rural development Services of National or Regional Administrations, and at a local level, LAG. Decentralization mechanisms are an effective way to

control funds and strike in the design of joint procedures to the management and granting aids to projects.

There are ideas in Europe that have been expressed in innovative programs and ways of making from public domain, and Leader system has generated as well local leaders or entrepreneurs that have promoted the development of their regions.


6. CONCLUSIONS

Regarding the **territorial domain** we can highlight two aspects: On one hand the international moving of funds for development aids, that is going to Sub-Saharan Africa and Asia, and on the other hand, the role Spain is playing in Latin-America. Spain, according to its GDP, is the ninth country in the world, and its responsibility in Latin-America is key for various historical and cultural reasons; also because Sub-Saharan Africa and Asia are the main objectives for International Organizations.

From the point of view of the orientation of procedures is important how to prepare more effectively **human capital,** with key people in those places to be able to articulate these kinds of policies. Another view to look at development and to fight against poverty must be introduced.

Other main aspect would be the **Organization of Public administrations:** we may force them to become professional in developing countries. There is a lack of strength to link aids to the need for organizing an appropriate administration, avoiding some ineffectiveness and corruption in management, which occurs when a country changes its public managers as a result of a change in the government.

All these facts lead us to a model where the **political** role is determined by an administration that involves entrepreneurial people with the territory. "Big political" objectives and an increase in social capital are required to "work together".

Figure 14. Planning practice domains
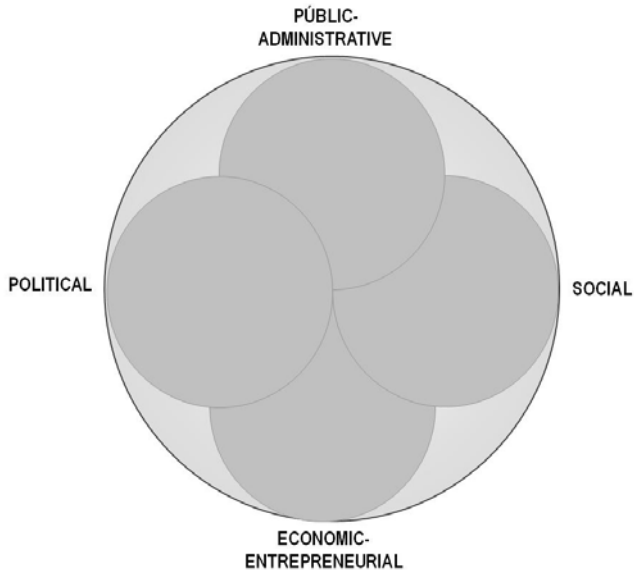
Source: Own elaboration.

The implied families must be mobilized, not only receiving in a passive manner the funds. Perhaps idealistic, this document could be summarize saying that, with all aforesaid implemented, we can reach to reduce political domain, to become professional administrative things, to continue as seen entrepreneurial matters and to increase social facts, so people will be leader of their own development.

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FROM BLUE PRINT MODEL TO WORKING WITH PEOPLE (WWP): AYMARAS COMMUNITIES CASE STUDY IN PERÚ

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ABSTRACT

Working With People (WWP), it's a conceptual proposal for rural development projects, both in emerging countries and Europe. These projects must be developed by people with an active role rather than for people. The idea is to involve people who will participate in the success of the formulation, implementation, management and future of the project. Participation is not just about talking to people. The logical approach to this participation is, in fact, "community action logic" (Cernea, 1991).

Planning to promote or enhance rural development means focusing on more than just self-organization and getting people to work together in a community. Planning as social learning (Friedmann, 1993) means learning from experiencing the change. The people involved know that knowledge is validated and produces mutual learning, enhancing the expertise of the planner and people get educated.

A rural development project is very effective tools to change reality, but does not function as a traditional engineering project where the goals and objectives do not always maintain a clear and straightforward

implementation of the project. Rural development projects require a continuous and since its inception a clear mutual learning approach.

The objective of this research and project with the Coordinator of Women Aymara in Peru is to propose a response to the changing status of development projects and validate a case of actual implementation. This new model is to plan, develop and evaluate rural development projects that have all integral components of projects.

The members of the project team work together with a woman coordinator of the town, who is member of 427 organizations in 22 different rural communities. As a result of managing the project the team understood the complex social reality, saw the development of the project as a learning product (Ackoff, 1984), and frame the ongoing management with a creative project and a focus of flexibility and informality (Chambers, 1993). At the same time, the local coordinator woman started a self-learning process that gradually transformed into an efficient successful company that reinforces her social organization, and finally extends its impact to a broader scope.

1. INTRODUCTION

The doctrines of economic development popularized during the 1950's and 1960's, presented the science, technology and planning as infallible instruments for the rational control of nature and society (Llano, 1988). Thoughts regarding the dimension of accuracy, certainty had a common root domain of a universal character and philosophy that has been called "modernity" (Spaemann, 2004). During this "modern" time period it belongs to the futurists, rational planners, forecasters and science model builders. The concept of "modern project," also called the "blueprint" project, is based on engineering, scientific rationality and descending approaches (Bond *et al*, 1999). From this concept the first models of developmental planning (Lindblom, 1977) (Etzioni, 1968) - and their quantitative models (Friedmann, 1986, 1991) have been created.

With these "blueprint" models, according to "modern" ideologies, the industrialization eradicates poverty in the third based on the belief of the unlimited nature of natural resources (Friedmann, 1986, 1991). The important thing is to move toward the "infinite progress" and the "general welfare" of individuals. Viewing progress as a phenomenon intrinsically linked to the exploitation associated with industrialization that occurs only in the cities.

But this top-down approach to planning and project development of "blueprint" begins to rise to numerous conflicts, in relation to urban-rural relationships (Chisholm, 1962), planning of land use (Clark, 1982), the division of urban-rural society (Deane, 1978), the disappearance of small family industry (Moore, 1984), increased socio-economic differences (Razin *et al.*, 1994; Murtagh, 1998), changes in society (Moore, 1984) and problems caused by industrial development (Marsden, 1995; Cloke, 1993). The disregard of the ecology of the modern project was an important common note to both modern economists and Marxist approaches (Ballesteros, 1989). Nature is seen as mere raw material, linked to the increase of production (Marx, 1867).

Due to the failure of development models since the early 1990's new values and new trends are shown clearly in the more developed societies, there is the notion of postmodernism as a cultural-ideological effect that reacts to the capitalist-industrial society which converts to an "old" society (Llano, 1988).

Different authors have referred to the emergence of postmodernism especially in relation to cultural and ideological changes in rural areas (Cloke, 1993; Murdoch *et al.*, 1993; Philo, 1992, 1993). With this cultural shift, also called "postmodern sensitivity to difference" (Cloke *et al.*, 1991), modernity is not equivalent to the simplicity of the industrialization (Cloke, 1987). This opens up a debate on postmodernism with studies that examine the cultural changes in rural communities (Miibourne, 1997; Cloke *et al.*, 1997; Cresswell, 1996;Little *et al.*, 1996; Matless, 1995; Sibley, 1992, 1995). New trends and urban-rural relationships (Sibley, 1995),

changes in technology and infrastructure development to enable residential decentralization (Clark, 1982), spatial dispersion of the industry (Hodge *et al.*, 1987) (Fielding, 1982). Services reach the field and looking for new alternatives (Murdoch *et al.*, 1993). All this makes the separation between town and countryside is becoming less marked (Wilkinson, 1982).

As a result it there is an "environmental awakening" and the population begins to have a clear awareness that the scientific knowledge has contributed to an enormous material progress, it has also generated a number of serious problems in relation to the natural environment. The result of this social movement drove a need for political parties to include in their programs measures to provide effective solutions to this problem that concerned citizens. Following the broadcast of sustainable development by the Brundtland report in 1991, a report Caring For The Land was published that brought a new dimension in sustainable development: the need for what was called ethics of sustainability based on respect for the limits imposed by natural systems, making use of advances and technical progress (IUCN *et al.*, 1991).

To reach this ethical sustainability is necessary that people think what is right and action needed to take. All this is ultimately a tipping point for the need to have respect for nature. Therefore, all these necessities are driven to question the validity of many development models, and begin a reform that seeks to incorporate the relationships between human beings and nature.

As a result of these changes in society, there are new emerging spaces in which attitudes arise for respect and moderation. We would say that we have a new discovery of solidarity. This finding leads to the need to develop measures and actions that allow us to uncover and resize habitats for human to live (Cazorla *et al.*, 2001). There is an initial process of change in rural areas, it faces a new complexity and demands the need to incorporate rural development projects, human aspects and the life of the communities themselves. Before proposing the new model to give the

response to this changing situation, a require analysis of other complementary concepts and ideas that affect the overall rural development in advanced societies is needed.

1.1.　Interconnection technical, science and engineering

The new science, new technologies and their application in engineering are three concepts that have always been intertwined. Thus, the technology can be understood as the systematic application of scientific or other organized knowledge to practical tasks (Galbraith, 1980). By contrast, the technique is the activity developed by man and with the sole purpose of improving the material conditions of life for man (Scala, 1991); its goal is the creation of the technological object, which comes to play a useful role and concrete.

Science, on the other hand, focuses on doing something useful for immediate use. Its objective is relevant to know the truth. With it, it strengthens both the technique and engineering. The technique provides tools for observation and analysis, allowing a better knowledge of the truth, enriching science; and closing a circle of mutual enhancement which contributes to technological development (Cazorla *et al.*, 2001). Science is therefore a key activity for the development and future of humanity.

The goal of engineering is to understand the human activity that applies to scientific and technical knowledge to solve specific problems, meet immediate human needs without causing collapse and degradation of nature. A large part of the success in the science-technology interface of those projects depends on the number of projects developed in the future, most importantly the person in charge of designing the specific project which has become known as social sensitivity, that is, a knowledge of reality from all points of view, it would cover a range of variables as a benchmark and a precursor to the application of technical knowledge (Cazorla *et al.*, 2001).

1.2.   Knowledge, innovation and social learning

Societies that have led the global development have developed in economies primarily based on knowledge. Societies are capable of developing an understanding from human activity to solve problems.

In these societies the pace of innovation has been a marked acceleration, which affects the dimensions of social activity. Therefore the knowledge, innovation, and social learning are enrolled continuously in a complex process of change in societies whose center is the human development and people working together. The result of the proposed development does not depend only on the very basis of knowledge of the local population. It is also essential the capabilities and skills to adapt to new conditions and opportunities that promote such change (Cazorla *et al.,* 2001).

From an overly technocratic development, innovation can be understood as an act essentially technical, production of a new artifact. To address the problem posed we have to give innovation a new and broader approach as a process of social learning that incorporates itself, essentially to new relationships, new activities of management, administration, negotiation and coordination, new ways of learning, and new systems to structure and exchange information and knowledge within and outside the social agent that brings innovation together.

Innovation and social learning is understood as a complex, open and interactive, with significant collective social dimension, which is a constant adaptation of forms of knowledge and the learning of new conditions of technologies and market conditions which are constantly changing (Cazorla *et al.*, 2001).

This concept has its roots in the so-called social learning, understood as a complex, time-dependent and experience of the actors involved, in addition to the action itself, political strategy and tactics, analysis of reality and values inspire and direct the actions and projects (Friedmann, 1993). The commitment to learning that come from the action itself,

learning by doing-in the formation of values and skills acquired through work mainly with people: the source of knowledge is observation and experience of people. The diagram below shows a simplified model of social learning (Cazorla *et al.*, 2005).

Figure1: Innovation as a process of Social Learning on WWP projects
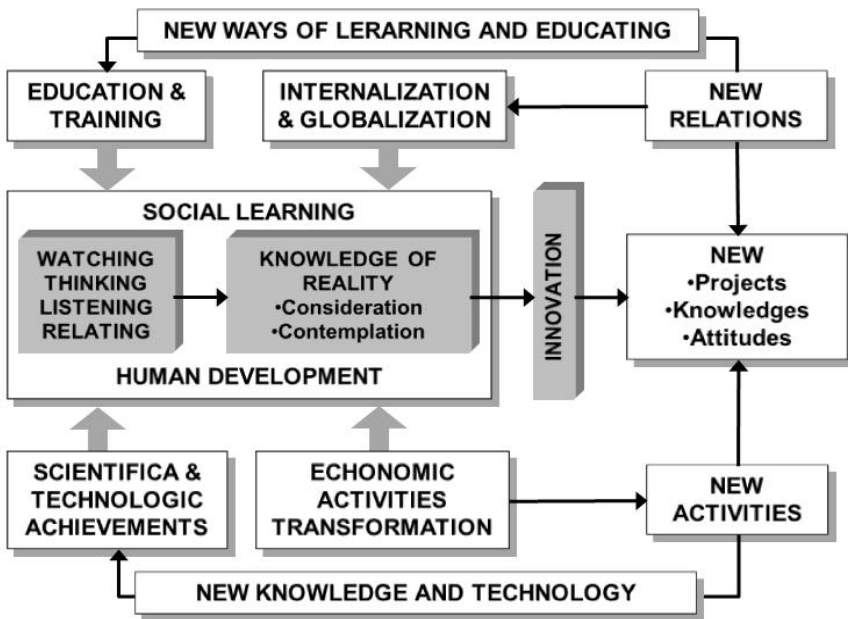
This innovation is like a learning process, linked to in the decision-making prior knowledge of the actors with the knowledge of learning experienced by the actors. But to achieve genuine social dimension that is demanded, requires that those involved will also develop the mental activity of contemplation. It is about discovering the sensibility and intellectually realities of others. This knowledge begins with perceptual activity exerted by the look of things, thinking, reflect on them and listen to the people with whom you work. The chart below is interrelates these

concepts that have their full meaning when linked to the development of people (Cazorla *et al.*, 2001).

Understanding this form of undertaking development projects require professionals who "work with people," submitted to contrast their own ideas, so they can incorporate a new social sensibility.

1.3. Appreciation of values and social sensitivity

The appreciation of values is the ability to perceive the intrinsic qualities of others and understand their views. The central basis for the appreciation of values is mutual respect (IPMA, 2010). But this competition is impossible to implement without adequate social sensitivity.

This sensitivity will allow the new social development professionals to develop the competence of the appreciation of core values, promoting a special interest in historical knowledge, social and cultural environment in which they will develop their projects as key to ensure the welfare of people (Cazorla *et al.*, 2001).

They need to know, respect and incorporate these needs when designing each and every one of the projects that can be launched, and incorporate the "know how" traditional, with this new vision of the context to the new requirements.

To achieve these goals requires that all project activities are based on a social learning process in which they proceed with caution, learning from mistakes to allow new information to guide the course of action.

Based on the above framework, this research proposes a new model for rural development projects which coined the phrase "Working With People WWP." The model is validated later in a case study, developed with the Coordinator of Women Aymara (Peru).

2. WWP PROJECT: PRINCIPLES AND COMPONENTS

As we have seen this project, "modern"-also called project-planning blueprint is seen as inseparable from power (Schumacher, 1976). In the modern project, engineering and scientific rationality are its fundamentals, (Bond *et al.*, 1999) which has a characteristic area and the market action itself. With this configuration primarily "technical," the modern project, leaving out the protagonists of the projects (Cernea, 1991), the affected population and their families, leaves little room for consideration of other ethical issues (Llano, 1992).

Societies and companies like this project configuration were not adequate from the point of view of ethics and sustainability. Thus, there is an initial process of change of the modern project. The new project management approaches emphasize the contextual and behavioral skills of individuals, based on mutual respect (IPMA, 2010). This new professional project will have its own system of values and should express them in their relationship with stakeholders, but above all, be receptive, from social sensitivity to the values of those around them and encourage them to express them to interact with people working.

The model presented is coined the phrase "Working With People WWP" (Cazorla *et al.*, 2010) and is understood as the practice developed by a team that seeks to connect knowledge and action through a common project, besides the technical value of production-goods and services generated, incorporates mainly the value of the share of people who engage, participate and develop the work in the context of the project.

This expression Working With People you want to show the need to overcome the vision of "art" project, focusing on contextual elements and the behavior of people (IPMA, 2010). This is to assess and value the project's technical perfection, the perfection achieved by the agents and stakeholders. WWP The project therefore requires planners, in addition to certain technical and contextual competencies, a special social sensitivity (Cazorla *et al.*, 2001) and solid ethical standards. This project

WWP, as an alternative to the modern project is the result of the following research areas:

- Models from the logic of participation (Korten, 1980; Uphoff, 1985; Cernea, 1987, 1991, 1992; Chambers, 1994, 1997)

- Planning models and social learning (Friedmann, 1986, 1993; Cazorla *et al.*, 1995).

- Formulation and evaluation methodologies and project plans for Rural Development (Cazorla *et al.*, 1995; Trueba *et al.*, 1998; FAO, 1998; Cazorla *et al.*, 2005; Cazorla *et al.*, 2008).

- Project management models, especially those that integrate behavioral competencies (Lawrence *et al.*, 1967; Galbraith, 1973; Winch, 2004; Cicmil *et al.*, 2005; Cooke-Davies, 2004; Hodgson, 2002) and contextual competencies (Miller *et al.*, 2001; Morris *et al.*, 1987; Flyvbjerg, 2002; Morris *et al.*, 2004; Stinchcombe *et al.*, 1985; Davies *et al.*, 2005; De los Rios *et al.*, 2010) that influence the projects.

In view of this it is necessary that during the development process, which profiles the urban and rural, the project considered a priority WWP-called social capital (Midgley *et al.*, 1998), trying to foster proper integration social agents. The ability to communicate and dialogue with others elements basic elements of competition are to reach the project WWP consider social and cultural identity of a particular rural community. Therefore, the local culture of rural communities and their livelihoods are closely linked to the WWP project.

2.1.   Principios del modelo WWP

The project involves the following principles WWP:

a) **Respect for people and primacy** - First, the engineering projects related to rural development requires respect for the people who are the main elements to consider in any development strategy and

the design of any technical innovation. Social respect and sensitivity must extend to those responsible for managing development projects to be defined and negotiated through participatory processes and social integration (Cazorla *et al.,* 2005).

b) **Ensure social welfare and sustainable development -** the other hand, these development projects require social welfare and sustainable development of rural communities, technical investments and efforts that are conducted should be aimed at meeting the needs of the rural population and social welfare. This circumstance requires that planners, along with the local population, to implement development projects that ensure the sustainability of rural areas, that is, they can stay in time, ensuring the survival of the activities, jobs and environmental resources.

c) **Ascending and multidisciplinary approach** - In each and every one of the different phases of such projects, it is necessary to guarantee the principle of subsidiarity, whereby rural development projects should be the responsibility of all actors in the rural community between which is a wide range of stakeholders representing different sectors. The focus of the new professionals must be up, Up / Down Bottom / Up strengthening the capacity of people, knowledge, practice, sensitivity, to ensure stable development of its territory to allow improved efficiency of public investment, to have a greater social dimension.

d) **Endogenous and integrated approach** - The development projects require a comprehensive approach that takes into account all aspects, ranging multi-sectoral interventions with socio-economic cooperation between agents and managers, allowing the creation of new combinations and synergies that generate new projects and new activities. Engineering projects, common to all engineering, is a restraint of property and scarce resources (investment) to generate a stream of future goods and services capable of being evaluated from the standpoint of technical, economic, social and environmental (Trueba, 1995). It is finally the need to make an effort

to see greater emphasis on the social part of the projects, the need to enhance social learning. The geographic scale of these projects must correspond with an area of small dimensions allowing mobilize and involve local people in the process of social learning that get that generates endogenous development projects based on the own resources of the area.

2.2. Components of WWP model

In addition to the above principles, the WWP project is summarized into three components that interact through processes of social learning.

a) *Ethical and social* **component,** covers the area of behavior, attitudes and values of people that relate to promoting, managing or directing the project WWP. This component is identified with the social subsystem, consisting of all the relationships that take place within society.

b) *Technical-business* **component,** which integrates the key elements to get the WWP project set as a unit of investment and technical instrument, capable of generating a flow of goods and services, meet targets, according to requirements and quality standards. From this component, the WWP project adopts a "business function" as a mobilizer of resources.

c) *Component-political context,* since this component is to provide the project with key elements WWP to relate to the context in which it fits the project. This area covers the ability for the WWP project to relate to formal political organizations and the different existing government, and the actions and processes put in place in different international, national, regional and local levels.

2.3. Based on social learning

These three project components of WWP include the four areas of social-relations system as a synthesis of model of society, which Friedmann

(1992) states in his book "Empowerment: The Politics of an Alternative Development" (Friedmann, 1992):

- The policy area, which includes formal political organizations in their various fields.

- The public and administrative, which includes the various existing government, and the actions and processes put in place in different international, national, regional and local levels.

- The private-enterprise comprising all economic activities of private initiative.

- The social, consisting of all relationships that take place within society, not included within the above subsystems.

The apparent simplicity of the WWP project involves a complex by the richness of relationships and learning that occur between the three types of agents of the proposed model (business, political and society).

Figure 2: WWP Model
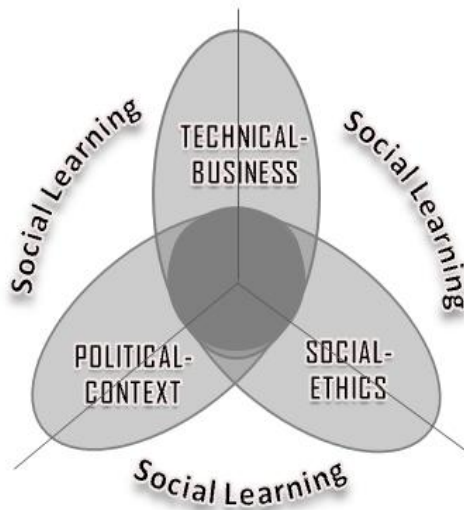

Source: Cazorla, De los Ríos, (2012)

3. WOMEN'S COMMUNITY PROJECT AYMARA (CMA): BACKGROUND

The project CMA Aymara communities in Puno (Peru), has its area of operation in a sensitive area which has natural resources properly used and where its inhabitants are among the poorest in the country with high population growth and a low level of development. Biological and socioeconomic indicators in the area classified as extreme poverty.

The project began in 2008 in six provinces in the Puno region (Chucuito, Juli, Huancané, Puno, Yunguyo and Mold). The project's title is "Developing leadership capabilities of women in communities Aymara (Peru)" and has funding of the City of Madrid for a time horizon of 2 years work. The overall objective of the project aims to increase the technical and entrepreneurial capacity of women entrepreneurs of the Aymara communities of the region of Puno (Peru) to improve their level of independence by becoming leading players in the sustainable development of their communities and the alleviation of poverty.

The department of Puno is located in the Andes in Peru's southeastern corner, the distance from Lima 1315 km, 325 km from Arequipa Cusco and from Km 389, main economic centers in the area of the country. The territory occupies an area of approximately 72,000 km2 which represents 5.6% of Peruvian territory. 70% of this territory is situated on the plateau of Collao and 30% occupy the Amazon region (INEI, 2005). It has a population of 257,000 inhabitants. The departmental capital is the city of Puno, on the shores of Lake Titicaca, the highest navigable lake in the world, 3827 m (INEI, 2005). The target populations were concentrated in the provinces of Mold, Huancané, Puno, Chucuito Juli, El Collao and Yunguyo. In all of them the predominant language is Aymara and the Castilian is the official language. The area is classified as extreme poverty (INEI, 2005). The weather is very changeable with temperatures ranging from 25 to 3 $^{\circ}$ C in summer and 20 to -20 $^{\circ}$ C in winter (SENAMHI, 2009).

Figure 3: Map of the region of Puno (Peru) with expansion of the project area
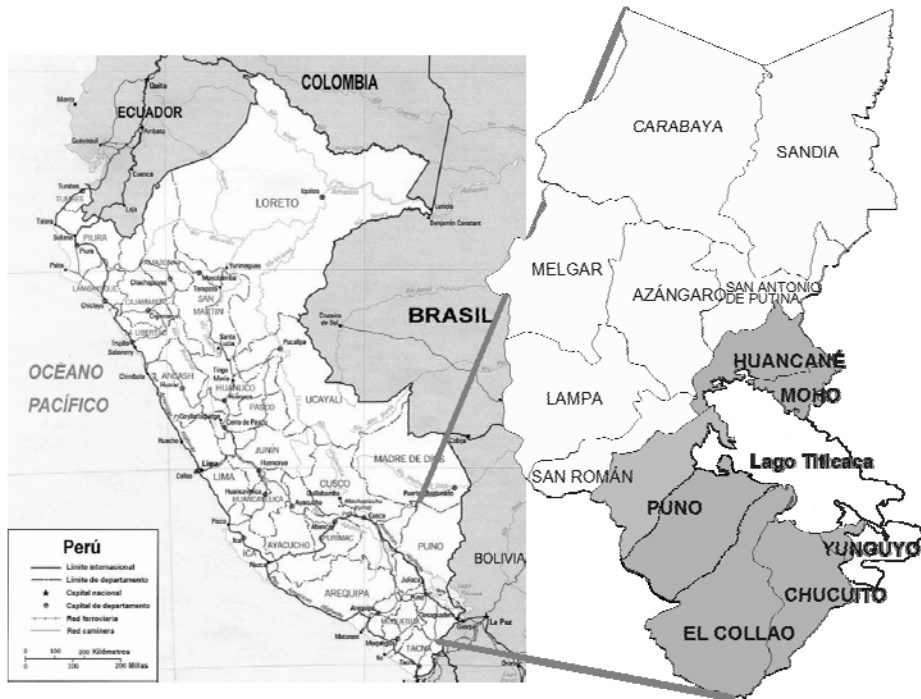
Source: Project Report

The features and limitations of the rural population in these areas from the production point of view in general are summarized in the following areas: climate conditions are highly limiting (by location in an area of Andean mountains nearly 4,000 m altitude); lack of transport and communications infrastructure, especially pronounced among small dispersed communities of the project area, low technological level of agricultural production activities (with only limited infrastructure and technical assistance, training and access to credit), marketing of the products very poor with low prices paid by intermediaries (the dispersion of production, low volumes, lack of business organization), difficulties in the group of women for several interrelated aspects: male idiosyncrasies, low education especially for women, limited mobilization

of financial resources to women, with 28% of the monthly income of the household economy by the contribution of these crafts, the Aymara language as the only means of expression for many, low participation of women in decision-making processes communities, among others.

The results of the WWP model integrated two complementary sources of information. The secondary information consisted by the project reports, official records, statistical databases (INIE, 2005) and scientific documentation. On the other hand, the primary information constituted on empirical knowledge based on experience and perception of the protagonists of the project: the women beneficiaries of the Coordinadora de Mujeres Aymara (CMA). To obtain this information, two instruments were designed to participate: a) questionnaire to members, reaching a universe of 144 women (45% of the 320 women who form the CMA at the time of the survey), b) interview leaders: reaching 100% of the 21 women coordinators for each of the groups. Personal interviews were conducted by the UPM team GESPLAN-technical and CMA, and were in Puno, between the months of March and April 2010.

3.1. CMA Project: analysis of the process from the components of the WWP

The execution of the Project with the CMA presents the results shown below, which are highly significant to demonstrate the validity of the WWP as a new paradigm for the management of development projects. These results are shown according to the components already described by WWP.

3.1.1. Social ethics component

Since the beginning of this project it has been promoted to help empower the CMA, a group of women with more than 30 years of experience of

managing as an agency of social support (Negrillo *et al.*, 2010). The WWP model allows to value this experience by making these women provide all their "know-how" - the experience and culture - to foster the development of the project.

The promoter was GESPLAN group UPM, with the executor and beneficiary of the CMA through a technical team composed of selected and UPM staff and local technicians. The project was enriched by contributions from the beneficiaries through meetings with groups in the three areas of action of CMA (North, Central and South) as a result of those early meetings, developed terms of reference for a project.

Figure 4. Distribution of the number of members per group and area in 2010
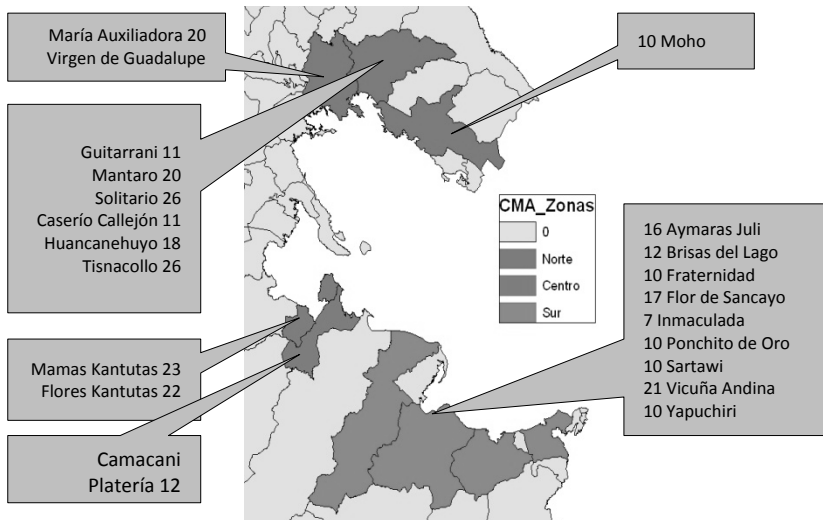
Source: Own elaboration

From Figure 2 we see that the CMA corresponds to three territories, with different problems and opportunities. The CMA has sought to empower all its territories and communities in decision-making for the CMA, so the CMA Board of Directors is formed by two members of each

area so the views of all members can covered this way. There is a climate of mutual respect that allows the Board Aymara with the technical team working PSUs without conflicts in the project. The ideals of the planning team looking to make one work with women and not for them (paternalistic view).

As a result of the WWP project and the strength of the structure of the CMA that it has in the communities, the organization has grown from 320 women, consisting of 21 groups in 2010 (Figure 2) to 427 women from 22 groups in 2011. The organizational level of groups of CMA has evolved as the project progressed. Each group has chosen to adapt to this new situation, some groups designated specific days of the week to meet and share knowledge gained in the design workshops or training delivered by third parties.

The WWP project activity does not change the idiosyncrasies of the beneficiaries, but rather strengthen it. The meetings allow them to undertake activities related to "the Aymara culture," such as sharing food in community, the payment to the land and the use of their language, preserving its cultural environment and customs, so the 90% women prefer to work together (because they correct themselves, help each other and they have fun.) plus some new products have the Aymara culture because they do not want the project to be a disruptive activity, something that WWP rather brings out in them.

As consolidation and assessment of the group work, as collateral to secure the quality and improve productivity: 87% of the women of the CMA welcome the new form of project work (flexible and adaptable, enthusiasm for learning, pride work, etc..), so the CMA itself, as the project team are based together in the promotion of the Aymara culture, recognition and defense of women.

It has created a general meeting of presidents with a set of internal rules, approved status regularized by themselves, the average participation at general meetings is 44%. This participation can be considered high for

two reasons: (1) limited funds for mobilization and (2) difficulty communicating with outlying communities.

3.1.2. Technical – business component

As this component for the business area includes private-private initiatives. In this project with the Aymara develops a business function that is expressed as follows:

The first step is the signing of a cooperation agreement between the CMA and the Group of UPM GESPLAN to establish the framework for subsequent relationships. From there, the CMA is formalized and legally constituted itself as a legal entity coordinator, obtaining its charter and RUC (Registro Único de Contribuyentes). After these initial steps in the formalization of the organization, the next step was to develop the capacities of women to the realization of new products, so we had the participation of NGOs for Development Design.

Since innovation is a key factor for the development of business organizations, craft organizations were not well developed, hence the CMA, DPD and UPM have developed a system that encourages innovation based on social learning. With this system we include two key factors: design and product quality of the products. The products manufactured have a design that is oriented to the international market, which takes into account the trend colors and innovative use of new materials respecting the local culture. So each year develops a new collection of clothing, accessories and household items.

The process of developing new collections information passes through a search for which field visits are made prior to the workgroups and remote consultations to prepare and include new materials, increasing each year the number of garments per year from 25 articles in 2009 to 56 in 2010. So the products offered in the collection corresponding to the actual and potential capabilities of the CMA.

The operational part of the design workshops includes the offset service area of the internment of DPD design team with representatives from all groups of the CMA for several weeks. During that time developing products based on an exchange of knowledge of technical experts and beneficiaries who made a rise on products that had experienced knowledge of the exchange (Bold *et al.*, 2010).

A milestone in the development of products, was to design a brand, a product image that could be identified with the work of the CMA. This achievement was accompanied by another, the competition for the development of a logo of the CMA with the participation of 60 members of different groups. This logo was styled by the designers of DPD, preserving the concept and forms of the winning logo. From it, we designed labels, packing, packaging bags and everything needed to generate an image of the company to the organization. From here on the CMA's products were not just quality products but also had presentation and good detail packaging for display so it can be sold.

Three years of marketing has caused women to gain experience and they have proposed improvements in labeling and "packing."

The development of the three collections has been a change in the mentality of the beneficiaries, the fruit of that product prototypes are produced outside the traditional product collections. They innovate by using new materials and designs that are provided by both the beneficiaries and by the technical team. We should also mention that the quality control has undergone substantial change since the beginning of the 58% first orders had to be redo or lost parts, however now this process is virtually nil.

During the project, women have increased their marketing efforts: in the past "without" the project-57% of women sold its products which has grown to 75% of women who sell their crafts as their main source of income in the situation "with" project WWP. As a result, proceeds from sales of collections 2009 and 2010 were € 22,500, of which 75% of revenues

in the community have been reversed as follows: € 11,490 for the artisans - which 95% are happy with the payment received for his labor because the project WWP has standardized the price of labor in women (S. / 3 / hour) - and approximately € 4,000 for the coordinator in the form of benefits, which part is handled by the coordinator for administrative expenses and the other party has been divided between different areas (north, center and south) and each of which has used the different ways such as in the north where it created an investment fund that has given members of the CMA or third parties who have a productive activity, seeking higher returns for the return, the south created a revolving fund for individual claims of group members in the area. This fund is administered by presidents of the groups, but with the caveat that they are not members of the board of the CMA. The fund is distributed according to an internal regulation and control is monthly and finally, the center chose the distribution of benefits among members of their groups.

Table 1. Income distribution by area and by partners in 2010

Area	Soles	No.	Soles per person	Maximum (S/.)	Minimum (S/.)	Maximum/ Minimum
Huancané	6900	48	144	540	60	9
Vilquechico	0	0	0	0	0	0
Moho	1980	14	141	540	60	9
Chucuito	4530	50	91	400	15	27
Platería	2607	19	137	480	24	20
Juli	7630	80	95	510	5	85

Source: Authors

Another important milestone in the efforts made to develop the entrepreneurial function was to improve the capacity for entrepreneurship - 40% of the women interviewed expressed their desire to start a new business after receiving training, and more than 50% have requested loans to start their business - this was caused by entrepreneurship seminar involving the 21 presidents, plus the board of the CMA and private business as the manager of Indigo Gallery, the president of the National Chamber of Tourism (CANATUR). The seminar addressed issues of how the CMA can enter new markets, how to position your image and strategies to continue to increase sales of their products. As ideas of this workshop is to establish fixed points of sale in the country and abroad, which has become the first department store of the CMA in the town of Juli (Puno), and exposure of the collections in Aymara Indigo Gallery in Lima, Cusco and Arequipa.

All this is complemented by the development of the CMA website: www.mujeresaymaras.com where collections coordinator shows online, giving customers the availability of online shopping.

3.1.3. Political context component

This project component WWP, the CMA has a strong relationship with the Prelature of Juli, and their origins were as a social entity "Coordination pastoral women of the Prelature of Juli." The Prelature of Juli CMA continues to support facilities such as the transfer of the premises where they operate the offices of the organization.

Today, the town of Juli recently been interested in the experience of this project with the CMA and is trying to support as far as possible, providing facilities for the formalization of the store and believe that their use in re-launching tourism in the area.

This work from the political context component has been shown to external stakeholders the possibility that experience with the CMA can be replicated in other communities in the province. At present, the CMA and

its partners are a new value for the land and can act as a catalyst for these new groups.

3.2. Lessons of experience from the Social Learning

The new bargaining relationships and ongoing dialogues among the target population (women members of the CMA) and planners (GESPLAN-UPM), are developed through social learning processes. The expertise and experience are integrated into the actions of a continuum leading WWP enrichment through dialogue with the affected population. From this component, the WWP works have allowed the following results:

- Knowledge exchange and joint research in the field with the women of the communities to devise joint actions in the project: product development, marketing strategies, organization and dissemination of the CMA.

- Commitment and sustainability of the project through dialogue and negotiation: High percentage of women interested in staying in their rural community.

- Improvement and strengthening of capacities (technical, contextual and personal) of the members of the CMA and improvement of social learning in the planning of activities to implement new projects.

- High interest (100%) of women for training to adopt technical innovations of the project; powerful (57% of women have been learning CMA) and impact of learning (91% of women have made innovations and improvements incorporated techniques in your production system).

- Population dynamics in the communities of the project: 60% of women surveyed feel that the CMA population is increasing in their communities.

As a result of the high turnout and the effort by the planning team to integrate the less influential groups in economic and social development it improves the distribution of income in the communities.

4.   CONCLUSIONS

The WWP model is applied in the draft Aymara communities, is confirmed as a new approach to rural development. Since there are different components of the WWP project many emphasize on the skills and behavioral context of the people. The success of WWP model requires planners to have a special "social sensitivity" and "appreciation in core values" to understand the different viewpoints of people to be receptive to opinions, value judgments and ethical standards.

The various components of WWP previously mentioned have affected in the four main dimensions to the Aymara which has improve the processes of innovation and development, respecting their own culture, values and beliefs:

1. Provision of new scientific and diffusion of new technologies. - The technical focus on the design of handmade products, new technologies of information and communication technologies (web CMA), selling products online, marketing.

2. Transformation and diversification of rural economic activities and the subsequent maintenance of employment .- Improving the economic and business development and promoting micro-enterprise projects linked to handcrafts made by women, such as textiles and small production of high value added to agriculture . This improvement in rural economic activities beyond the purely commercial, economic, emerging products and other social and cultural importance.

3. Improving international relations and the trend toward globalization of societies and economies .- Since the establishment of the Coalition

of Women Aymara (CMA), recognized as a legal entity, improved international relations with various actors and institutions.

4. The increased level of education and knowledge base in rural societies. - The 427 women trained with the project are grouped into 22 groups of the CMA and are the fountain to disseminate the knowledge and improve the income of rural areas communities.

Finally, we need to make an effort to see more emphasis on the social part of WWP project and the need to strengthen the social learning approach. The geographic scale of the projects should be correspond to WWP project and with an area of small dimensions that allow the mobilization of local community and involve them in the process of social learning. This will achieve endogenous development based on the generation of projects with available resources in the area.

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EMPOWERMENT EVALUATION CROSS-CULTURALLY: GUIDING THEORIES, PRINCIPLES, AND CONCEPTS IN SPAIN AND THE UNITED STATES

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ABSTRACT

David Fetterman and José M. Díaz-Puente use an empowerment evaluation in rural Spain and an American medical school to highlight a few of the fundamental empowerment evaluation theories and principles. The focus of the article, however, is on the use of empowerment evaluation concepts that appear to apply cross-culturally, such as: critical friends, cycles of reflection and action, culture of evidence, community of learners, and reflective practitioner.

The professional practice of evaluation has been gaining a growing worldwide recognition (Díaz-Puente *et al.*, 2007) and an increasing influence to foster change processes, capacity building and learning (Kirkhart, 2000). In this context empowerment evaluation has become a global phenomenon. It has been used in: Australia, Brazil, Canada, Ethiopia, Finland, Israel, Japan, Mexico, Nepal, New Zealand, South Africa, Spain, the United Kingdom, and the United States. It has been successfully applied in many settings, ranging from corporations such as Hewlett Packard to townships in South Africa. The approach has been

used in many types of settings, including public schools, higher education, Native American reservations, as well as environmental protection, substance abuse prevention, and tobacco prevention programs. The definition of empowerment evaluation is simple: the use of evaluation concepts, techniques, and findings to foster improvement and self-determination. It is aimed at increasing the probability of achieving program or curricular success by 1) providing people with tools for assessing the planning, implementation, and self-evaluation of their programs, and 2) mainstreaming evaluation as part of their planning and management (Fetterman &Wandersman, 2005)

Empowerment evaluation differs from traditional evaluation in four significant areas: 1) builds capacity: community members, program participants and staff members, as well as relevant faculty and students learn to assess their own performance; 2) local control: community members and program participants and staff are responsible for conducting the evaluation (assisted, rather than led by an evaluation expert); 3) knowledge is valued and used: evaluation data is requested, instead of gathering dust; and 4) continual feedback and improvement are the norm: data are used to continually inform decision making and improve performance.

1. THEORIES & PRINCIPLES

Empowerment evaluation is guided by specific theories, principles, concepts, and steps (Fetterman, 2001; Fetterman &Wandersman, 2005). The most important theories include: process use and theories of action and use.

According to the theory of process use: the more that people engage in the act of conducting their own evaluations the more likely it is that they will find the results credible and act on the recommendations. The reason is because they own them. This enhances knowledge utilization.

The theory of action is the espoused theory of the organization or group of people. It is what they say they are all about. This is compared with the theory of use or what people actually do in practice. Often the theory of action and use are not in alignment. Fundamentally, empowerment evaluation is designed to build feedback loops that help people align what they say they are doing or hope to do with what they are actually doing in practice.

These theories work in conjunction with 10 specific principles of empowerment evaluation. The empowerment evaluation principles are:

1. Improvement
2. Community ownership
3. Inclusion
4. Democratic participation
5. Social justice
6. Community knowledge
7. Evidence-based strategies
8. Capacity building
9. Organizational learning
10. Accountability

According to Fetterman (2005):

These principles guide every part of empowerment evaluation, from conceptualization to implementation. The principles of empowerment evaluation serve as a lens to focus an evaluation. The principles of inclusion, for example, recommends erring on the side of including rather than excluding members of the community, even though fiscal and scheduling constraints might suggest otherwise. The capacity building principle reminds the evaluator to provide community members with the opportunity to collect their own data, even though it might initially be faster and easier for the evaluator to collect the same information. The accountability principle guides community members to hold one another accountable. It also situates the evaluation with the context of external

requirements. The community is accountable for reaching specific standards or delivering specific results, products, and/or outcomes (p. 2).

1.1. Concepts

Empowerment evaluation is also guided by key concepts including: critical friends, cycles of reflection and action, culture of evidence, community of learners, and reflective practitioner.[6] A critical friend is an evaluator who believes in the purpose of the program, but is critical and analytical. They pose questions diplomatically to ensure rigor and honesty, because they want the program to be more effective and accomplish its objectives. Empowerment evaluations are conducted by program staff members, participants, and/or community members. An empowerment evaluator is a critical friend helping to facilitate the process, rather than an external expert controlling it.

Cycles of reflection and action consist of the process of using evaluation data to think about program practices and then using the data to inform decision making, e.g. implementing new strategies, eliminating ineffective ones, and so on. The concept emphasizes the cyclical nature of the process, rather than a unilinear approach. Data are continually fed into the decision-making system with the understanding that the program is dynamic, not static, and will require continual feedback as the program changes and evolves (and periodically stabilizes). Empowerment evaluation is successful when it is institutionalized and becomes a normal part of the planning and management of the program, rather than a separate and parasitic entity operating in a "parallel universe." Once institutionalized the cycle of reflection and action is complete because it creates a continual routinized organizational feedback loop. A culture of evidence is created by asking people why they believe what they believe. They are asked for evidence or

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[6] These concepts are influenced by traditional organizational development and transformation theorists including Argyris and Schon (1978) and Senge (1994), as well as evaluators associated with organizational learning (Preskill and Torres, 1999).

documentation at every stage, so that it becomes normal and expected to have data to support one's opinions and views.

Empowerment evaluation facilitates an existing community of learners and cultivates new ones.[7]Empowerment evaluation is driven by the group, by design. The group learns from each other, serving as their own peer review group, critical friend, resource, and norming mechanism. A community of learners is reinforcing, relying on group peer pressure. The group has values held in common and hold each other accountable concerning progress toward stated goals. A community of learners also helps focus the group and keep it on track. Finally, empowerment evaluations produce and then rely on reflective practitioners. Community members learn to use data to inform their decisions and actions concerning their own daily activities. This produces a self-aware and self-actualized individual who has the capacity to apply this world view to all aspects of their life.

1.2. Case Examples: Spain and the United States

We highlight two empowerment evaluation examples to demonstrate how empowerment evaluation concepts are transferrable cross-culturally. The first example is a project in rural Spain. The second is in Stanford University's School of Medicine in the United States.

1.2.1. Spain

The Technical University of Madrid received support from the Servicio de Desarrollo Rural del Gobierno Regional de Madrid (Rural Development Service of the Regional Government of Madrid) to conduct three rural development program evaluations. The programs were created under the European initiative called LEADER. It was designed to

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[7] This is critical to an accreditation effort because accrediting agencies are looking for wide-spread faculty, student, and staff member involvement in curricular development, review, and refinement.

foster endogenous rural development through the creation of local partnerships.

1.2.2. U.S.

The School of Medicine at Stanford University was about to undergo an accreditation review, required for accreditation. Evaluation is often viewed as the heart of an accreditation review, consequently a Division of Evaluation was created8. The division adopted an empowerment evaluation approach to guide the school and the accreditation effort.

1.3. Most Appropriate Approach

We valued both internal and external evaluations. We also thought that external evaluation would be easier and more fruitful in the future if we were able to build-in local evaluation capacity. The evaluation literature describes the efficiency of participatory approaches to build evaluation capacity. All participatory approaches share some concepts. However, they do differ. For example, empowerment evaluation is designed to facilitate learning and change and build local evaluation capacity.

Empowerment evaluation is designed to contribute to sustainability, because it puts evaluation tools in the hands of community members – enabling them to continue to monitor and assess their performance. For this reason we thought empowerment evaluation represented the most appropriate approach given the needs of rural communities in Spain and the medical school in the United States. In addition, the effectiveness of empowerment evaluation has already been established in the literature. (See Díaz-Puente et al., 2009, and Díaz-Puente et al.,2008, concerning work in rural Spain; Fetterman, 2009 and Fetterman, Deitz, and Gesundheit, 2010, concerning evaluation practice in Stanford University's

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[8] Professor Fetterman was recruited to create and manage the School of Medicine's Division of Evaluation.

School of Medicine; and Fetterman, 2001 and Fetterman and Wandersman, concerning additional projects.)

Empowerment evaluation and traditional external evaluation are not mutually exclusive. In the Spanish case example, the European Commission and the Madrid Government required an external evaluation orchestrated by an external evaluator. In the American model, the accreditation committee conducted its own external review of the program, orchestrated by a team of external evaluators. Empowerment evaluation functions effectively and productively in this climate. It can assume primary responsibility for internal assessment and contribute to external and summative assessments. In essence, empowerment evaluation plays a leading role in internal evaluations. Community members, program staff and participants assume responsibility for the evaluation including implementing monitoring tools. They also assume a collaborative role and some responsibility in the summative evaluations.

1.3.1. Spain

LEADER Groups. Our evaluations focused on the empowerment of the three groups of people that undertook the daily management of the programs; through these target groups it was easier to reach a larger part of the rural communities and expand the evaluation culture among them. This was done through the participation of the stakeholders in several focus groups centered on: agriculture, cattle-breeding, rural tourism, arts and crafts or marketing of local products. Each group focused on issues relevant to these sectors and applied the three step model in empowerment evaluation: 1) mission, 2) taking stock, and 3) planning for the future(Fetterman, 2001).

1.3.2. U.S.

Faculty, Students & Administrators. Our evaluations focused on the empowerment of faculty, students, and administrators in the School of Medicine. This was the critical composition of key stakeholders, required to "change the culture" and implement change. This was accomplished by participation of members of these groups in course assessment, curriculum committee, division of evaluation, and faculty senate meetings. The focus was on the medical school curriculum including: core pre-clinical courses, clerkships, scholarly concentrations, and physical examination task force efforts.

2. THREE STEP MODEL

The mission step consisted of eliciting value statements about their dream or ultimate goals. Taking stock had two parts: 1) prioritizing the list of activities stakeholders were engaged in; and 2) rating how well they were doing in each area. After engaging in a dialogue about the ratings and providing evidence for the ratings, the group developed their own plans for the future. That step consisted of developing: 1) goals (associated with the activities evaluated); 2) strategies to accomplish the goals; and 3) credible evidence to document that the strategies were implemented and successful.

We valued the simplicity of the model. It allowed us to rapidly become familiar with the programs and the curriculum. It also helped stakeholders to see evaluation as something non-threatening and approachable. The stakeholders saw the model as "something useful and easy to implement." We recognized that it was a useful way to begin our capacity building. In Spain, the stakeholders explained: "the mission step served to (help us) reach a consensus on where local strategies should be focused". In the United States, the stakeholders stated that: "the mission (step) helped use establish a consensus concerning our values for the program." The taking stock exercise created a baseline and focused the

evaluation effort on the most important issues for the stakeholders. The planning for the future exercise helped the community come to a consensus concerning where they wanted to go.

2.1. Following the Guiding Concepts

These two case examples, in rural Spain and in a medical school in the United States, are used to highlight a few of the fundamental empowerment evaluation concepts, such as: critical friends, cycles of reflection and action, culture of evidence, community of learners, and reflective practitioner. The power of these concepts to guide an evaluation in very different settings attests to empowerment evaluation's capacity to function effectively cross-culturally.

2.2. Cycles of Reflection and Action

Empowerment evaluation is a process of collecting and analyzing data or reflecting on the data, and then using the data to inform decision making. In our two examples, people collected the data, thought about it, and then acted on it to improve their programs.

Spain. The cycles of reflection were evidenced in the use of monitoring systems. The management teams showed an increasing interest in the use of evaluation tools for monitoring the programs. The monitoring tools in place usually consisted of an information system (a data base) and a self-evaluation system (a systematic surveillance of an indicator system). We had to assume a leading role in designing the monitoring tools when we started working with the LEADER groups, in 1996. However, eventually the management teams began to take more of an initiative – especially in the design of the indicator system for self-evaluation in the mid-term evaluation of 1998. They came to rely on these tools to think about and assess program progress.

The participants in the evaluation process (especially the LEADER management teams) had to apply the new knowledge they acquired, concerning evaluation concepts and techniques, in continuous "cycles of reflection and action" that characterize the empowerment evaluation approach.

The LEADER groups' internal evaluation process also reflected the cycles of reflection and action. Evaluation findings played an important role in decision-making. The data were often used to make changes concerning things that did not work. Using the recommendations made in the evaluation reports, the local development strategies were reoriented. The LEADER partnerships acknowledged: "evaluation activities were useful in improving their programs, accomplishing their rural development goals, and being more professional in managing their rural development programs". This was a significant evaluation contribution to the rural communities.

U.S. The cycles of reflection were also manifest in a monitoring system. The Division of Evaluation in the School of Medicine collected student assessments of courses and feed the results back to faculty and administration. The faculty took on an increasing interest in the data once they recognized it was being provided on a routine basis, accurately, and in a user-friendly format. In addition, they recognized that the data produced from this monitoring system was being shared in the spirit of constructive criticism. It was not designed "to get somebody."

The individual faculty members joined with students and administrators to reflect on the data (the course ratings). The aim was on improvement and collaboratively they worked to interpret the data and remove unintentional redundancies and implement more effective teaching practices.

These new practices, were, in turn were assessed as well to determine the effectiveness of the new curricular innovations – relying on the course evaluation monitoring system. This was a significant contribution to the

curricular development and improvement process, which in the past was fragmented and left to individual faculty members often operating in a curricular vacuum and without data to ensure some measure of educational accountability.

2.3. Critical Friends

We worked with the groups in both communities (Spanish and American) to help them conduct their internal evaluations, not as experts, but as people who believed in their work with an eye toward helping them design meaningful assessments of their work and building their evaluation capacity. When we helped the groups design their monitoring tools, they both decided to use a 3 steps model.

Spain.   They used the 3 step model to conduct some focus groups and to follow up on the implemented development strategies to determine how they were doing, focusing on the most important rural sectors of each territory. We assisted some of these focus groups, which were led by members of the LEADER groups. We also provided suggestions to help them make the process more rigorous. Our contribution also included advocacy: recommending that the group remain inclusive (concerning invitations to their meetings). We also advocated for the use of evidence to determine program effectiveness, including collecting information, analyzing the data, and designing strategies with the rural communities.

As critical friends we also recommended adaptations to the three steps model to ensure that they valued stakeholder contributions. These suggestions facilitated engagement and encouraged participation. Specifically, we want to make sure high status individuals became more aware of the power or status differential in the group. In some instances, individuals with less status were less likely to contradict higher status members. They followed our advice and began meetings by soliciting the participation of the least senior stakeholders before asking higher ranking

members to participate. The discussions became more productive and generated more discussion and engagement across groups.

U.S. The Director of Evaluation in the School of Medicine, assumed the role of the critical friend. He ensured that the course evaluation data was available on a timely basis in order to facilitate discussion and dialogue about the curriculum. He also convened timely meetings (shortly after each course) to provide stakeholders with a forum and opportunity to engage in a dialogue about the data on a routine basis. The Director also ensured that the climate remained constructive, rather than punitive, and encouraged participation from all levels in the pre-clinical portion of the curriculum (typically the first two years of the medical school curriculum), including proctors, instructors, clinicians, students, core faculty, and administrators. Similarly, students, residents, faculty, and administrators were encouraged to participate in the process of self-reflection and action on the clerkship level of the curriculum (typically, the last two years of medical school).

2.4. Culture of Evidence

The process of asking people to provide documentation to support their opinions contributed to a culture of evidence. Everyone was expected to provide supporting documentation for their views as the process unfolded.

Spain. The findings and recommendations documented in the evaluation and monitoring reports greatly contributed to the generation of this culture. They provided evidence and arguments to: justify a change in beliefs and opinions among the rural communities regarding the common good (agreed upon problems and desired outcomes), select a course of action between alternative solutions, and improve the local development programs. The reports provided an authoritative source that local leaders and the participants in the evaluation process relied

upon to try to persuade others, support previously held positions, or replace ineffective strategies in the LEADER programs of their local areas.

The groups relied on the evidence in the reports to reorient their local strategies, change funding streams and strategies (in one case shifting the funds form a losing strategy to rural tourism to have a greater impact on development), and improve the management of the programs and their coherence with other national or regional policies as applied in their rural areas.

The summative evaluations conducted between 2000 and 2007 were more useful and reliable because the management teams had already become accustomed to collecting and analyzing evaluation data. It is also noteworthy that the regional government of Madrid reported an increase in the quality of the annual monitoring reports made by the management teams of the rural development programs.

U.S. Similar to the experience in Spain, the evaluation reports provided faculty, students, and administrators with evidence instead of opinion or conjecture to make decisions. Faculty could disagree with each other and the student views, but the student ratings provided a baseline in which to engage in arguments. In addition, faculty recognized at minimum that the student perception that there was a problem required attention because it meant that the information was not being delivered or received as intended.

Faculty were also asked to assess their own programs and courses. They were then asked to explain and provide evidence for their ratings. The Director of Evaluation convened mid-course focus groups to ascertain student views of a course (while it was still possible to make mid-course corrections). Students were asked to rate aspects of the course and provide evidence for their ratings or assessments. This process of holding people accountable for their views helped to cultivate a culture of evidence.

2.5. Community of Learners

Empowerment evaluation depends on people functioning in groups, rather than individual entrepreneurs. The process of working together to solve common problems, relying on data, and helping each other, builds a community dedicated to learning from the information they collect about their activities.

Spain. Evaluation was originally seen by stakeholders as an imposition by the European Commission and a necessary step for obtaining financial resources. When evaluation penetrated their activities, the evaluation process was viewed as an instrument that could help them attain their development goals; an instrument that could help them in their common efforts to work and improve their territories.

Eventually, the empowerment of stakeholders at the lowest possible level was carried out through the interactions between the LEADER management teams and the rest of the rural population. The efficacy of these interactions was evidenced by the increasing number of people who began to understand the importance of evaluation. The LEADER teams reported that each time more people were available to participate in the evaluation activities (interviews, focus groups, etc.). An initial, clear and pragmatic, though inclusive, delimitation of the stakeholders empowering themselves was important (in our case the management teams). This core group was critical to facilitate large-scale empowerment among the rural population.

The focus group data in this case example supports this view. As a local leader reported: "this kind of meeting, focused on the different sectors of rural activity, provided a very rich view of the territories where all participants learned, and all participants provided information and solutions to some problems. But the best solutions were found by combining the insights of the different stakeholders." Solutions concerning low participation of women in programs, unemployment, or

environmental issues, emerged from the group or collaborative discussions.

U.S. Evaluation, before empowerment evaluation was employed, was dependent upon the good will and time of individual faculty. Problems with courses would continue year after year. There was no systematic mechanism for collecting and circulating the data. In addition, there was no community to engage the data.

After empowerment evaluation was adopted, learning communities emerged on both the pre-clinical and clerkship levels. On the pre-clinical or course level, students, faculty, and administrators met routinely to discuss the data (course assessments) and the decisions to implement new curricular practices (in an effort to address identified problems). Course directors valued these opportunities stating: "these (meetings) are the first time we have had to come together and meaningfully share what we are learning about what works and does not work." Similarly, on the clerkship level, clerkship directors stated: "this is the kind of data we need to make collective decisions to improve clerkships across the School."

2.6. Reflective Practitioner

One of the goals of empowerment evaluation is for every participating member to reflect and think about their work on a daily basis. The use of data to inform decision making is internalized on a group and individual basis. The reflective practitioner is continually attempting to improve practice by relying on data.

Spain. One of the members of the LEADER groups epitomized this role. He reflected on the summative evaluation findings and produced a document not only to help his own programs, but as a tool to disseminate "best practices" and help other programs. The publication had the added benefit of enhancing the rural communities and regional government's appreciation of the LEADER programs.

U.S. The director of obstetrics clerkships in the medical school used empowerment evaluation to reflect on her own practices orienting incoming clerkship students. She recognized her own biases and ineffective practices (which were reflected in students evaluations) and completely re-designed the her orientation and approach to working with incoming students. This reflective practice was also reflected in improved student ratings for her specific role in teaching (as well as the evaluation of the clerkship as a whole.)

2.7. System-wide Benefits

In both the Spanish and American case examples, system-wide benefits were documented.

Spain. One of their most important challenges faced by an increasingly decentralized system is that local governments often possess limited staff resources and lack management experience. Empowerment evaluation is responsive to these system issues. The approach enables, it builds capacity. The result was a stronger capacity to develop local initiatives, transform them into real projects, and increase the fund-raising and private investment in the development strategies.

At the regional level, a better consideration of the LEADER management teams and their work was evidenced. The regional authorities of Madrid were not used to the kind of decentralization characterized by the LEADER program. Initially they mistrusted these new local organizations. At present, the LEADER groups have gained the confidence of these authorities. The authorities are supporting the continued development of LEADER programs. In addition, the regional authorities of Madrid have required the collaboration of LEADER groups in the management of different measures and programs that these authorities are carrying out in their rural areas, (such as the regional rural development program and the programs for the diversification of the

rural economies, both co-financed by the European Union). This is a significant measure of confidence in the LEADER groups and their work.

U.S. Similar to the experience in Spain, students, faculty, and administrators in the medical school were willing to tackle large-scale issues and problems that they avoided or neglected in the past, in part because they could see that their collective action could make a difference. The time they devoted to this task was viewed a productive time because they could see the fruits of their labour. System-wide issues, such as problems associated with the training of students to conduct physical examinations were systematically assessed. The issue was thoroughly studied and various action plans were implemented. In addition, innovations to improve student performance in this area were systematically collected and reviewed on a routine basis.

3.   SOME LESSONS IN EMPOWERING PEOPLE

We learned some lessons about evaluation as we applied empowerment evaluation in both of these settings – cross-culturally. In empowerment evaluations, people invest their time and energy to help their communities development and grow. They deserve to be treated with compassion and respect. They contribute to these efforts because they want to use their talents creatively. Participation in empowerment evaluations adds value to their lives. People need to be challenged, continually learning from their environment. People also need to feel like they are contributing to larger problems and serving basic human needs. People need to feel valued.

Empowerment evaluation cultivates an environment of profound respect coupled with industrious productivity. It also helps people maximize their potential. Empowerment evaluation, in Spain and the U.S., tapped into community talents and passions. It provided a structure or framework for action. Empowerment evaluation helped people

become immersed in their work. This kind of involvement inspires people to turn work into "a labor of love."

Communication – primarily listening and speaking skills – is without question, one of the most important empowerment evaluation techniques. Most people think they know how to listen because they think they are doing it all the time. However, people typically only listen within their own frame of reference or world view. Empowerment evaluators use an empathic listening skill: conducted within the community members' frame of reference. This means adopting a nonthreatening or judgmental perspective. We found that it was necessary for community members (in both Spanish and American communities) to feel like they were heard before launching into problem solving. Failure to adopt this world view results in a proliferation of turf issues and defensive communications. Empowerment evaluators recognize that there is more than one perspective of reality and more than one way to interpret reality. The challenge of empowerment evaluation lies in creating a shared vision that values as many of the differing viewpoints in the community as possible.

4. CONCLUSION

Empowerment evaluation has proved to be a valid and useful approach in the areas of endogenous rural development in the EU and an American medical school. It shifts the focus of evaluation, from an imposition to a necessity. It celebrates the strength of collaborations. Empowerment evaluation helped evaluators become more conscious of their responsibility to build evaluation capacity. Empowerment evaluation also helped cement stakeholders commitment to improving the lives of the people living and working in their own communities[9].

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[9] In Spain, this case study illustrates how an empowerment evaluation approach to community objectives can be combined with EU standards of accountability, and how it is possible to foster improvement in the rural communities of the EU while responding tothe requirements and

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information needs of the different public authorities that shape the multi-level governance in the EU at the same time. In the American example, this case study illustrates how an empowerment evaluation approach to medical school objectives can be combined with accreditation standards of accountability.

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A PARTICIPATORY APPROACH TO MULTIFUNCTIONALITY OF AGRICULTURE: A LOCAL VISION OF THE BANANA SECTOR IN THE CANARY ISLANDS, SPAIN

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ABSTRACT

The multifunctionality of agriculture—in terms of its productive, social and environmental aspects—is considered a legitimate objective of agricultural policy. However, there is continued debate on the best way to promote these functions jointly, as well as constant criticism of the European agricultural model. These discussions need complementary studies to nourish them with empirical data and a local perspective. This paper analyzes the legitimacy of European aid to agriculture from a local perspective and under the argument of multifunctionality. To this end, the banana sector of the Canary Islands was selected as a case study, and a participatory study was conducted with all of the agents involved. The results show that European aid to this sector—criticized under the assumption of distorted trade flows—contributes to achievement of local social and environmental objectives by maintaining production and trade quotas. However, it was revealed that aid should make a more concentrated effort to attain modernization and differentiation of local productive quality, and to promote competitiveness. In any case, the multifunctional arguments will become credible when Europe demonstrates its interest in maintaining agricultural multifunctionality in other regions of the world.

1. INTRODUCTION

In the context of growing liberalization of world markets, both developed and developing countries protect and promote their agriculture, a vital strategic sector of their economies (Segrelles, 2007; Dibden & Cocklin, 2009). To do this, they create import and export policies or domestic aid programs, as well as arguments to justify these policies, such as the multifunctional character of agriculture. According to the World Trade Organization (WTO), agriculture has other functions besides producing food and fibers: an environmental function (protection of the environment and preservation of landscape, etc.) and a social function (rural employment, food security, etc.).

Economic theories justify the intervention of agricultural policies, arguing that they maintain multifunctionality since it is impossible to reach social optimums through the conventional laws of supply and demand (Reig, 2007). Thus, multifunctionality can be used as a tool in the design and evaluation of agricultural policy (Antón *et al.*, 2007). Even the liberal framework of the Organization for Economic Cooperation and Development (OECD) recognizes the need to integrate the multifunctional character into the process of liberalizing agricultural markets (Álvarez, 2003). However, there is no consensus on the aspects to be included in multifunctionality or on the methods to be used to develop its three functions jointly.

The Cairns Group—formed in 1989 by major farm product exporting countries and led by Australia—has no doubt that multifunctionality is a legitimate objective of agricultural policy. But the group advocates the use of instruments specifically aimed at providing non-trade benefits (Unceta & Malagón, 2007), and it attacks any measure that imposes trade barriers or direct subsidies to agricultural production. This stance contrasts with that of other countries, such as the United States which provides aid to their domestic agriculture, or Japan and Switzerland which contend that their protectionist policies are needed for food self-sufficiency and security (Haettenschwiler & Flury, 2008). In developing

countries, the term "non-trade concerns" is used more often to conserve the special differentiated treatment given by the WTO (Antón *et al.*, 2007). In the case of Europe, the agricultural model is based on the need to support domestic production to guarantee the provision of positive external effects (Delorme, 2002).

The expression "multifunctional agriculture" was first used officially in Europe in 1993 in discussions of the Council of Ministers of Agriculture of the European Union (EU). It was 1997 when European multifunctional agriculture became the basis for the reform of Common Agricultural Policy (CAP), which materialized in the 2000 Agenda (European Community [CE], 1997; Díez & Trueba, 2007). In this context, the EU commenced negotiations in the Doha Round (2001) with the intention of defending public intervention in agriculture based on its multifunctional character (Dibden *et al.*, 2009). The official version of the EU is that multifunctional criteria are included in the two pillars of present-day CAP: aid to agriculture, and rural development measures (Moyano & Garrido, 2007). Moreover, with eco-conditionality and the lack of coordination of the aid introduced in the 2003 Reform (CE, 2003), all historical aid become multifunctional, conditioned by environmental and landscape conservation and the production of goods for society as a whole (Díez & Trueba, 2007).

But the European stance is receiving criticism both from within and without. Some European countries, such as the United Kingdom and Sweden, are in favor of suppressing the first pillar of CAP to concentrate efforts on rural development measures, considering them more multifunctional (Morgan *et al.*, 2006). From the outside, multifunctionality defended by the EU is considered a subterfuge to continue protecting and subsidizing community agriculture (Segrelles, 2007). In this sense, the incorporation of multifunctional objectives in the 2000 Agenda is motivated largely by international pressure and by the chronic surpluses generated by previous aid. But the bottom line is that CAP continues to be considered by some authors as the principally productivist model

(Segrelles, 2007). Furthermore, the critics point out that CAP existed before the concept of multifunctionality appeared as the objective of agricultural policy, thus decreasing the force of EU arguments (Atance & Tió, 2000).

These and other criticisms formulated in WTO negotiations, as well as the constant pressure from the Cairns Group, the United States and developing countries for the EU to further liberalize its agricultural market, explain why the EU is no longer very open about using its multifunctional argument in the current Doha Round (McCarthy, 2005; Wilson, 2009). With this international debate going on and because of historical and contextual differences among the countries (Dibden *et al.*, 2009), it is understandable that the word multifunctionality does not appear explicitly in official WTO texts. Theoretical studies and contributions from numerous authors (Atance, 2007; O'Connor & Dune, 2009; Cairol *et al.*, 2009; among others) seek to enrich the international discussions of these topics. Within this debate there is consensus on the idea that multifunctionality has direct effects mainly at the local level (Wilson, 2009). For this reason it is necessary to contribute to the theoretical debate with empirical studies that allow the multifunctionality concept to take root in concrete agricultural realities that take into account the local conditioning factors and actors that affect this activity (Reig, 2006).

The objective of this paper is, then, to contribute to international discussions through analysis of the legitimacy of EU aid to agriculture from a local perspective under the argument of multifunctionality. The case study method is used to try to fill in certain gaps in the multifunctionality debate: (1) the lack of empirical data that would permit reaching more solid conclusions regarding public intervention and agricultural multifunctionality (OECD, 2003; Delorme, 2002); and (2) the lack of an analysis at the local level, which is important because most public goods, linked to landscape, environment or the social context, have a local character (Reig, 2007; Cairol *et al.*, 2009).

The selected case study considers banana production in the Canary Islands. It is of special interest for two reasons:

The debates over multifunctionality should consider multifunctional interdependencies among countries and regions (Wilson, 2009). Bananas are the world's fourth most important food crop in terms of absolute value of production, and four million people in Latin America, Africa and Europe depend on it economically (Arias *et al.*, 2004). On the level of the Spanish market, bananas from the Canaries compete directly with Latin American and African bananas, and thus receive the impact of progressive liberalization of the European market. Indeed, the EU became the first world market of bananas when new Member States were admitted in 2004, with an import value of 4.300 million Euros (Consulenti per la Gestione Aziendale [COGEA], 2005).

The Canary Islands is one of the Ultra-Peripheral Regions (UPR)[10] of the EU. Regions distant from the global market tend to have strong agricultural multifunctionality (Goodman, 2004). Moreover, the characteristics of the UPRs, and the Canaries in particular, have been treated in numerous studies (Florido de la Nuez *et al.*, 2002; Armstrong & Read, 2005; Behrens & Gaigné, 2006). Thus, we have a clear vision of the importance of agriculture and the banana industry in the economy of the Canary Islands and of their impact on the environment, landscape and social context.

The Canary Islands, thus, serve as a laboratory with regard to the influence European aid has on the banana sector in terms of providing commercial and non-commercial agricultural goods. The results show the positive impact of aid on rural employment; in discouraging outmigration of the local population; and on social structuring in the rural areas of the Canaries. The reason for this is that aid helps to maintain local production and trade quotas. But by stressing maintenance

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[10] The ultra-peripheral regions of the European Union are Martinique, Guadalupe, French Guyana, Reunion, Madeira, the Azores, and the Canary Islands. The EU recognized the notion of ultra-peripherality in Article 299.2 of the Treaty of Rome.

of agricultural incomes, aid may present the risk of promoting passivity of the sector instead of constituting a mechanism to transit toward improving competitiveness and the quality of local products. On the other hand, the impact of banana production on the environment is less than that of other existing economic alternatives in the archipelago, and it contributes to the conservation of biodiversity, agricultural soils, and traditional local landscape. It is possible to reach a consensus in the debate over agricultural multifunctionality with regard to environmental function. For this reason it is important that the EU explicitly present the environmental objectives of aid in its argumentation. Finally, this local vision of multifunctionality stresses the importance of dialog between the EU and developing countries in order to defend these very multifunctional objectives in the producing regions outside of the EU.

2. CASE STUDY AND METHODOLOGY

The Canary Islands are an Autonomous Community comprised of seven islands with a population of more than two million (INE, 2009). Like other Ultra-Peripheral Regions of the EU, specific structural factors condition their economic development. The insular character and fragmentation of the Community's territory affect transportation of people and merchandise. The distance from the European continent implicates complicated access to the main centers of production and consumption. The subtropical climate and irregular terrain limit farming (Armstrong & Read, 2005). Moreover, these same factors have created conditions for broad ecological and cultural diversity, characterized by endemic species, landscapes and ecosystems recognized universally.

From an economic perspective, the archipelago depends greatly on the continents that surround it. Historically its economic activities have been centered on export production and, now, tourism. Today, services account for 75% of the gross added value of the Canaries, which leaves them with a negative trade balance. Industry, based on agro-food,

tobacco production and oil refineries, is undergoing negative growth (Florido de la Nuez et al., 2002). Agriculture is oriented toward export and, although it is only 3.7% of the gross added value, it continues to be essential for the Islands' economic survival (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008). Currently, 36% of the arable land (10% of the territory) is cultivated, 16% of the population lives in rural municipalities, and 4% of the employed population works in the agricultural sector (Florido de la Nuez et al., 2002). Agriculture in the Canaries is fundamental for environmental conservation. It is a major element of the landscape and the socio-cultural context of many rural zones (Barrera, 2008). Thus European aid policies have traditionally had importance in supporting the agricultural sector of the Canaries. These policies are currently grouped in the Program of Options Specific to the Remote and Insular Nature of Canary Islands (POSEICAN)[11], which includes major aid to the banana sector.

Mainly produced for export, bananas alone generate 25% of the annual value of the Canaries' agricultural production (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008), generating incomes of 273.8 million Euros, of which nearly 25% are aid. Cultivation is essentially irrigated and in open fields that cover 13% of the total cultivated area. The banana sector generates more than 17,000 jobs, directly or indirectly related to banana production. These jobs are strongly structured in six growers' organizations that are part of the Association of Organizations of Banana Growers of the Canaries (ASPROCAN). It is clear that banana production is key to maintaining the social and economic fabric of extensive rural zones of the islands. However, it faces many challenges. These include competition with other economic actors for natural resources, and the

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[11] POSEICAN, for its initials in French, *Programme d'Options Spécifiques à l'Éloignement et l'Insularité des les Canaries*. This program belongs to POSEI (*Programme d'Options Spécifiques à l'Éloignement et l'Insularité*) and it is implemented through Regulations (CE) nº 247/2006 and 793/2006 of the European Council.

insufficient transportation and communication infrastructure which makes commercialization difficult. Commercialization is made even more difficult by higher costs of production and commercialization than its competitors such as Ecuador, Costa Rica or Colombia. In this context, the progressive decreases in duties applied to banana imports from third party countries, and the unilateral negotiations of the EU with some Latin American countries, are seen at the local level as a threat to Canary Island bananas (European Association of Banana Producers [APEB], 2008; ASPROCAN, 2008).

To face these challenges, the EU aids the banana sector and thus encourages the provision of public goods by maintaining productive activity (Atance, 2007). Since 2006, this has been regulated by Aid I.6 of POSEICAN, which replaces the former Common Market Organizations (CMO banana), and attempts to adapt to the recent demands of the WTO in issues of internal aid to agricultural production. Public goods are generated through a process of joint production. Policies can then act on each concrete public good, or on the private good that the public goods generate. Aid to the banana sector follows an intermediate model: mixed aid, one part involves aid received through CMO banana and related to production levels; the other part is designed as an environmental complement per hectare intended to maintain an open field cropping system. The aid covers 8,491 banana growers (2007 data), who must prove that they produced bananas during the time they received payment. They must also be affiliated with a growers' organization. This aid is funded entirely by the European Agricultural Guarantee Fund, according to Regulation (CE) n° 2013/2006 of the Council. The financial package devoted to this aid is a little more than 140 million Euros a year.

This paper analyzes 2006 to 2009, which is the period during which the new aid format of POSEICAN was in force. In some cases comparisons are made with data that dates to 2001, a period that was also included in the case study. The study is based on documentary research carried out in Madrid as well as on participatory field work in the Canaries. The

importance of conducting participatory analyses and the tools used in this type of study in rural areas can be found in studies such as Díaz-Puente et al. (2008) or Díaz-Puente et al. (2009). The portion of research done in Madrid includes both qualitative and quantitative information that was collected mainly from official sources, as recommended by Knickel et al. (2009). These sources include: The European Commission, the National Institute of Statistics, the Ministry of Agriculture, Fishing and Food, The Vice-councils of Agriculture and Livestock of the Government of the Canaries, and ad hoc studies of the Tomillo Center for Economic Studies, among others. During the field work, productive operations were visited and more than 60 people representative of the agricultural and banana sectors were interviewed by telephone or face-to-face. At the European and Spanish administrative level, experts of the Paying Agency of the European Agricultural Fund, as well as experts of the Ministry of Industry, Tourism and Trade, were interviewed. In the Canary Islands, the interviewed experts were from the Vice-council of Agriculture, the Vice-council of Livestock, the Vice-council of Economy and Treasury, the Head Office of Economic Promotion, the Head Office of the Territorial Offices of Trade, and the Head Office of the Regional Dependency of Customs and Special Duties. Within the banana sector, importers, exporters, growers and representatives of growers' organizations and associations were interviewed.

3. RESULTS AND DISCUSSION

In a location where agricultural production does not seem to be extremely necessary because agricultural products could be imported cheaper from other countries, the risk is that positive externalities could be lost if productive activity is abandoned. (Atance, 2000). Here, we study three functions associated with agriculture—productive, social and environmental—in aspects that follow the recommendations of several international organisms included in the FAO "Roles of Agriculture", or in the non-commercial concerns described in the WTO website.

3.1. Productive function: food and raw materials

To begin we will look at the aspects relative to the productive function of agriculture. In this sense, the objective of aid is to sustain or develop the agricultural sector. This should be reflected in food security, production levels, maintanence of market quotas, and quality. But the measures that affect production are potentially illegitimate because they are productivist and market distorters (Reig, 2007). Throughout this section we will discuss whether subsidies to banana production distort trade — and to what degree— so that we can assess whether they can be included in the group of internal aid not subject to reduction, according to the WTO12. We will also consider the relationship between multifunctionality in the Canaries and multifunctionality in other producer countries.

3.1.1. Food security

Food security is one of the main non-commercial concerns of agriculture internationally, especially in developing countries (Antón et al., 2007), although the concern is also significant in countries such as Switzerland, Norway and Japan (Haettenschwiler & Flury, 2008; Bjorkhaug & Richards, 2008). It could be argued, however, that food security depends more on how accessible a private good is for the consumers of a country than on the production levels of that product. It follows that it is not necessary to aid agricultural production, but rather to improve the mechanisms for access to the products, in order to improve food security. From the viewpoint of international trade, public regulations on food security may be considered non-tariff barriers (Albisu & Gracia, 2007) that reduce the possibility of war and contribute to world peace (Unceta & Malagón, 2007).

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[12] In the WTO agreement on agriculture, the internal measures not subject to reduction are given in detail, as are the set of measures and policy instruments destined to disappear.

3.1.2. Levels of production

From the perspective of the European market food security does not easily serve as an argument to justify aid to banana production because there are alternative products on the market that can substitute for bananas on a seasonal basis. It is more reasonable for the Canary Islands. The level of self-sufficiency is 15%, contrasting with the 50% recommended by FAO. It can be deduced from the interviews that any alteration in communication with the rest of Spain endangers supply to the archipelago. An increase in production for domestic consumption and a reduction in dependence on the outside depends on the willingness of Europe to combat abandonment of agriculture (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008). And on the Canary Islands, the only available bananas are produced locally.

One way to achieve development of the Ultra-Peripheral Regions of the EU is to diversify production (Behrens & Gaigné, 2006). But the local authorities and producers feel that alternatives to banana production are scarce. Because of structural (soil-climate conditions required for banana cultivation) or social (age of the growers that restricts taking initiative) limitations, less than 10% of the banana growers practice multi-cropping. The measures to support banana production, then, become indispensable for maintaining productive levels of the agricultural sector of the Canaries. Aid is still partially linked to productive activity, and the growers must achieve at least 70% of their reference levels of production to be eligible for receiving the total amount of aid. According to the Government of the Canaries, banana production has yielded a mean of 400,000 tons a year since 2001. Growers and authorities blame a decrease in 2005 on unfavorable climatic conditions and on strategies aimed at changing varieties. But the same actors agree that under the auspices of POSEICAN, aid has permitted them to sustain production and that production would fall without it. In this way, the aid satisfies the

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requisite of minimum distortion of production since it does not seek to increase production, but only to maintain the level of production.

3.1.3. Commercialization

Eighty percent of the bananas consumed in Spain are from the Canaries. The remaining 20% of the Spanish market is supplied mainly by extra-Community bananas from Ecuador, Costa Rica and Colombia, but also from Cameroon and the Ivory Coast. Between 75% and 95% of the annual banana production of the Canaries is sent to the Iberian market, while the rest is consumed domestically. Official sources (Ministry of Agriculture, Fisheries and Food of Spain [MAPA], 2003) declare that quotas have not varied since 2001. Even so, interviewees showed great concern about the possibility of losing market quotas, which according to representatives of ASPROCAN may decrease 20% in the next few years. Among Spanish consumers – who traditionally prefer Canary bananas — there is a notable difference between the intention to buy and the final decision, which depends largely on the difference in price between Canary bananas and those from outside of the EU (Albisu & Gracia, 2007). Canary Island bananas are more expensive but, as long as their price stays below a maximum threshold or the price of bananas stays above a minimum threshold, the sector should not fear loss of market quotas. However, the data provided by ASPROCAN reveals that mean Canary Island banana prices have had an upward trend since 2001. Thus, an important role of aid to banana production is to limit this trend and prevent losing market quotas.

It could be a criticism that aid distorts trade flows by influencing prices. But it could also be said that aid is a response that corrects previous distortions in trade flows caused by the tariff reductions forced by the WTO and the entrance of non-Community bananas. In this sense, aid to banana production could be included in the "green box" and be considered legitimate for the WTO because of its minimal effects on

production and trade flows. Another criticism might be that the aid goes to a sector that is not very competitive in a scenario in which tariffs have been progressively lowered. The argument to this criticism is usually that it would be unfair to allow trade reforms because they would allow greater market penetration of countries that are more lax in the application of labor and environmental norms and therefore, have lower costs of production. From this point of view, it would be more correct to establish penalizations on imports from countries that do not comply with the standards of a target market. Such penalizations would pressure exporters into raising their standards to match or come closer to the standards of the countries where they wish to export.

3.1.4. Quality

Another underlying argument in the debate over multifunctionality is the existence of a social demand in favor of agriculture that generates a series of non-commercial goods and services. This is closely linked to promotion of policies regarding quality that favor strategic segmentation of the markets (Albisu & Gracia, 2007). In Spain, consumers are willing to pay much higher prices for a product that incorporates non-commercial goods and services (Kallas *et al.*, 2007). From the survey, it is concluded that the Canary Island banana sector openly places its stakes on the quality of its produce as a key factor of differentiation with respect to the bananas from third countries. Indeed, the interviewees assert that quality has increased in the last five years. This is due to increasingly strict regulations on the use of agro-chemicals and to the growers' efforts to obtain additional certification of quality to more easily position their product on the market (Dankers & Liu, 2003). ASPROCAN representatives maintain that aid has had a part in this increase in quality.

In Europe there is growing consensus on the possibility of encouraging quality production in the EU through Denominations of Origin (DO). Europe defends this posture before the WTO as a form of

intellectual property that favors producers of quality food that possess characteristics associated with their geographic origin (Joslin, 2006). In the middle of the debate over this posture is that this instrument would permit consumers to pay for specified attributes of public interest in a private good; in this case, its origin. This would be a perfect economic solution in which public goods are remunerated by the market (Reig *et al.*, 2007). This debate is relevant in the case of Canary Island bananas because the sector is laying stakes on obtaining a Protected Geographical Indication in the near future. Moreover, the RUP symbol has not yet been applied to bananas, as is stipulated in POSEICAN. The interviewees indicated that it would be interesting to take advantage of aid to encourage this differentiation in product quality and, thus, help Canary Island bananas attain a more sound position in the Spanish market. Interviewees argued that more quality requirements should be demanded at the borders and growers should be assisted in applying ecological methods of production. For ASPROCAN, however, ecological production is not seen as feasible because it would result in a price increase that consumers would not pay for a product such as bananas.

3.1.5. Multifunctionality in other banana producing regions

It is legitimate that growers in developing countries procure similar certification, but they face more difficulties and run the risk of exclusion from international markets (Liu, 2009). The concept "multifunctional interdependencies" thus emerges. According to this concept, implementation of multifunctional instruments in a region can be detrimental to multifunctionality of agriculture in other regions (Knickel & Renting, 2000; Wilson, 2008; Losch, 2004). In this context, multifunctionality is defended by the EU as a "subterfuge to continue protecting and subsidizing Community agriculture" (Segrelles, 2007, p. 90), harming developing countries whose economies depend on free trade for their raw materials. In the case of bananas, in keeping with the vision of the Cairns Group, aid forms part of the mechanisms that are

least harmful for developing countries because they are partially removed from production and prices, and they pursue objectives of domestic policy without underrating international cooperation. However, it is doubtful that the EU has designed this aid to encourage agricultural multifunctionality in countries outside the EU since this aspect is not reflected in the definition of the aid. In this sense, it would be important that the EU show interest in maintaining agricultural multifunctionality in other regions of the world.

3.2. Social function

Agriculture fulfills an important social and cultural function. In its more cultural aspects, agriculture has contributed, through time, to configuring a valuable historical heritage of local and regional identities, and to producing landscapes that have been transformed by human action (Reig *et al.*, 2007). Conservation of cultural heritage occurs through the contribution of agriculture to survival of customs and traditions, typical food, and local constructions (Atance, 2007). The contribution of the banana sector to the cultural aspects of the islands is notable (COGEA, 2005). But in this section we will focus more on the social function of the sector and analyze its contribution to sustaining incomes, employment, viability of the rural economy, discouraging outmigration, and social cohesion.

3.2.1. Sustaining incomes

In the case of Canary Island bananas, interviewed growers declare that the aid they receive accounts for up to 50% of their income (equivalent to 20% of their final income). The fixed amount allows them to anticipate how much money they will receive and request loans at a lower risk to invest in their operations and gain competitiveness. Indirect beneficiaries of aid are banks and enterprises that produce agrochemicals and cardboard packaging. These entities on the survival of the banana sector

for their income. Sustaining the income of the growers thus impacts the rural economy as a whole.

Sustaining farmers' income is one of the most important aspects of the social function of aid. But some authors doubt that a policy that increases agricultural benefits through aid can contribute to improving international competitiveness of production (Atance & Tió, 2000). The discourse of the Cairns Group is dominated by the importance of competitiveness in viable rural economies dominates, giving priority to more efficient operations (Dibden *et al.,* 2009), while warning that policies to aid multifunctionality can engender systems that are unable to compete and that need public subsidies to guarantee their survival.

3.2.2. Rural employment

More labor is used in the Canary Island banana plantations than in other types of agricultural production (Florido de la Nuez *et al*., 2002). The sector calls for the incorporation of young people, both entrepreneurs and laborers. Moreover, at times of economic crisis, such as during the period in which this study was conducted, banana plantations absorb labor freed from the most fragile economic sectors. Of the more than 17,000 jobs the sector generates, more than 2000 are in related sectors such as commercial fertilizers and agrochemicals or transport of the product to Spain (González de Cossío, 2008). European aid helps to sustain agrarian structures and areas of production. In doing so, it has an important role in maintaining rural employment.

But some authors question whether rural employment is a non-commercial good, arguing that it is, on the contrary, an input of the productive process (Antón, 2007; Reig *et al.,* 2007). The benefits of rural employment would be included in the market value of the good produced. It would not be necessary to remunerate it through aid. In Latin American countries, multifunctionality is criticized as being an objective of European policies that requires abundant, well-prepared

human capital. This is still impossible in the Latin American countryside (Segrelles, 2007). It is difficult to support this argument because the governments are responsible for the formation of human capital in Latin America countries, yet the economic guidelines they follow continue to be neoliberal and mercantile. As a result they do not consider the other functions of agriculture to be important.

3.2.3. Population stability

The phenomenon of abandonment of farmlands due to unprofitability is extensive in Spain, with the consequent negative social and environmental effects (Kallas *et al.,* 2007). In the Canaries the banana sector has a major effect on discouraging outmigration from the rural zones (González de Cossío, 2007). The surveyed growers stated that they also employ family labor which contributes directly to linking families to the countryside and to a certain degree of population stability. This can be seen as a positive externality associated with rural employment. Employment in the sector, combined with activities such as rural tourism, is contributing to relieving pressure on territories that are suffering from unsustainable touristic development (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008). Moreover, society might consider it important to maintain certain levels of territorial occupation because it contributes to reducing per inhabitant costs of rural infrastructures.

On the other hand, it might be considered that the changes in spatial distribution of the labor force work through the labor market in response to changes in prices and salaries. In this way, it would not be an externality with the character of a public good because it has its own market. Consequently, agriculture's contribution to rural vitality loses importance (Reig, 2007). However, leaving the rural population to the mercy of market mechanisms can lead to situations such as that found in Australia, where rural population is clearly declining and several rural

regions have become unviable (Alston, 2004). This aspect of multifunctionality of agriculture is now receiving the attention of Australian academics and politicians (Dibden *et al.,* 2009).

3.2.4. Social structuring

Social structuring in rural areas can also be promoted through policies that have a positive influence in structuring productive sectors. Thus, the actors of the sector can optimize communication along the entire productive chain and participate actively in the design of agricultural policy (Marsden *et al.,* 2002). In this sense, aid to banana production contributes to sustaining the structure of the sector in the Canary Islands, which began under the WTO banana regime. This explains why the Government of the Canaries, responsible for designing the aid, requires that growers become members of an organization to be able to receive aid. In this way, aid has achieved affiliation with an organization of 100% of Canary Island banana growers. It was concluded from the interviews that the European Commission should not leave the decision of whether or not to require affiliation with an organization to the Member States because promoting structuring of the productive sectors is a multifunctional priority.

3.3. Environmental function

Aside from its economic and social importance, Canary Island agriculture plays a fundamental role in conservation of the environment and of elements of the landscape (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008). The environmental function is implicit throughout POSEI as a horizontal value, but many of the interviewees think that it should have been included explicitly since the incorporation of multifunctionality as an objective of European policy requires specification of these objectives for each of the functions of agriculture (Atance, 2000). The environmental

function is the function that brings more consensus to international discussions on multifunctionality. In the following sections we will analyze the environmental function as it relates to biodiversity conservation, resource management and landscape preservation.

3.3.1. Conservation of biodiversity

The credibility of the multifunctionality concept depends especially on the measures adopted to conserve biodiversity, one of the main pillars of the concept (Oñate, 2007). Abandonment of land leads unavoidably to reducing biodiversity (Fish *et al.*, 2006). Thus, in Australia, the leader of the Cairns Group, new policy instruments tend to abandon extreme neoliberal positions when the catastrophic effects of agriculture on rural ecosystems become noticeable (Dibden *et al.*, 2009). Although Australia tries to move away from European postures, there is consensus on the use of some instruments to conserve biodiversity, including those that encourage growers to show respectful behavior toward the environment and those that encourage their role as direct providers of ecosystem services (Higgins *et al.*, 2007).

In the case of the Canary Islands, biodiversity is one of its greatest riches (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008). Abandoning traditional banana cultivation would implicate loss of food and habitats for wild species (Kallas *et al.,* 2007). Agro-biological diversity can also be seen as an important aspect, in the sense that mono-cropping should be reduced to favor varied crops in order to promote biodiversity. But it has been seen that, in spite of aid, banana growers do not diversify because viable commercial alternatives are lacking. Moreover, there are few options that can separate agricultural production from biodiversity conservation because there are no non-farm alternatives that can participate in conserving biodiversity. The other major option on the Canaries, tourism, whose development is detrimental to the banana sector, does not

participate in maintaining biodiversity. Banana production, then, appears to be the best option for sustaining the biodiversity on the Islands.

3.3.2. Resource management

One of the most important aspects of resource management is agricultural soil conservation. Depletion of soils from overuse exacerbates abandonment of the less productive operations and intensifies production in the better plantations. This has negative repercussions on rural areas (Kallas *et al.*, 2007). The Canaries must make an effort to maintain agricultural activity and prevent damage from the erosion caused by the fallen retaining walls of abandoned crop beds. By maintaining banana production, aid contributes to conserving plant cover and to decreasing the negative effects of soil erosion (Kallas *et al.*, 2007).

However, a warning about intensification is necessary. On a global scale, exported bananas are second to cotton in the intensive use of agrochemicals with negative consequences to workers' health; pollution of aquifers; soil erosion; and pest resistance. In the case of the Canaries, banana growers assert that "cultural practices do not pollute and the use of agrochemicals is decreasing". It appears that European legislation and the quality criteria of certification have more influence in this decrease than aid to banana production.

Local authorities consider banana cultivation in the Canaries as an activity that efficiently uses irrigation water. Rain is scarce and irregular, making it necessary that 100% of the area under banana cultivation is irrigated. Due to the consistent scarcity of water in the archipelago and to the fact that bananas are sold on European markets, the savings in water has always been a key factor in maintaining costs competitive in the face of extra-Community bananas. Moreover, the efficient management of water has favorable repercussions on the environment, reducing lixiviates and the risk of polluting the aquifers.

3.3.3. Preservation of landscapes

Preservation of landscapes is another key ingredient in agricultural multifunctionality, forming part of the most cited criteria in the survey on the demand of public goods linked with agriculture (Sayadi *et al.,* 2009; Gómez-Limón, Moyano *et al.,* 2007). There is still no consensus on how to evaluate and assign quantifiable values to the attributes of landscape (Ferrri & Rambonilaza, 2008), but arguments from Australia and New Zealand contend that at least qualitatively the untouched natural areas in which human activity is negligible are valued more than rural agricultural landscapes (Dibden & Cocklin, 2009). They claim that the EU uses the defense of agricultural landscapes as a protectionist excuse for maintaining its domestic aid (Dibden *et al.,* 2009). From the European point of view, landscapes created by different crops and agricultural practices give way to visual variations in the created landscape (Kallas *et al.,* 2007). They also feel that it is important to maintain (not increase) production to assure maintenance of the landscape. Moreover, to maintain positive environmental externalities, the grower should receive a compensation that corresponds to the cost of shifting his production from a private optimum to a social optimum (Atance, 2000).

According to the Government of the Canaries, banana production is vital to maintaining traditional Canary Island landscapes (Agencia Canaria de Desarrollo Sostenible y Cambio Climático & Foro Canario para el Desarrollo Sostenible, 2008). Pressure from the tourist sector, concerned for maintaining natural landscapes of the islands, is a favorable factor. The part of aid to the banana sector linked to production in open fields becomes relevant because it contributes to covering the costs of field cultivation, which, according to some growers' organizations, is more costly than greenhouse production. In this sense, aid contributes directly to preservation of the landscape by maintaining production levels and areas of field production. In addition, both a broader diversity of crops—the mosaic effect—and a higher index of plant cover in irrigated terrain are indicators of landscape improvement

in agricultural areas (Gómez-Limón *et al.*, 2007). In this case, 100% of the banana plantations are irrigated. But as a monocrop, it does not create a mosaic effect. Finally, it would be relevant to ask what the true motivation is for maintaining rural landscapes: whether it is more linked to economic issues related to tourism or to environmental objectives. It is possible to imagine alternatives for maintaining the landscape that have nothing to do with banana production, that are less costly and possibly as effective, such as the creation of parks containing farm landscapes.

4. CONCLUSIONS

The present study shows that aid to the banana sector of the Canary Islands contributes to attaining objectives of food security that some countries include within the functions of agriculture. Although this argument is defendable at the level of the Canaries because it is an archipelago removed from the rest of the continent, it would be difficult to apply it to all of the European agricultural zones. In fact, this argument is generally not used by the EU in the debate over the multifunctional character of agriculture.

The arguments for maintaining levels of banana production and the effect on trade flows are more solid. Aid allows local production to sustain levels that maintain rural employment and viability of rural areas, which contributes to regulating the population balance between rural and urban areas. The possible distortion of trade flows that the Cairns Group criticizes could be interpreted as follows: that it does not originate from aid, but from the difference in competitiveness between Canary Island production and production outside the EU. In this sense, the debate remains open.

However, the best way to help an agricultural sector should not be by maintaining incomes. This system may discourage competitiveness among the agricultural sectors. In our case study, the local perspective of aid was that it was improving the quality of local production by

contributing to the sector's modernization processes. It was also detected, however, that aid should make more effort in promoting clear differentiation in product quality through more ecological methods of production. It is thus recommendable that aid be proposed as a temporary mechanism to permit modernization and differentiation of local production and to facilitate adaptation to international trade.

In terms of its social function, our case study showed that maintaining incomes of the local producers has a positive influence on rural employment in general. The cultivation of bananas also contributes to attaining the objective of discouraging outmigration from rural zones. The value of aid in structuring the productive sector at the local level is also considered, the results of which should be promoted by the EU especially in terms of facilitating organization of the supply and improvement of quality. In addition, the EU should be interested because this type of agricultural policy objective is not attacked on the international level.

The same conclusion can be reached concerning the lack of explicit mention of the environmental function that banana production fulfils in the Canaries. The EU should specifically include environmental objectives in its aid because there is growing consensus among countries to preserve ecosystems and the local landscapes of the rural zones. As in the Canary Islands, production that has the least relative impact on the environment should be maintained.

In any case, legitimizing aid in the EU with multifunctional arguments must be accompanied by a clear concern for agricultural multifunctionality in other regions of the world. The defense of multifunctionality of agriculture in one region indirectly implies a loss of multifunctionality in other producing regions of the world. Latin American and African banana-producing countries are those that would be least favored as they confront European aid to their competitors and new trends to improve product quality. To compensate this imbalance, it is important that the governments of those countries also include

agricultural multifunctionality in their political objectives. The dialog between the EU and other countries in agricultural matters should stress exchange of experiences in multifunctionality issues. A multifunctional orientation of agriculture can favor adoption of appropriate political measures to correct possible market voids and protect the social and environmental functions of agriculture. A more sustainable future can thus be assured for both local and world agriculture.

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THE ACTORS CAPACITIES TO DIRECT THE NEW GOVERNANCE: A COMPARATIVE STUDY

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ABSTRACT

The purpose of the current research was to analyze the strategic actor's reaches and limits in accordance to the institutionalization process direction of the new governance in the rural development in Mexico. For this reason, we developed three case studies based on a comparative focus. Each case had a different actor which put into effect such process. The actors were: the private business, the civilian society and the local government. The results pointed out that the new governance do not encloses to elements defined by those organisms which are external to the territory and neither arrives through a single pathway; it is fundamentally structured and for this reason the same local actors work through a social learning process in its definition and change process in accordance to the socio-cultural elements. The new governance which is directed by the civilian society had the best results regarding the cases that were guided by the private sector and the local government. Nevertheless, the last actor is the one who had the best chances to trigger the new governance processes in most of the territorial contexts yielding the civilian society or private business to enable the long term processes sustainability.

1. INTRODUCTION

Since the 40's and until the twentieth century 70´s, the Latin-American governments based their intervention on the old governance (Aguilar, 2010). The old governance considers society as weak and unable and over this; it founds a centralized government with an organization regulated by its performance, presenting descendant command lines that are used for the results and information diffusion achievement (Aguilar, 2006; 2010).

At the end of the 70's most of the Latin-American states faced a fiscal crises which oblige them to have an structural adjustment that consisted in: a) fiscal discipline geared to the deficit elimination through a severe reduction of the state bureaucracy; b) public expense redirection with profitability criteria; and c) a fiscal reform leaded to expand the contributions and facilitate its charging (Piñeiro, 2009). This institutional stage lies under a managerial approach (Herrera*et al*., 2009).

At the beginning of the last century 90's decade, the Mexican government started establishing a group of rules and decisions in order to consolidate a state which was reduced as the economic and social organizations strengthening. These rules were promoted by the World Bank all over Latin America arguing that the developing countries main problems were the poor functioning of their institutions and an old fashioned way of governing. For this reason these countries needed a new governance (WB, 2000).

In the Anglo Saxon literature they referred to "good governance" to the public management that drives the balanced participation of the civilian society, private sector and government in the public sector actions (Pagden, 1998; Koimann & van Vliet, 2000;Grindle, 2007; Kaufmann, Kraay & Mastruzzi, 2010). Meanwhile, this same kind of public administration has been called "new governance" by the most important studious and public and administration politic organisms all over Latin America (Assies, 2001; CLAD, 2003; Cabrero, 2005; Aguilar, 2006; Aguilar,

2010). This second denomination is considered to be more accurate in relation to the context and for this reason is the one that is going to be used through the entire document.

With the new governance implantation it is proposed to go through the ancient public management characterized by a bureaucratic, hierarchical and traditional government which opposing parties depend on the actions and resources of a unique and central government. In the other hand, the new governance (NG) proposes leading the society along with a deregulated government which has reduced its basic functions and is concentrated in the process of directing the society in a shared way and with social and private actors that might present certain capacities and dispositions needed to assume responsibilities (Cabrero, 2005; Aguilar, 2006; 2010).

The new governance is consolidated on a decentralized and deregulated public management from the central government. At the same time, we need a society that has the capacities and disposition to take part in a co-responsible way. An important objective that the new governance has is executing each action with greater efficacy but without infringing the politic stability. In this way, the new governance principles are: decentralization, deregulation participation, co – responsibility, efficacy and politic stability (Blair, 2000; Boisier, 2002; Díaz, 2002; OCDE, 2011; Arellano & Rivera, 1999; Cartagena, Parra, Burguete y López, 2005; Santizo, 2006; Aguilar, 2006; Prats, 2003).

Today, with a more active society there is a consensus in order to pass through the old government diagram, but there is no accordance in everything that the new governance represents. One of the dissented structural matters regards who will be in charge of the process leadership.

For example: for multilateral organisms, the private initiative is the one that has the best capacities for leading the new governance. In accordance to these organisms, the private initiative is interested on

increasing the goals efficacy and efficiency compromised in the development processes (WB, 2000; BID, 2010). Nevertheless, for other actors the local governments are the ones which have the best possibilities of leading the new governance processes as they were elected by the same territory population and they remain near them(Ziccardi, 2004; Cabrero, 2005; Arellano & Rivera, 1999).

Another position regarding leadership is constituted by the initiatives coming from the civilian society organizations which have renegotiated some of the existing participation spaces permitting them to develop long term processes where the government instances are an important actor, but not the main actor (Font*et al.*, 2000; Diaz-Puente *et al.*, 2011). The civilian society actions are trying the citizen's reposition in relation to the government old structures and before the powerful group of actors that take part of private initiative as Banks, international corporations, businessmen and local political bosses (Blauert & Zadeck, 1999; Cornwall, 2002, 2008).

In the framework of the different positions that actors might take, the goal of the current research was analyzing the strategic actor's reaches and limits in the new governance institutionalization process direction in the rural development in México. This was made through three case studies with different actors dinamyzing the process: private business, civilian society and local government. The results pointed out that the new governance is fundamentally structured and for this reason the same local actors work through a social learning process. The new governance directed by the civilian society was the one that presented the best results, but local governments are the ones that have the best possibilities of detonating the process in order to incorporate the civilian society and private initiative by giving the process solidity and sustainability.

2. METHODOLOGY

In the current research some case studies were developed with a comparative focus. The comparative analyses is a control method that is used in order to analyze an established public politic proposal permitting us, in accordance to Sartori (1994) and Collier (1993),to find the factors that will be needed in order to explain and interpret the failures that are planted on an established paradigm and from these point elaborate our own proposal.

In order to execute this research, some case studies were selected and these were conceived as a research strategy that do not limits to a determined methodological tool, rather it favors the organization and presentation of the qualitative social data without losing the unitary character of the social object that is being studied (Arzaluz, 2005). The case studies are pertinent for the current research because: a) they are useful for the analyses of a contemporary phenomena in its real context, especially when the limits between the phenomena and the context are not evident as in the case of the rural development processes; b) its strength is to make a deep research of an interesting experience where there is creative response in relation to the treated problem, conserving the total vision of the phenomena (Yin, 1981); c) there must be certain knowledge and alternatives for similar scenario systems, even though we cannot generalize what has been registered in the term statistical sense (Arzaluz, 2005; Tellis, 1997); d) The case studies that were applied to the aforementioned phenomena allow us establishing improvement proposals based on the learned lessons (Yin, 1981).

The authors taking part on this research directly participate in the process facilitation and evaluation in relation to the case studies. In this way, we are talking about research-action processes which at the same time allow us starting with primary information regarding the involved phenomena.

In the selection of the case studies compared in the current study we considered the following general criteria: similar territorial scale; importance of the actor's participation in an alterned way; at least a three years lasting study program and the test execution. In this sense, in the first case study we analyzed the REAGRI program "Reconversión de la Agricultura en la Frontera Sur de México"; in the second study we dealt with the case of "Consejo Distrital de Desarrollo Rural Sustentable de Los Altos de Chiapas"; in the third study we approached the case that was developed in the Oxchuc municipality; all of them in the state of Chiapas, Mexico.

The first mentioned case was developed in a mixed blood zone with a high agro ecologic productive potential and where the actor presenting greater dynamism was represented by the private business; the second case was developed in an intercultural zone with intermediate productive potential and where the most dynamic actor was represented by the civilian society; the third case corresponds to a predominantly indigene zone with scarce productive potential and where direction was taken by the local government.

For the case studies evaluation we considered the new governance principles: politic stability, efficacy, participation, decentralization, corresponsability and deregulation analyzed since the perspective of different authors mentioned in the last section. The new governance principles are conceived as criteria and with these a scale was developed in order to evaluate the change process (Table 1).

In the scale development we considered: graduation, discrimination and validity; steps that several authors recommend to make in order to give the instrument methodological solidity (Sierra, 1998; Gibson, Ostrom & Toh-Kyeong, 1998). In this way, the criteria presents as minimal values the practices corresponding to the old governance, meanwhile the maximal values are the ones that might be applied to the new governance (Table 1).

Table 1.Change process towards the new governance

Criteria	Scale
Politic Stability	1. The government attends bigger organizations in a clientelistic and authoritarian manner
	2. The government attends bigger organizations in business rounds
	3. The government establishes dialogue spaces between big organizations, small working groups and micro businessmen.
Efficacy	Efficacy is valued in the function of compromised goals / reached results.
	1.- < = 50%
	2.- 51-75%
	3.- 76-100%
Participation	1. Formal: the actors are invited to join the government spaces where they have voice but no vote.
	2. Consult: we consult the actors in relation to the decisions that need to be taken
	3. Joint management: the actors are involved and take informed and co-responsible decisions
Decentralization	1.Centralized
	2. Creation of organisms presenting consultive decisions but not decision – making functions.
	3. Creation of a different organization with decision – making capacity of and financial resources as well. (Boisier, 2002; Díaz, 2002).
Coresponsabilit y	1.Receiving society, without compromises
	2.Society that waits for the government proposals in order to decide
	3.Corresponsable society where the involved actors negotiate proposals, resources and assume responsibilities for the projects good development
Regulation	1.Centralized and accurate regulation
	2.Decentralized regulation towards local organisms
	3. Deregulated

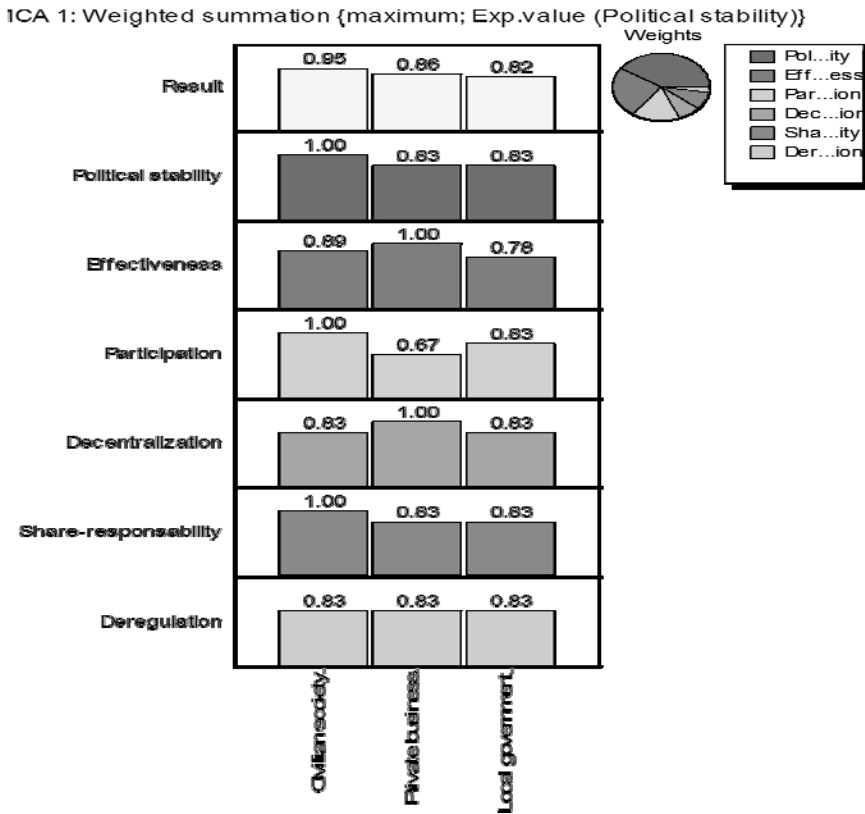Source: own elaboration

3. RESULTS

In the current section, a valuation of the three case studies was made. For this reason we use a scale that was developed with the new governance

criteria: politic stability, efficacy, participation, decentralization, coresponsability and deregulation. In the comparison, weight was considered (from highest to lowest) in accordance to the order in which the criteria were mentioned (Figure 1).

Figure1. New governance performance directed by different actors

ICA 1: Weighted summation {maximum; Exp.value (Political stability)}

Source: Own elaboration

The poorest results were obtained from the experience conducted by the local government. This do not means that they are completely bad as we have acceptable results in relation to the political stability, participation, decentralization, coresponsability and deregulation. Nevertheless, the efficacy was poor (Figure 1). On the other hand, the

experience that guided the private initiative had the second best result as it achieved an efficacy of 100% in relation to the project implantation goals (restructured hectares, nurseries, greenhouses, micro regions, monitor organizations, reply organizations, without considering the organization strengthening), differently to politic stability and participation (Figure 1).

Possibly, the experience directed by the private initiative will improve its results in the opportunity areas at an intermediate term, due to the fact that the producers and its organizations limited its participation to the information facilitation at the beginning of the program; nevertheless, in accordance to the program compromises which were made on time and form, the producers have increase their collaboration from giving ideas to the own initiative taking.

The best results were obtained in the case where the civilian society directed the new governance process, as the region politic stability was maintained despite the fact that the experience was developed in one of the territories with more social conflicts on presence of the "Zapatistas" base. This was based on a participation that was above the cases guided by the private initiative and the local government.

The experience that was leaded by the civilian society was the one presenting the best results due to the fact that if we look for greater efficacy in relation to the new governance, the last objective will be politic stability (Figure 2), in accordance to the registered case studies presented on the current research. All the information that has been pointed out queries the points that were established by the new governance theoreticians (Prats, 2003; Aguilar, 2006; 2009; Kaufmann *et al.*, 2010; OCDE, 2011) pointing the effective action making as the new governance last objective and contributing to social peace (Figure2).

The current research results registered that the application context where the new governance best works guided by the civilian society is where there is a decentralized public administration, coinciding with a mobilized civilian society that has developed certain business capacity.

This matches up with the information reported by Diaz-Puente *et al.*, (2011). On the other hand, the new governance along with this leadership will not be able of giving good results in the regions where civilian society and local businessmen are not mobilized, even though there is a decentralized public administration. For this purpose it is necessary to have a previous acquisition work presenting capacities at a local level.

Figure 2.New governance elements and purposes
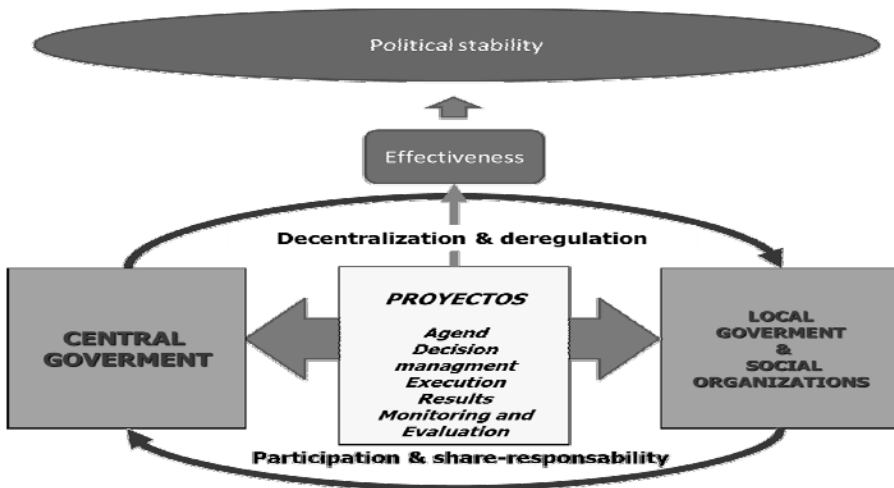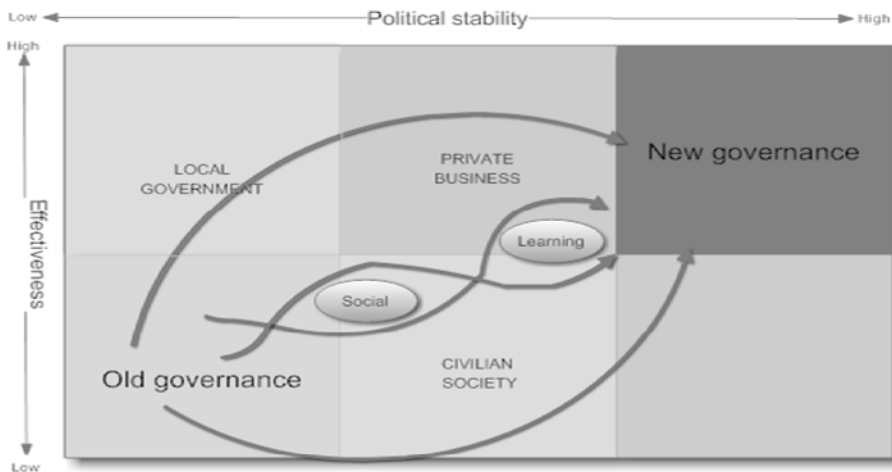

Source: Own elaboration.

In turn, the development processes that were conducted by the private initiative or by the local government might be developed in territories presenting a minimal social organization (constituted producers organizations, even though these are not consolidated). In this way, the new governance leaded by the private initiative or by the local government has a wider application range than the one conducted by the civilian society. Due to all these factors we can consider that the new governance initiatives leaded by the local government and private initiative need to have as main purpose the development of the local capacities. In this way we can say that if the new governance relies on the

different actors´ balanced and co-responsible participation we will be able to arrive from different pathways (Figure 3).

The new governance seen as new values and principles promotion supporting the rural development projects in Mexico need to be conceived as a social learning process (Figure 3). In relation to this, we can say that the necessary changes in order to implant the new governance imply breaking with the conventional forms of making public politics. In the same way, it implies changing the actor's relations. In other words, it is really difficult to pass from one day to another from a demandeurs attitude to a coresponsible attitude. Meanwhile, for the government it means to pass from having a unique and central rectory to have an only process direction and discretional actions proceeding with justice and equity; from the squander to the effective resource application and for both actors, from the action non fulfillment to the evaluation; with the purpose of understanding how to develop long term projects.

Figure 3.Pathways towards new governance

Source: Own elaboration

In order to lead a social learning process Friedmann (2001) and Cazorla *et al* (2004; 2012) suggested starting with a reduced local

animation group that is going to guide its action through the moral values which are proper of its culture, religion and history. We want this group to develop a short term small scale project which allows them to generate learning, trust and encourage at a first moment. For a second moment, the group is going to be in conditions of developing an intermediate term program management, and at the same time inviting more active and compromised people in order to form a local action group (LAG). In this way, the LAG might consolidate its human capacities and its social organization while increasing the social impact.

4. CONCLUSIONS

The evidences of the case studies allow us to affirm that there is not just one pathway towards the new governance. In each case, there is a point of departure that has forces and challenges to beat.

The pathways towards the new governance will be based on the function of the departure points and the individual territorial contexts. In some contexts, the private initiative (PI) will have more weight, and efficacy will be the first thing. In first place, this will lead to the process animation, in order to move to a greater inclusion of social actors as there is a necessity of a greater social stability for long term sustainability.

In most of the contexts, the local government is the one which has the best possibility of detonating the process in order to give place to a social or private leadership that will allow the processes sustainability. The local governments cannot be at the top of long term processes due to the administrative changes. The new governance deeply implies the public action with new values and human principles (participation, coresponsability, justice and equity) which cannot be directly transmitted with short term results perspectives, without considering the social and cultural context. These are values that must be cultured within a group, which participants have to recreate its cultural elements in a social learning process with long-intermediate term perspectives.

With the aforementioned data, the new governance cannot be conceived as a proved solution which is possible to establish in all the contexts and scales as a panacea (Ackoff, 2001). Is necessary seeing the new governance as a good action proposal within the public sector. Anyway, we must analyze, design and implant all these in a social learning process. This process might be founded on the local settler's knowledge and know how, where the developed actions will be oriented by the goals and values that local actors will consider useful in order to improve their life quality.

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THE SOCIAL CAPITAL, INSTITUTIONS AND ECONOMIC DEVELOPMENT: THE REVISITED EXPERIENCE OF EMPRENDE CHILE IN HUASCO, ATACAMA REGION, CHILE

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ABSTRACT

Globalization of economy, transformation of productive processes and the high speed of technological innovation have become determinant forces on the design of development strategies, enhancing the search for competitive advantages that allow countries to be successful in an international context. Developing countries, among them Chile as an emergent economy, are not exempt of this challenge.

In this scenario, it has been widely discussed to what extent is justified state intervention on issues of economic development, instead of leaving its solution to market forces. The role of a wider variety of elements, such as institutions and social capital, for obtaining social and economic growth in order to promote a sustainable and equitable development has been a main topic on the national agenda.

This document has been divided in three sections. In the first section the reader will find the literature review focused on the role and relevance of social capital and formal institutions in local economic development strategies, the importance of micro and small firms as key

features for enhancing economic growth, and the main features of Emprende Chile, a development programme implemented by the Chilean government. In the second section, the reader will find the main features of the programme and its implementation process in the Province of Huasco, followed by the results obtained until 2004, with an analysis of whether these results were determined by social capital and institutions involved in the process. Finally, in the light of this analysis, conclusions are presented on the question about to what extent certain conditions of social capital and formal institutions can become a key feature for achieving a sustainable economic development.

1. INTRODUCTION

With the advent of globalization, nation-states are increasingly operating within an international market context. In their quest for equitable economic growth and sustainable development, national governments are required to design and implement strategies that enable them to exploit their nation's competitive advantages in order to participate and become successful in a global economy.

Local economic development (LED), as an approach for development strategies, incorporates an active role for territories into policies, and proposes a new way to face development strategies. This approach considers strategies to be initiated at the grassroots of local level, with a decentralized perspective in which local actors are key participants, aiming to seek and promote the specific intrinsic potentials in each territory.

Chile has an economical distribution with marked concentrations, characterized by significant contrasts between developed and under developed regions. This has been a major concern for the central government over the last 15 years, whom to address this issue, in 2001 launched a development programme named Emprende Chile, oriented to

promote economic development of less developed regions in order to level them up, and encourage a more equitable national growth.

The programme constituted an innovative central initiative implemented at the sub national level and considered local specific competitive advantages as drivers of local development, and was implemented experimentally in ten specific geographical units since 2001, being one of them Huasco territory.

The aim of this document is to analyze whether the results obtained in Huasco through the implementation of Emprende Chile, categorised in public-private participation and best experiences, were influenced by: a) local formal institutions and b) social capital; and the potential effects that these elements may have on the design and results of local development strategies considering qualitative outcomes identified in the Huasco experience as main data on a field work performed in April, 2005 in Huasco Valley and revisited in 2011.

1.1. Local Economic Development, Institutions and Social Capital

In an era dominated by internationalization and high levels of technological innovation, economic growth and development have been a constant concern for policy makers, and have been highlighted on the public policy agenda as main goals to achieve in order to obtain and sustain a competitive position in the world economy.

Traditionally, economic growth analysis has been based on land, labor and physical capital, leaving a residual element unexplained. Throughout the years, a theoretical debate has been opened to decipher which additional elements could explain economic growth. Since the 1980s, there has been a shift on economic growth analysis towards the sub national level as a response to this new scenario, which led to the introduction of new elements (the so called "soft factors", such as local production systems, social capital and institutions among others), that

became relevant on economic development research and had been introduced into debate.

In this scenario, development strategies have evolved according to the different theoretical dominance described above, and when taking into account the different rates of economic growth at all levels (i.e. world, national and sub national), these strategies have not achieved the expected outcomes when applied on different contexts. This expectation problem has led researchers to widen the spectrum of variables to consider in the analysis.

Institutions, the first element used for the present analysis, have returned to debate after a period of strong prevails of neoclassical and neo liberal approach where attention was paid to market forces. According to Henisz (2000), North and Thomas in 1973 were the first to outline the transactions costs related to economics, and the key role played by socio-political factors in decreasing them and in generating the condition for private investments, considered one of the main sources of economic growth.

When analyzing the institutionalist perspective, Amin (1999) emphasizes how markets' deregulation has created a conflict on state intervention, and the way in which traditional standardized policy design has increased the regional disparities, as it did not consider local specificities generating contrasting outcomes. Discussing the role of institutions and its effects on economies, the author argues that the institutional approach is based on: "Explanatory weight is given to the effects of formal and informal institutions considered to be socially constructed and subject to slow evolutionary change; to values and rationalities of action ensconced in networks and institutions; to the composition of networks of economic association, especially their role in disseminating information, knowledge, and learning for economic adaptability; and to intermediate institutions between market and state which are relatively purposeful and participatory forms of arrangements" (Amin, 1999, p. 368). A different perspective for the roles of institutions is

introduced by Storper (2005), pointing out that formal and informal institutions are relevant for wealth redistribution, for issues related to property rights and for governance (regulation and problem-solving).

The roles of institutions defined by these authors are considered relevant as institutions can be seen as boosters of economic growth at a sub national level, especially to resolve the impediments for economic progress through policy actions that efficiently could shape key access factors, such as information and codified knowledge, core sources for innovation and economic development (Nooteboom, 2007; Bilianmourne-Litz, 2010).

Social capital, the second element included in the analysis, is considered a complex concept, as it is used with different interpretations by various disciplines and professionals in the academic field and in policy design. Even though there are many different concepts of social capital, there are two main features identified, which though are used with different names, cross all of these concepts: social interaction and mutual benefits among members of a group or community. Differences within these concepts are related to the kind of linkages considered and the relevant weight of society and community, which vary along the different interpretations.

According to Woolcock (1998), social capital was incorporated into economics when the concept of human capital appeared in the debate as a factor that shaped economic growth, acquiring great relevance not only for social scientists, but also for political and economic scientists as well, allowing socio-political issues to be inserted into the economic development debate.

About social interaction and its effects on economic performance, Knack and Keefer (1997), describe social capital main elements as trust, norms and co-operation. Through a cross-country research, it was evidenced that higher levels of trust and co-operation can be found on countries with lower disparity on the income distribution and with

institutions that reinforce these features. These findings allow arguing that promoting elements, such as trust and co-operation, complemented with reinforcement of formal institutions, could lead to an improvement in economic performance and a decrease of income inequalities.

Analyzing the role of social capital, Fukuyama (2001) explored its economic and political function. In the former he argues that social capital reduces transaction costs related to the coordination mechanisms of economic processes; and on the latter linked it with the level of civic engagement and its relation to governance. Under these arguments in which the social capital crosses different aspects of social and economic life, it could be argued that social capital should be considered as a relevant element in the analysis to enhance economic development.

There is an agreement among researchers about the weakness of the social capital concept, and two main problematic issues have been identified. Firstly, it tries to explain a complex phenomenon of social interaction within a diffuse theoretical definition; and secondly, the concept has not been functionally defined; though it is argued that social capital has effects on economic growth, it presents difficulties for measuring and assessing it. (Portes & Landolt, 2000; Fukuyama, 2001; Woolcock, 1998; Dall & Newman, 2010)

As a consequence of the weaknesses above mentioned, the debate about the use of the social capital concept has been focused on the potential contradictory analysis that this could lead to, depending on whether the aim is to maximize it as it is with physical capital, or, as Woolcock (id) argued, to optimize it in order to achieve an efficient and flexible social capital level to enhance economic relations able to adapt to changing circumstances.

The above reviewed arguments usually considered institutions and social capital as isolated terms; however, in reality, complex interactions can be found. Storper (2004), on discussing the role that society and community have on development, argues that the relations between these

two features can shape the economic performance since functions are interconnected. In the same line of argument, Rodriguez-Pose and Storper (2006) argued how society and community are complementary features and how changes on the balance among them are determinant for the development path of local economies. Both elements, interactions and changes, become crucial elements for implementing development strategies, especially considering the roles of these features on the local economy performance and on the flexibility to adjust on different evolutionary scenarios.

Due to the complex conceptual debate on social capital and institutions, especially in terms of the contextual approaches, measurement and evidence weakness, the analysis for this paper, will be based on the following definitions. For the social capital concept it will be considered the one defined by Putnam in 1993 and presented in Durlauf and Fafchamps (2004): "….social capital ….refers to features of social organisation, such as trust, norms and networks that can improve the efficiency of society… (p. 167)..."(Durlauf& Fafchamps, 2001, p. 4), which are related to the social interactions and its effects on economic performance for the territory and its society, where interactions take place.

For institutions, in the context of public-private alliances that is considered for this dissertation, the definition developed by Nelson and Sampat (2001) as "social technologies" will be considered. This concept refers to the "human interaction" that can be formalized and inserted within a structure, in which norms and cooperation coexist in order to become efficient mechanisms for economic development, especially on technological transfers and on research and development for increasing productivity (Acquaa, 2010; Molina-Morales & Martínez Fernández, 2010). Specifically for the Huasco case of study, the analysis will take into account the Chilean governing structures (i.e. formal institutions) already operating in the territory before the implementation of the Emprende

Chile programme and the organizational structures developed through this strategy.

2. CHILEAN CASE: ROLE OF SMALL FIRMS IN ECONOMIC DEVELOPMENT

In its aim at achieving economic growth and sustainable development, Chilean government has focused on the design and implementation of development strategies in order to promote its competitive advantages within the international context. Located along the western coast of South America, Chile is divided on 15 political and administrative regions, with subdivision on provinces (54) and communes (346), being the latter the smaller administrative unit. Most of its population and economic activities are strongly concentrated, mainly determined by the location of natural resources (mining, food and agro, forestry, aquiculture, etc.), being the exception Santiago, the Metropolitan Region, which economic activities are related to manufacturing and financial services, generating regional disparities with strong contrasts among developed and under developed regions.

Territorially, as a consequence of a "one size fits all" approach, some regions have been able to promote their competitive advantages by becoming attractive hubs of economic growth. Examples of regions that have flourished under the national government's policies are the manufacturing and service activities within the Metropolitan Region in the country's middle lands, the mining activity in some northern areas, and the agricultural and aquiculture industries in southern regions.

This rise in regional disparities, it is mainly explained as public policies have traditionally promoted economic growth through the use of macroeconomic tools, sector interventions, and nationally designed and implemented public policies which showed little to no consideration for inter-regional scenarios. Despite the success in improving the macroeconomic conditions and maintaining economic growth at a

national level, regional inequalities persist across the country (De Gregorio, 2001).

Chilean policy makers have been in a constant search for new strategies that could improve this situation, and in this context micro and small firms have been identified as key elements of local productive systems determinant for local and national economic development. This approach is supported by Albuquerque (2001) who argues that local production systems are mainly constituted by micro and small firms, and their relevance is not only based on number of firms, but also on its disperse geographic distribution, employment and income generation arguing that these firms require a support network in order to face the challenges that internationalization bring to local economies in order to promote a sustainable and equitable territorial development.

All Government Plans stated a clear compromise to promote a balanced territorial development, giving regions greater capacities to lead their own economic development, improving the decentralization and participation processes. Through these processes the objective is to empower local inhabitants and make them active participants in the decision-making process that have direct consequences on their quality of life; reinforcing decentralization and deconcentration processes, through increasing regional faculties and public resources in order to improve its allocation for economic promotion and infrastructure.

The commitments with economic growth and employment are based on building strategic alliances among all actors linked to economic development through the use of social dialogue. Also, the reinforcement of the private sector considered the main source of growth and employment, by the improvement of entrepreneurial and training support, as well as the facilitation of access to information and technology transfer, with special consideration to micro and small firms for its capacity to generate employment and the high obstacles and limitations they face in terms of access to information, precarious work conditions, low incomes and informality, restricted access to financial and capital

markets, technical development and training, weak associative level reflected in low levels of social participation on issues related to economic growth, as well as access to information and production technologies.

Considering this background Government's efforts were translated into the launch of an experimental strategy named Emprende Chile, which main objective is to create innovative opportunities on less developed regions, to level them up and thus encourage a more equitable national growth (Gobierno de Chile, 2002).

2.1.   **The Programme: Emprende Chile**

Previously to the launch of Emprende Chile, public institutions faced the subject of employment and productive promotion, key issues for economic development, by different and parallel channels with defined objectives associated to the nature and mission of each institution, managing its resources according to the demands of the beneficiaries identified by its respective institutional profiles strongly dominated by the central government.

The programme, a central initiative implemented at the sub national level with a territorial approach, considered the promotion of local specific competitive advantages as core catalysts for local economic development, was conceived as a consensual intention of four national public institutions related to productivity promotion for micro, small and medium firms: the National Institute for Agriculture Development (Instituto Nacional Desarrollo Agropecuario/ INDAP), Solidarity Fund of Social Investment (Fondo de Solidaridad de Inversión Social/ FOSIS), Technical Co-operation Secretary (Servicio de Cooperación Técnica/ SERCOTEC) and Training and Employment National Service (Servicio Nacional de Capacitación y Empleo/SENCE), aiming to exceed the basic institutional coordination, in terms of functions and resources, engaging the participation of local private actors into the process of building a consensual strategic vision of territorial development.

Its main objective was to obtain "an improvement of income levels and work conditions in the entrepreneurial fabric and labour markets" (Gobierno de Chile, 2002:3), focusing on micro and small firms, and based on three pillars: revaluation of local capacities, promotion of opportunities of endogenous development, and promotion of the potential of its local actors to generate specific initiatives according to the capacities and opportunities of their own region.

The creation of a territorial identity; encouragement of public-private co-operations; cultivation of social capital and community mobilization; enhancement of the competitiveness of a region's entrepreneurial fabric and labor markets; and establishment of a favorable environment towards competitiveness are the main processes fostered by the strategy. The expected outcome is the creation of a co-operative environment that allows a proactive identification of new economic opportunities for the local firms and labor market, creating sustainable opportunities for the benefit of local economy.

As a core instrument it suggests a Territorial Economic Development Plan, based on a group of agreements between public and private actors around a territorial project.

The proposed implementation of the programme is based on two main phases:

- Diagnosis and identification of opportunities to acquire knowledge on the local economy sectors and its resources identify institutional processes and activities, different actors and their dynamics within the local economy.

- Developments of territorial capacities and actors' capabilities, involving public and private sectors, in order to better exploit the identified economic opportunities detected on the diagnosis through concrete initiatives.

Public-private co-ordination became a key element of the programme is being fostered by the creation of the following institutions:

- Thematic Public-Private Workshops: coordinated by a programme manager, private actors participate directly associated to the industries identified through the diagnosis as those with greater opportunities to intervene.

- Technical Secretary: lead by a programme manager, it summons representatives of thematic workshops and representatives of participant institutions, in order to discuss and evaluate the performance of the initiatives developed through the programme.

- Private Public Council: gathers the main authorities from the region, province and communes, plus the representatives of the different public-private thematic workshops, with the aim of discussing general and relevant topics about the territory and its development process.

All of these processes and institutions are thought to pave the way for the reinforcement of territories competitiveness and to promote economic integration at a regional, national and, if feasible, an international scale, enhancing a sustainable and equitable economic development for the local and national level (Gobierno de Chile, 2002).

2.2. The Territory: Huasco Valley

In a geographical context, Huasco province is located in the south of the Atacama Region (28º -29º 15´ Lat. South and 70º 3´ - 71º 3´ Long. West) (Figure 3).

With a semi-arid climate, the presence of the Huasco River is a determinant element on the location of inhabitants and its economic activities. With 69,109 inhabitants (Census 2002), represents 26% of regional population. The factors that explain the implementation of the programme in the territory are the richness of natural resources and

complexity of economic activities present in the territory, and its high unemployment rates which is a problem of great relevance for community and local authorities.

Figure 3. Area of Study: Province of Huasco
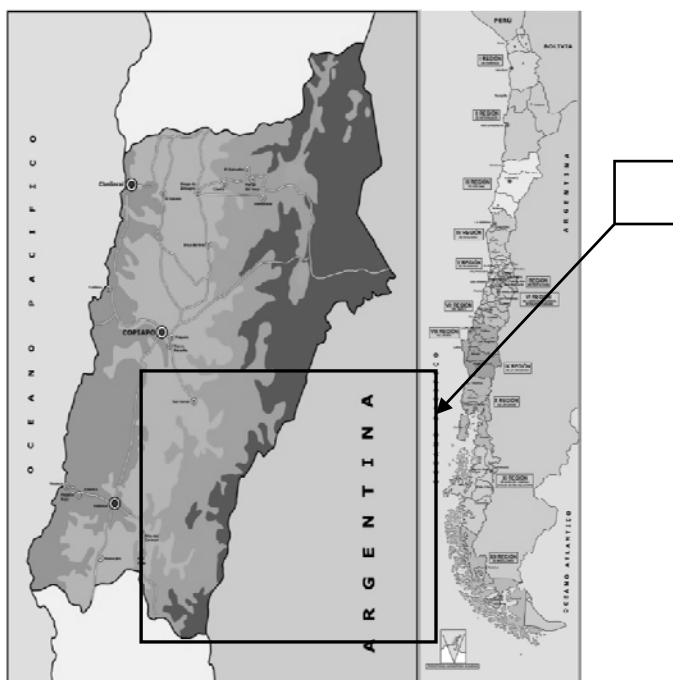
Source: www.mapasdechile.com

In terms of economic activities, Huasco is highly diverse. The mining activity is the main productive axe for the regional and local economy. These activities are related to the extraction of metallic minerals mainly oriented to exports (copper, iron, gold among others), and given the richness of minerals owned by the region it constitutes the bigger share of the regional economy contributing 38.4% of regional GDP

(2002)[13], and in terms of employment generates in average 12.700 employments[14], most of it produce by large multinational mining companies.

In relation to agriculture, which constitutes 4.4% of regional GDP, there is a predominance of fruits and vegetables production, specially grapevines (for the production of pisco[15] and export grapes) and "primores" that receive a better price for being the first products to arrive at the different markets, mainly local and regional.

In the fishery sector, with only 1.8% of the regional GDP, three extractive activities are distinguished in the territory: artisan fishermen, shore extractors (extraction of seaweed) and diving (shellfish), coexisting by using different areas of the coast. Statistical information for employment gathers agriculture and fishery under one classification concentrating in average 15.600 employments.

Finally tourism, considering commerce, foods, hotels, transport and communications contributes with an 18.8% to the regional GDP and an average of 16.800 employments, and has been strongly reinforced over the last few years by promoting numerous tourist attractions located in the territory, such as the flowery desert, coastal and mountain landscapes.

The high diversity of economic activities presented above, places challenges to development strategies, especially considering the different requirements these activities have from the perspective of the productive promotion.

Unemployment, the second reason that explained the selection of the territory for implementing the programme, constitutes an issue of great relevance for national government, local authorities and community.

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[13] The information of GDP presented in this work is only available at the level of the Atacama region, and is developed by the Chilean National Institute of Statistics.

[14] The information of employment presented in this work is only available at the level of the Atacama region, and is developed by the Chilean National Institute of Statistics. The data is an average of the information released during the period 1994-2004.

[15]Pisco: Chilean spirit.

Regional unemployment rates have been among the highest at the national level for the last decade, with a critical moment on 2002-2003 when regional unemployment rates surpassed national rates reaching 13% compared to 9% at the national level (Chile Califica, 2004)[16].

According to the statistics handled by the commune employment offices, for 2002 the communes' vacancies supply was widely exceed by the demand for employment. In Vallenar, Alto del Carmen and Freirina the unappointed rate exceed over 40% the number of posts supplied, whereas in Huasco it reached 74%, creating a big "bottle neck" of persistent unemployment, as employments vacancies were not enough for unemployed and new comers to labour markets.

In addition to the unemployment rates presented above, each productive activity have specific elements with direct effects on unemployment levels:

- Mining Sector: self-employed individuals dedicated to this activity, named "pirquineros" (artisan miners), fall outside the large mining companies operating scope, and perform their activities within an informal labour environment, with poor and unregulated labour conditions. The activity depends much on the demand and the price to which minerals are commercialized. Given the highly specialized skills of the mining workers and the historic dependence of the local economy to this activity, it has been difficult to initiate the process of diversification towards new activities, and consequently unemployment becomes structural for this segment of the labour market.

- Agricultural Sector: this activity is affected by a strong dependence on the harvest season, which generates temporary employment known as "temporeros" (temporary workers), creating an oscillation on unemployment levels varying according to the different

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[16]The statistical information is not available at the province level, but for the region as a whole and at municipal offices

productive stages, with greater demand of labour during the time of spring.

- Fishery sector: this sector has been characterized for not having a regeneration of labour, is to say, there have not entered young people to the activity creating an ageing of the labour force. This phenomenon is reinforced by instability problems of the activity, which depend exclusively on climatic conditions (especially artisan fisherman) causing strong variations at family incomes levels.

- Tourism sector: this sector is characterized by vulnerability, mainly because it is season-based, with higher demand during the summer season. It is seen as an attractive but unstable sector and individuals related to this activity are usually developing a different activity as a main source of income.

3. EMPRENDE CHILE IN HUASCO: IMPLEMENTATION AND RESULTS

Emprende Chile initiated activities in the province of Huasco during 2002, when the central government delivered a mandate to the regional directors of SERCOTEC, INDAP, FOSIS and SENCE to implement this strategy. The implementation began with the generation of the Territorial Development Plan and the installation of the three institutions proposed by the strategy, which created the instances of coordination involving public and private actors.

The territorial diagnosis, considered as a previous stage for the development of the Plan, was prepared in 2003 with the financial and technical support of SERCOTEC. This analysis identified opportunities of local productive sectors, and created the basis for the local implementation Emprende Chile. Three areas in the local economy were identified to implement the programme: agriculture, fishery and tourism as being those that presented greater business opportunities, and therefore, opportunities of intervention.

The report defined micro and small companies as key features of local economy, from the perspective of the productive promotion and, as those that require greater financial and technical support to develop innovations and growth strategies.

The firms considered for implementing the programme were described as highly diverse in their characteristics (i.e. in terms of production volumes that are handled, local entrepreneurs level of formalization, access to information for improving commercialization and financial resources), hence diverse in requirements for the programme, specially in terms of innovation implementation and infrastructure to improve their competitive conditions.

Table 1. Characteristics local entrepreneurs required to be improved

Aspects to improve	Percentage
Access to capital investment	85,5
Improvement of production system	53,5
Improvement of machinery and tools	50,1
Improvement of management skills	22,7
Improvement of enterprising capacity	23,2
Products quality improvement	33,7
Development of new products	42,1
Increase number of workers	35,8
Association with other entrepreneurs	14,0

Source: "Línea base económica, oportunidades de negocio y plan de intervención para la Provincia De Huasco", 2003.

According to survey results, local entrepreneurs consider that there were several aspects which need to be improved in order to open new markets and to expand local products and services commercialization, creating the necessary conditions to link the activities of territory with new opportunities at different levels (i.e. regional, national) as can be seen on table 1. The most relevant aspects considered are related to the access to capital investments and improvement of production systems, while associability was the less relevant aspect.

Parallel to the described diagnosis, the institutions related to the programme were installed in the territory, creating the dialogue space for public-private interaction and communication. The three instances of coordination previously described involved actors from different territorial levels (i.e. regional and local):

- Private Public Council: in Huasco this is presided by the Governor of the province, and involves the main regional and local political authorities, namely: the Mayors of the four communes considered for implementing the programme, the regional directors of public services (INDAP, FOSIS, SERCOTEC, SENCE), and the representatives of the different public-private workshops.

- Technical Secretary: coordinated by the programme manager, summons representatives of participant institutions and thematic workshops, on monthly meetings basis to discuss and evaluate the progress made on the opportunities and initiatives generated at the workshops of each sector.

- Thematic Workshops: also coordinated by the programme manager, private actors participate in the workshop related to their economic activity. In this instance representatives of the public institutions are involved (i.e. development agents), plus other institutions directly linked with each productive sector (National Service of Tourism, National Service of Fishery, Dock Infrastructure Division, etc.).

Each of the institutions presented above have different but complementary roles to each other, composing the framework for participation and discussion, and allowing the construction of a consensus on the territory economic development vision. The Council, which congregates the maximum regional, provincial and communal authorities along with the other actors of the territory, has a relevant political role; whereas the Technical Secretary has a stronger implementation role related to the agreements and initiatives resultant from the work of the thematic workshops. The programme manager, present in all institutions, plays a key role on the public-private interaction creating linkages between these three institutions, and through the different instances coordinating the private requirements with public resources.

In this scenario, the four participant institutions (INDAP, FOSIS, SERCOTEC and SENCE) in consensus, designed the Territorial Development Plan 2003-2006, establishing the development vision for the territory is based on its diverse economy as: "… the valley of Huasco with consolidated and diversified productive sectors (agriculture, tourism, services, mining, fish and aquiculture), with strong and consolidated micro and small business developing products and services, taking advantage of opportunities by means of equal opportunities (gender, studies, employment) for the community, with suitable infrastructure that allows a sustainable development of the territory" (Emprende Chile, 2004:4), with objectives for each productive sector are translated into operative plans on an annual basis, with specific initiatives for each area, based on the participation of public and private actors in the process.

3.1.   Programme Results

As the aim of this research is to analyze the roles of institutions and social capital, emphasis will be placed on qualitative results that have been reached in Huasco in terms of:

a) Public private participation: levels of participation (proportion of involvement), representativeness (share of local economy represented in the process) and continuity (roles of elements in sustaining the strategy).

b) Best practices: networking enhancement (for development of local initiatives), technological innovation (improvement of competitive conditions) and market opening (linking local economy with higher levels such as regional, national and international economies).

3.1.1. Public-Private Participation

The execution of the Programme was inserted within a pre-existing institutional structure, which was characterized by centralized and sectored perspective. Throughout the implementation of the strategy and the establishment of a new set of institutions, this perspective shifted to a local and participatory approach.

3.1.2. Participation

Analyzing the results in terms of public- private participation, the main positive outcome is the promotion of interaction between the public institutions and the private sector of the valley, based on the premises of cooperation, knowledge sharing among actors, promotion of innovation, and coordination of local requirements and public resources.

The participation levels of public and private actors within the new institutions implemented by the programme, as can be seen on table 2, shows a partial equilibrium among public and private actors, especially on thematic workshops, with a small majority of public participation. In institutional higher hierarchies (i.e. Public-Private Council and Technical Secretary), there is a higher engagement of public actors, which can be explained by the participation of regional and local authorities, which are not directly involved on thematic workshops. In workshops, public and private actors are present in more equivalent shares, with the exemption

of the fishery workshop, in which the participants belong to a strong union, becoming a relevant actor in this instance.

Table 2. Participation of public and private actors on Emprende Chile institutions

Institutions/Instance	Actors			
	Public		Private	
	Number	%	Number	%
Public Private Council	9	60	6	40
Technical Secretary	11	65	6	35
Agriculture Workshop	11	50	11	50
Fishery Workshop	8	29	20	71
Tourism Workshop	9	64	5	36

Source: fieldwork, 2005

It is important to emphasize that the selected local entrepreneurs were previously beneficiaries of the supporting programs that public institutions managed independently. A great majority of micro and small farmers participated actively on INDAP programs. In the fishing sector, individual associations were involved to negotiate the fishery quotas at regional level; whereas in tourism, entrepreneurs were not involved with public institutions at all. The creation of the TURINC of Huasco, an association of entrepreneurs linked to services related to tourism (lodging, transport and food) was due to the support given by the different public institutions involved in the programme as a result of the public-private agreements.

Table 3: Participation and representativeness of private actors on Emprende Chile institutions

Institutions/Instance	Participations		Representativeness*	
	Number	**%**	**Number**	**%**
Public Private Council	6	40	N/A	N/A
Technical Secretary	6	35	N/A	N/A
Agriculture Workshop	11	50	995	13
Fishery Workshop	20	71.4	584	100
Tourism Workshop	5	35.7	200	25

Source: fieldwork, 2005

* Representativeness is assessed in relation to the number of firms identified in the diagnosis for implementing the Programme.

In terms of public private representativeness on Emprende Chile institutions and workshops has been identified as follows:

a) **Agriculture workshop:** summons 50 local entrepreneurs of the farming sector, representing 13% of the firms considered for the programme implementation. In this workshop, activities are strongly associated to an annual trade farming fair named "Expo Agropecuaria of the Huasco Valley". The small share represented on the workshop is explained by the fact that in the territory there are two other associations operating: Junta de Regantes del Rio Huasco and Consejo Público Privado of INDAP, weakening the involvement at this instance.

b) **Fishery Workshop:** of all workshops, this is the one marked with the higher participation, with almost 100% of all associate

organizations represented by its union (i.e. 10 associations of fishery, diving and shore collection activities are included). It has been the most stable workshop with strong participation and support of the National Service of Fishery (Servicio Nacional de Pesca) which concentrated all issues related to the sector on this instance, improving the coordination of activities for the private sector, specially on the fishing regional quotas, since there is strong competition with the fishing groups of the neighbor regions. This has allowed the union to become a strong actor in the negotiation over resource management and also in the negotiation with the Dock Infrastructure Division, in order to coordinate local needs with the forecast investments of this institution.

c) Tourism Workshop: with 36 active members on the tourism association TURINC A.G and with a total of 50 associates, it joins local firms related to lodging, transport and food, and it is estimated that it reaches up to the 25% of the total entrepreneurs linked to this sector, of those identified for implementing the program.

Its continuity is sustained on a monthly-based meeting for all workshops, and every two months for the other institutions. But this has not been a smooth process and it was affected, transversally, by two facts. Firstly, at the beginning of the process private actors showed higher levels of participation due to the potential access to financial resources which this constituted an attractive element. Nevertheless, when it was verified that there was no access for financial resources an exit process began, leaving in the workshops those private actors that had stronger commitment with the project. Secondly, the position of the programme manager has been very unstable in the territory, with a high rotation of professionals and of complete absence for almost a year (three project managers in 4 years, with a total absence of 11 months). As the role of the programme manager involves being a communicator and negotiator between public and the private actors, it plays a key role in the continuity of the programme. This element was verified on the perception of

representatives of the three workshops interviewed during the fieldwork, which emphasized the importance of the role, and the effort made by the public institutions to continue with the workshops tasks in the absence of a programme manager.

The consolidation of the participatory process implemented by Emprende Chile is supported by the positive perception demonstrated on the interviews with local actors about how the different instances of participation have become a space where all local actors can interact and discuss about the development projects for the valley, creating a sense of ownership and responsibility over the decisions that are taken in this context. (Table 4).

Table 4. Involvement of instances on the Participatory Process

Instances	Level of Participation	Representativeness	Continuity
Public Private Council	↑	↑	→
Technical Secretary	→	↓	→
Agriculture Workshop	→	↓	↑
Fishery Workshop	↑	↑	↑
Tourism Workshop	↑	↑	↑

↑ High   **→Moderate**   **↓ Low**

Source: fieldwork, 2005

The programme clearly contributed to generate a framework in which sustainable development of the Valley has become a central issue for all actors, and at the same time, reinforce the local identity, sense of property and responsibilities about the economic development of the territory.

3.1.3.   Best Practices

The processes launched by Emprende Chile were translated into the initiatives developed in the thematic workshops and can be evidenced on experiences of networks, market openings and technological innovation. In this context all of the following initiatives are considered positive outcomes of the strategy.

- Expo Agropecuaria Of The Huasco Valley: farm products trade fair takes place once a year since 2001. In its beginnings, the purpose was to develop networks within local farmers, in order to engage and generate new business opportunities, but later versions have been expanded to a regional context. Since 2002 it was integrated to the programme, and since then the number of participants has been doubled (60). On its third version on 2004 were counted 12.000 visitors, with estimated sales of $9.000.000 Chilean pesos (U$14,770 estimated) considered a positive achievement for the local economy.

- Expo Alimenta Apec 2004: Within the framework of the Asian Pacific Economic Cooperation 2004 Summit which took place in Santiago de Chile, 50 micro and small firms exhibited their products, mainly related to food industry, to the visitors who attended the summit and the general public. The particularity of this exhibition was that all participants belonged to territories where Emprende Chile was implemented, five of which belonged to the territory of Huasco. The main aim of the exposition was to facilitate connections of local producers with international markets, promoting the development of new businesses opportunities for micro and small entrepreneurs.

- Chiguinto Exports: This network of 18 grape producers, mainly seedless and for "pisco" elaboration, has been supported by INDAP and Emprende Chile, with the objective of development of techno-irrigation and the constitution of a management organisation for the administration of a packing facility to improve the quality of the final selling product. As a result, its production has been increased from

5.000 export boxes in 2001 to 40.000 in 2003. In terms of market expansion, one of the main achievements is that they have been able to build networks at regional markets selling its entire 2004 production to bigger companies linked to international trade, mainly to the US markets.

- Creek Of Chañaral De Aceituno: This is an experience that was completely conceived under the framework of the programme. Through this project, artisan fishermen of this creek have been able to diversify their economic activities towards tourism. With the support delivered from the different institutions involved in the programme, they designed a tourist project in which took advantage of fishing activity resources (i.e. boats) to design a tourist route involving Chañarcillo Island, where a reserve of Humboldt's penguins, whales and dolphins can be found, and is complemented with tourist services given in the creek (i.e. camping, residential, food services).

Results presented above are positively assessed for three main reasons. Firstly, the experiences have shown visible outcomes that, seen from an economic perspective, are relevant contributions for the local economy. Secondly, public commitment and participation of privates have shown that there is a solid framework, within which initiatives can be tailored and developed; and, finally, the actors interviewed assessed positively the outcomes and consider that this strategy should not only be continued but expanded to other layers of the local economy emphasizing its constructive outcomes as an intervention tool. It can be argued that a strong transformation occurred in Huasco in terms of institutional and participatory process. In this new approach local private and public actors become key elements for promoting economic development at the local level, through networks building and participation through the promotion of associability and capacity building.

From the perspective of continuity, institutions have played a key role and social capital has become throughout the process a determinant feature, especially on the initiatives proposition as these are results of the

local private actors' requirements that aim to be linked with formal institutions resources. The same relevance have social capital on networking, since through the reinforcement of participation, have allowed its resurgence and consolidation evidenced on the best practices described, that in a short term have shown outcomes that have been positively assessed by the interviewed actors.

In the areas of technological innovation and market opening, social capital plays a more passive role than institutions, mainly because the latter have become a transmission agent of new technologies, as they have larger access to this kind of knowledge and better linkages to regional and national markets.

Table 5. Roles of Institutions and Social Capital on Emprende Chile, Huasco

Variable	Institutions	Social Capital
Level of Participation	↑	→
Representativeness	↑	→
Continuity	↑	↑
Networking	↑	↑
Technological Innovation	↑	→
Market Opening	↑	→

↑ High   →Moderate   ↓ Low

3.1.4.   Public Private Interaction: The new institutions

Since Emprende Chile settles on an operating sectored structure, there was a period of adaptation to the new integrated system, as it clearly

limited the "power" of each organism, in order to constitute a single structure. The regional directors of the institutions involved, have played key functions as they have handed over the limited sectored role to build the framework in which the private sector actors could participate in the process, and also in sustaining and keeping the activities during the absence of the programme manager avoiding the potential negative effects or backwardness that this deficiency could have created.

At the moment of the fieldwork, the participant institutions have integrated visions and resources to deliver solutions focused on the needs of the community. Among public actors involved, it was noted an agreement on the programme being a constructive intervention tool, that improve their managerial performance and that have allowed them to obtain superior results, contrasting specific programmes and subsidies that previously were managed at the central level, which now are adapted to the requirements of local beneficiaries. They argue that this must be continued and improved in order to consolidate actual results and build economic growth on sustainable basis.

The main roles that the institutions implemented by the programme have played in Huasco, were related to the coordination within institutions related to economic promotion, and coordination with private sector establishing strategic alliances. Actors interviewed during the field work agreed that there has been a strengthening of interaction between public organizations supporting micro and small firms, which in the past have been working independently without an integral vision of the efforts made by all the public institutions. Also, there is consensus that the creation of dialogue spaces between private and public sectors have improved transparency and a sense of social control in the processes of public resources allocation tailoring the projects to the local needs.

Within the context of co-operation there has been an increased efficiency on resource allocation, avoiding superposition and excessive concentration of these. Existent and new institutions have also created information flows with constant feedbacks, allowing the creation and

constant updating of local knowledge. This knowledge has been a fundamental source for the design and implementation of tailored initiatives, as seen on the experiences presented on the previous section.

The development of leadership and commitment has been one of the key institutional roles. Provincial and regional authorities, from the beginning of the process, have shown a high degree of commitment with the development of the territory and with the programme, becoming natural leaders of the process, evidenced on the high participation that public actors have in all instances. Different situation was observed on the private sector where leadership and commitment were not natural processes, and have been promoted and reinforced by the institutions through constant motivation and reinforcement of private participation. This explains the different levels of representativeness on the different workshops.

3.1.5. Social Capital: Resurgence and Consolidation

Before the implementation of the programme, interaction among individuals was very weakened by the social and economic stagnation presented by the territory, and highly dependent on individual interests. Considering the historic strong assistant role of public institutions which generated high expectations in the private sector, it did have negative effects on private sector's attitude mainly defined as pro-assistance, often expecting concrete solutions to their problems without greater degree of participation. Through the implementation of Emprende Chile, private actors were invited to become part of the process in the search for initiatives that could give solutions to local requirements. This was stated by all actors interviewed during the fieldwork.

From the concept used for this research, the participatory process initiated by the implementation of Emprende Chile allowed local entrepreneurs to start an active dialogue among them and with public

institutions involved building communication flows, in which co-operation and trust were fundamental pillars for bridging among them.

Knowledge and innovation sharing is evidenced on the implementations of improved production systems (i.e. technical irrigation, use of water resource, etc.), and on the access to relevant information that have improved the conditions for local entrepreneur competitiveness such as linkages with new markets, regulations, and business formalization among others. Results obtained by Chiguinto Exports and by the entrepreneurs chosen for Expo Alimenta APEC 2004, in terms of business opportunities (i.e. sales and exports), become substantive evidence of the quantitative and qualitative improvement that has been achieved.

Table 6.Best practices summary

Networking	Technological Innovation	Market Opening
Chiguinto	Chiguinto	Chiguinto
Expo Agropecuaria	-	Expo Agropecuria
Chañaral De Aceituno	-	Chañaral De Aceituno
Expo Alimenta APEC	-	Expo Alimenta APEC

Source: fieldwork, 2005

The generation of a sense of identity; the visualization of territory as an integral unit contributing to local, regional and national economic development; and the idea of generating a "origin denomination" for the products of the valley, that will allow to position local products in new markets, have strengthened local social capital at the actual phase of the programme. Social capital is becoming a key element for the programme

continuity, due to the positive results in which individual interests have been overcome by collective benefits based on trust and cooperation.

On the overall, the promotion of territorial economic development based on the consensus among all actors in Huasco have contributed to build a "local power" with capacities to enhance better opportunities and benefits for the territory. The instances of interaction promoted the construction of a single position of both public and private sectors, through the Public-Private Council, which assume the role of "voice" of the public-private alliance, in order to coordinate companies' requirements and territorial capacities, especially in terms of supply and demand of labour skills, trying to avoid potential mismatch and negative consequences on employment which still one of the main concern for authorities and community.

Finally, it can be argued that Emprende Chile has boosted new impulses to the development processes in local economy. Considering the results presented, these constitute clear evidence of what can be obtained through strategic alliances among private and public sector based on cooperation and trust, in terms of the initiatives in which networking, technological innovation and markets opening are highlights of the positive impacts of the strategy.

4. CONCLUSIONS

Considering the results presented and analyzed in this research, is possible to say that these were highly determined by the role played by local formal institutions, but in terms of social capital, the analysis showed that it was not a determinant factor on the implementation phase of the programme, mainly for the stagnation situation that did not contribute to reinforce it, but it was strengthen as a result of the participatory process constituting a main element in the continuity of the programme (Inkpen & Tsag, 2005).

The starting situation of the territory was detrimental for social capital, but observations on the fieldwork and the evolution of practices presented before until 2010, allow argue that there was a strong build-up of social capital and a reinforcement of participation, co-operation and trust, as strong instruments to enhance and promote economic development obtaining individual and community benefits, evidenced on the levels of participation and number of initiatives originated within the private sector.

The consensus among government and private agents, is that the new institutional structure constitutes an innovative space to participate and become active contributors for economic development, increasing the value of Emprende Chile as an intervention instrument for policy making, that has obtained visible and successful outcomes in short time and its continuity and constant improvement is considered relevant for Huasco territory development.

Results of the program implementation highlight the efficiency of public-private strategic alliances for enhancing social capital, and promoting local economic development from a bottom up approach in which private actors have moved from a passive and pro assistance posture into a more proactive and participatory attitude, proposing clear initiatives for each one of the productive sectors in which the programme was implemented.

Emprende Chile boosted a transformation process in national public policies management, from the traditionally centralized and sector-based to a territorial and integrated approach, promoting higher participation of local actors in the development process. This shift is shown on the interrelation renovation within the traditional institutional framework, incorporating two new levels of interaction at the local level. Firstly, in the interaction level within public institutions that have traditionally concentrated on specific objectives or sectors changed towards integrations and coordination of functions and resources in order to enhance economic growth focusing on micro and small firms. The

interaction between public and private actors, the second shift on interaction, incorporates local entrepreneurs in the decision making process, through the discussion and diffusion of relevant information which will allow public institutions to design and implement programmes and projects according to the local requirements, hence improving resource allocation and increasing efficiency in the economic development process.

In the experience of Huasco there is evidence that changes on society and community interaction, through development strategies, generates changes on economic development approach. Emprende Chile's essence to build bridges among them constitute a great improvement on policy design, especially in terms of the public institutions operation and the promotion of public-private alliances as effective tools of intervention on local economies, in order to decrease territorial disparities and improving national economic growth as a whole. In the aim of generating an articulation of social, infrastructure and productive promotion policies in one framework in order to improve competitive conditions of a territory, formal institutions and social capital starting points will be determinant on expected outcomes, and should be considered when starting the process of implementation in order to establish objectives according to local specificities.

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EPILOGUE

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EPILOGUE

The creative work of professionals devoted to development must be able to provide answers to technical, social and even aesthetic challenges through a continuous process of innovation that meets the challenge of achieving intelligent, sustainable and integrative solutions. This was emphasized by the renowned architect Norman Foster on January 24, 2012 in his lecture "Innovation with continuity", which was presented on the occasion of his investiture as Doctorate Honoris Causa by the Technical University of Madrid (UPM by its name in Spanish, Universidad Politécnica de Madrid).

His speech highlighted the idea that sound growth for future generations begins with clever innovation and goes beyond solving immediate problems. Any professional (architect in this case) must focus on global improvement of the quality of people's lives. Beyond technical results, the innovation process must include environmental, sustainable, territorial and social cohesion as resources. These elements must have a similar value in the design as the other technical and economic resources and not be simply external conditionings of the creative work.

In his lecture, Norman Foster urged the university community to deepen the connection between the responsibility of engineers and architects to promote more suitable cities for peoples' lives by, integrating the valuable contributions of every discipline within the university. The common tasks of adding value to the designs, achieving more from less and focusing on the value of the contribution of each of the actors

involved, emerge. A deeper connection is needed, therefore, to take care of details and recover the value of small things. The design —not only regarding architecture, but also other professional fields— can no longer be a set of general guidelines, but must take every little detail into consideration. This is because the design quite often takes shape and interacts directly with people and the conditions of their daily lives through these details.

These concerns regarding the mission of "professionals of development" have been present in the generation and development of the research group GESPLAN (Planning and Management of Sustainable Rural Development). This UPM research group, formed in the late eighties, was intellectually enriched by the development of projects, plans and programs carried out in different regions both at national and international levels. Through these works, well-known professionals and researchers representing different universities were able to exchange ideas. This made it possible to compare new designs and methodologies and address emerging problems and opportunities. Among the participating universities, two deserve special mention: the University of California at its headquarters in Los Angeles (UCLA) and San Diego (UCSD), at an early stage, and the University of California Berkeley (UCB) and Stanford, at a second stage.

THE UNIVERSALITY OF KNOWLEDGE THROUGH MOBILITY: THREE INTER-UNIVERSITY SEMINARS

The beginning of our research group was marked by the certainty that, in our scientific work, the exchange of experiences in relevant international contexts regarding our field of knowledge was essential. In the late eighties, on occasion of the development of a project located in Sierra Norte of Madrid, I invited Professor Aaron Cicourel of the University of California, San Diego, with the aim of exchanging experiences about how to incorporate the population views in the process

of development of a rural area. In that case the Sierra Norte of Madrid region was the rural area. From that collaboration, Professor Cicourel invited me for a stay at his university which finally took place in the summer of 1991.

Some months earlier I was invited to a seminar in the Technological Park of Zamudio (Bilbao). One aim of this seminar was to study a set of alternatives that arose at that moment to change the use of the Ria of Bilbao as a response to the process of the industrial restructuring in this region. John Friedman, head of the Department of Urban Planning of UCLA, was also invited to the seminar. This first meeting gave me the opportunity to receive and invitation to be with him at his office in his university in the summer of 1991. That relationship grew to a deep friendship that persists until today. On my side, I discovered the intellectual depth that this planner had developed over his life in areas such as Rural Development and Planning in Public Domain. The first consequence of this contact with Professor Friedman was my proposal to

organize a traveling seminar for master students and professors involving several US west coast universities during the following summer. Secondly, it was that John who told me that a translation into Spanish of his work "Planning in the Public Domain" (Friedmann, 1986) (he called it "Summa" remembering the other "Summa" from Saint Thomas Aquinas) was about to be finished and would be presented in Madrid in June, 1992 (Friedmann, 1991, 2001)[17].

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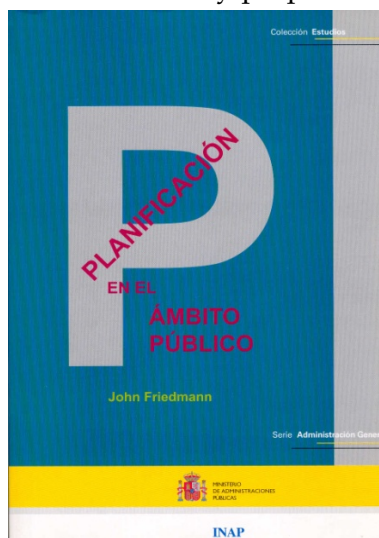
[17] The original work was incomprehensibly mutilated in the first translation into Spanish (published in 1991) by omitting the third part and the references. The alteration was remedied ten years later when the Ministry of Public Administration finally published a complete translation of the work.

Having Professor Friedmann in Madrid made it possible to show him the main projects we were developing at that moment —particularly the development Project in Sierra Norte— and to exchange planning styles which would be very helpful in the immediate future. We also addressed the last details of the seminar that would take place two months later.

In that seminar, organized by Friedmann and me, three professors and eight post-graduate students from UPM, as well as researchers from UCLA, UCSD and Berkeley, participated. This experience strengthened what would later become a fruitful scientific relationship with Professor Friedmann. The seminar, which we entitled "Social Variables in Planning", had a novel approach for the time, because it included social variables in the planning of plans, programs and projects of development. It led to the finding that it is important to incorporate beneficiaries in the decision making process. A new conception of development projects began that seminar which we put into practice with new methodologies from UPM, mainly in the area of the Community of Madrid and in collaboration with the Regional Government. The LEADER Community Initiative (acronym of French words Liaisons entre Actions de Développement de l'Économie Rurale, i.e. Links between Actions for the Development of the Rural Economy) began at that time and its practical structuring would be facilitated thanks to our experience.

With the launch of the LEADER Initiative in Madrid we combined opportunity and vision and have continued to do that since then. The exchange of experiences initiated in that seminar provided us with the needed skills to offer practical responses in light of the demand for new ways to manage rural development at European level.

During the summer of 1993, I was invited by Professor Friedmann to be a Visitant Scholar in the Department of Urban Planning at UCLA. I was invited again the following year by Professor Leon Zamosc of UCSD (La Jolla). In addition to preparing publication of the book "Experiencias de Desarrollo Rural en la Iniciativa LEADER" (Rural Development Experiences in the LEADER Initiative) (Cazorla, 1996), the relationship

with researchers from those universities and from the Colegio de la Frontera Norte of Tijuana (Mexico) was enhanced. This made it possible to organize a second seminar to enhance the internationalization of our incipient research group.

In the summer of 1995, a second international seminar, entitled "New Regional Planning", was held. Once again, we were privileged to have the direct involvement of Professor Friedmann, as well as Professor Keith Pezzoli from the University of California, La Jolla, and other professionals from San Diego-Tijuana. On that occasion, we analyzed the results of the approach "Planning as Social Learning", developed in the previous seminar, through a comparative analysis of the new regional planning models implemented in the Madrid Region and the metropolitan area San Diego-Tijuana.

The seminar was replicated in the UPM in October of that year. John Friedman was the general coordinator and a range of experts from rural, energy, transport and economy fields were involved. The papers of the seminar were presented in a publication entitled "Planificación e Ingeniería: Nuevas Tendencias" (Planning and Engineering: New Trends) (Cazorla, 1995).

The knowledge accumulated in such an intense year as 1995 resulted in a significant leap forward when an
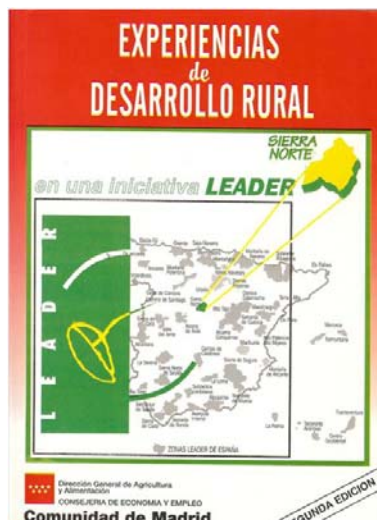
agreement between the Ministry of Regional Planning and Environment of the Madrid Government and the UPM was signed in January 1996. The agreement provided for the implementation of what would be called the Regional Program for Investments and Services of Madrid Community (PRISMA). PRISMA was designed as a participatory methodology for infrastructure and service investment projects among 178 municipalities and 12 investor DGs. At that time it was the main investment policy of the Madrid Government and represented a milestone in public management of the region, demonstrating the benefits of the policies based on Planning as Social Learning. This innovative methodology was reflected in the publication "PRISMA. Programa Regional de Inversiones y Servicios de Madrid (1997–2000). Metodología y actuaciones" (PRISMA. Regional Program of Investments and Services of Madrid (1997–2000. Methodology and implementation) (Community of Madrid, 1997).
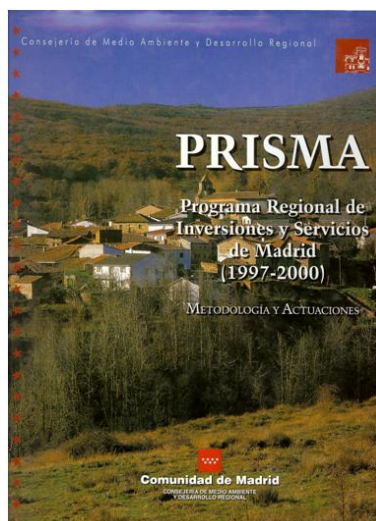

PRISMA was the starting point of a long period of participation in the management of development plans and programs, mainly in the European Rural Development domain. This new way of management was mainly put into practice through the LEADER initiative, as well as other areas of cooperation between rural and local development, covering more than a decade (1996-2006). It became necessary for public managers to include culture as a source of knowledge and learning when making their evaluations. Consequently, there was a need for designing proper methodologies to meet this increasing demand.

In this context, the thesis, "Design and implementation of a model for monitoring and evaluation of rural development in the EU" (Díaz-Puente, 2003) by José María Díaz Puente, then a member of the group and now a professor, arose.

From 1996 to 2004, I worked successively as General Director of Food and Agriculture (1996-99) and Deputy Minister of Economic and Employment (1999-2000) in the Madrid Region and General Director of the National Institute for Agrarian and Food Research and Technology, Ministry of Science and Technology, Government of Spain (2000-2004). These responsibilities gave me the chance to work as a planner in the public sector implementing policies, plans and programs, and to enrich the process through actual implementation of the methodologies developed within our research group. Meanwhile, the members of the research group —led by Professor Ignacio de los Ríos— were devoted to the evaluation and management of development initiatives. They participated in important international evaluation projects for the European Commission and the governments of several North, South and Central American countries including Uruguay, Mexico and Ecuador. These experiences were reflected in publications such as "Innovación para el Desarrollo Rural. La iniciativa LEADER como laboratorio de Aprendizaje" (Innovation
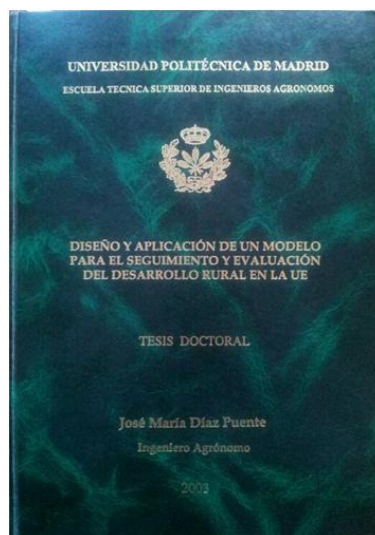
for Rural Development. The LEADER initiative as a learning laboratory) (De los Ríos, 2002).

After my return to the university we began a new phase of internationalization focused on cooperative projects. Included were a project located in the metropolitan area of Lima (2006-2008); a joint Ph-D Project with the Graduate College of Mexico (2005-2010); and a project about women in leadership roles in Cañete and Puno, Perú (2007-2008).

These challenges led us to a deep thinking about the answers that we were providing to the beneficiaries of the initiatives in which we were involved. As a result, we launched a third research traveling seminar "New Trends in American Society", which was held at Stanford University, in cooperation with Professor David Fetterman, University of Berkeley; Doctor Garrido, Professor of the UPM, then a visiting professor at Berkeley; Professor Edward Soja, UCLA; and Antonio Manzanares, North American head of Comunidad de los Ojos (Tierra Amarilla), New México.

Thanks to the valuable contributions of its speakers, the third seminar enabled us to think about the changing needs and expectations of society.

UC BERKELEY AND UPM: A UNIVERSITY REFLECTION

I met Professor James Midgley, then Dean of the School of Social Welfare at the University of Berkeley, in the summer of 1999, while on an institutional trip as Deputy Minister for the Economy and Employment Community of Madrid. I invited him to a seminar that took place in the early months of 2000. During the seminar he informed us of interesting methodologies on social capital as it applies to local development. His vision created great interest because, at that time, the Regional Government was immersed in the implementation of a major investment plan in two districts in the South of the city of Madrid (Villaverde and Usera). The scientific exchange with Professor Midgley was very fruitful (Cazorla et al., 2001; 2007). The relationship with Professor Midgley

continued during the time I was General Director of INIA and he was present at the signing of an agreement with University of California, Oakland to encourage the development of joint research projects between INIA and that university.
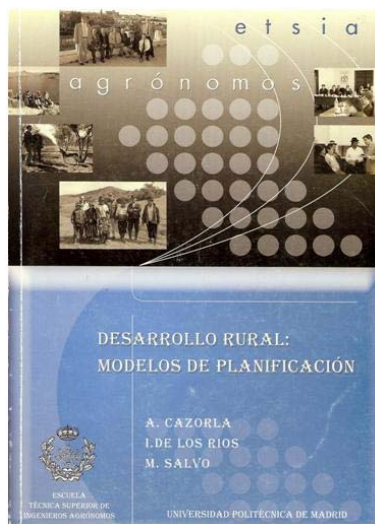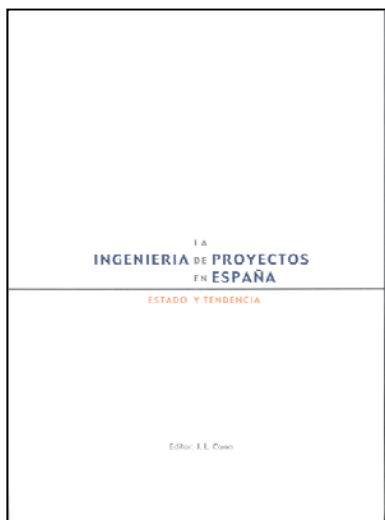
I met Professor Midgley again in 2010 during an institutional visit to the University of Berkeley as vice-chancellor of UPM. The aim of that visit was to sign an agreement to promote the exchange of post-graduate students between our universities. We talked about the possibility of holding a new research seminar because we both believe that people and the social capital of communities (that become the main resource to promote development and the welfare of people) are essential elements of our academic work.

We also agree that by giving priority to people in our work, we contribute to the character that the university must have and promote increasing knowledge that provides improvement in our society globally. That universality of university offered and interesting meeting point for our respective research topics and we agreed on the need of exploring those synergies.

We scheduled a research seminar for the following summer, expecting to bring together our research groups in a range of work sessions, including debate and thinking.

The seminar was held July, 28 -29, 2012 at the University of Berkeley, California. Once again we were fortunate to have Professor John Friedmann, who traveled from Vancouver (Canada). He shared the results of his research in China, a country to which John feels a special attraction.

The three of us coordinated the seminar, and master and doctorate students, as well as post-doctorate researchers that belong to our groups, presented their researches as scientific communications. These communications are the source of the present publication. Our view of the university was reflected in the diversity of the 15 participants who came from seven different countries.

They included our American hosts from the department of Social Welfare, UC Berkeley, and a student from Indonesia. From the UPM side, four professors and a group of doctorate students composed of two Peruvian professors from National Agrarian University and Piura University; one university professor from Chile; one professor from University of La Plata, Argentina; and two researchers from Post-graduate College of Mexico, participated.

The Seminar was structured around four main topics. First, PhD José Luis Yagüe, in collaboration with one of his doctorate students, Christian Barrantes, reviewed post-modernism planning theory and concept. This was a starting point that invited us to update several ideas that most of us have that emerged from the meta-theory developed by John Friedmann. This review was presented by Christian Barrantes, university Peruvian professor, who presented his master thesis and initiated his doctorate studies in our doctorate program at UPM.

After this first reflection on our theoretical basis, we studied the connection between planning theory and rural/local development management.

Then, Professor Alejandro Fontana presented the preliminary findings of his doctoral thesis (defended with honor a few months later at the UPM) and proposed a conceptualization of governance for Latin America. The communication was presented together with his advisor PhD. José Luis Yagüe. Their communication invited us to reflect about the way in which people in different cultural frames seek management mechanisms to incorporate —or not— social capital in development strategies. The governance, understood as a way to execute the government actions, is manifested in different ways depending on the cultural context and the considered dimension, but it can always be analyzed as a system of interaction among people.

Third, we analyzed the concept of social capital in relation to the development of rural communities. Susana Sastre, a UPM doctoral student, presented a theoretic conceptualization from research carried out in Latin-American. She introduced us into the analysis of non-economic factors that clearly influence improvement of the quality of life of communities, such as trust, information flow, rules of reciprocity and family and social ties. This presentation was enriched by Charity S. Fitzgerald. Her presentation expanded on the need for a relationship between cooperation and community ties. She analyzed the factors that facilitate the convergence of people's interests around specific organizations that put social capital in value and offer tangible results.

An even deeper analysis of the evaluation concept was given by UPM Professor Diaz Puente, who has worked closely with Professor David Fetterman. Diaz Puente is one of the most outstanding promoters of this evaluation model at the international level.

The seminar finished with the presentation of five other case studies. These studies analyzed several experiences of rural development

management in different world regions. Researches worked in very different cultural contexts, such as Europe, the United States and Latin-American. As this publication shows, territorial levels are diverse, from the local level in certain communities to the international macro-regional level, and different regional dimensions within the same country.

Every case of research leads to the interesting conclusion that the success of development initiatives depends on the proper combination of the three mentioned concepts: social capital, governance and evaluation. In the seminar it was clear that each case study approached them differently, motivated by the different geographical and cultural contexts. In every case, however, there was a suitable connection between the three concepts.

Professor Ignacio de los Ríos (UPM) analyzed the international cooperation management to development, establishing practical connections between the concepts of governance and social capital. He proposed practical criteria to optimize the management of international cooperation, which is often put into question for being costly and inefficient.

Masters student Daniel Hernández presented "Rural Development as Working with People" as the first case study to validate the proposed methodology. His study —focused on the development Project of Aymaras Community in Peru—makes it possible to validate the robustness of the conceptual model presented by professor Ignacio de los Ríos in his first appearance.

The case presented by Obeimar Valente examined the role of local actors who manage the new governance. It compared the different experiences developed in the state of Chiapas, México where the institutional change process promoted by different local actors was analyzed. This allowed us to observe how each local actor group contributes in a different way to the appreciation of social capital. It also allowed us to see that the most optimal situation comes from a

combination of processes that are different in every case depending on the degree of institutional development within the territories.

The Chilean researcher, UPM PhD student Francisca Gómez, presented a second analysis of the relationship between social capital and local institutionalism through a case study developed in northern Chile. This case allowed us to observe that within the diversity of actions that come from cultural diversity there is a substantial conceptual uniformity in the local rural development processes. Because of these uniformities it is possible to formulate models for managing rural development that can be used in different cultural contexts.

The communication presented by Pablo Vidueira and José María Díaz Puente showed us another practical validation of the assumption related to analyzing the multi-functionality of agriculture through the banana sector in the Canary Islands. The communication included an analysis of rural development management processes from a different point of view than the previous ones. This happened to be very convenient because it allowed us to perform a cross analysis of the theoretical postulates of the seminar. Instead of analyzing how the strength of social capital contributes to the development of institutionalism, we used this example to explore the way public managers promote a set of different results in society through policy decisions and how those decisions contribute to the development of local social capital.

Every study case enabled to demonstrate how the planning theory is helpful to understand the link that must be established between the models of governance and social capital.

The practical conceptualization of that link was made by professor Ignacio de los Ríos who presented the model "Rural Development as Working with People" which, to a certain extent, integrates all the theoretical postulates and the practical experiences presented in the seminar in a methodological proposal for the management of rural development. This constitutes a mature development of the entire body

of knowledge integrated by the research group GESPLAN, thanks to our experience and international relations. The model is not included in this publication because it is going to be published separately. Nevertheless, every element that contributes to its formulation can be found in the pages of this book.

The Working With People (WWP) model synthesizes the evolution of the "modern project" and its dominant values, establishing a new approach for the planning of rural development projects in the post-modernity. Development projects, both in emerging countries and in the EU (and also North America), have to be developed BY people and not FOR people.

Participation does not mean that the population should simply be consulted. Participation requires much more than that. The logic of participation is, in fact, "the logic of collective action" (Cernea, 1991). The planning of interventions for rural development must be built on self-organizing tendencies, aimed at encouraging people to act collaboratively. Planning, understood as social learning (Friedmann, 1993), fits this approach and works as a process with the main point being that all effective learning comes from the changing reality of experience. The affected population must participate actively. The process must provide mutual learning so that the population learns from the planner's expert knowledge and the planner learns from the experiences and knowledge of the population. Rural development projects are very valuable tools to change reality. However, unlike in engineering projects, means and ends do not always keep a constant, clear and direct relationship during implementation. These projects require a continuous mutual learning. New values have emerged since the '90s and new ways of planning that contrast with the rigid traditional approaches of rural development projects planning have appeared. International literature emphasized the need for experimentation, learning, and adaptation to local contexts, as well as participation, flexibility and local capacity building.

The WWP model is integrated into international discussions of "social learning". It incorporates key elements of models of planning, such as social learning, collaborative participation theory of planning, and project management international models, especially those which integrate behavioral and contextual competences that have an influence on projects. The WWP model is the result of 25 years of experience in rural development project planning from GESPLAN-UPM in several European and emerging countries. The WWP's proposal is synthesized into three components —ethical social, technical-entrepreneurial and political contextual— including the various fields related to a social relation system that interacts through learning processes.

The implementation of the model as a guideline in the field of rural development project planning has led to different methodologies and applied research. The experience of these researches demonstrates the right approach for a model: exceed the "technical" approach of the project and emphasize the behavior of individuals in the context of where they work. In addition to the technical assessment of production, the WWP model shows the need to assess the actions of people who got involved, participate and work together.

The conceptual model "Rural Development as Working With People" that Professor De Los Ríos presented at the seminar reaches that conclusion and offers a methodological model for management of development beyond the actions that are unique to each geographical and cultural context. It can be understood as a methodological articulation of social capital, governance and evaluation. This model includes the practical experiences of more than twenty years of work devoted to the management of Rural Development in the European Union and Latin-America. The case studies included in this publication represent a practical application of the model and contribute significantly to its validation.

Finally, the academic results offered by the seminar deserve a special mention. Two master students —Daniel Hernández and Chistian

Barrantes— defended their master thesis before an international committee. Three UPM doctorate students —Alejandro Fontana, Ricardo Strata and Obeimar Balente— presented the preliminary conclusions of their theses that were finally defended during the following academic year. Another seven UPM and UC Berkeley doctorate students presented their research advances and had the opportunity to receive international feedback that has certainly contributed to improving the scientific relevance and quality of their work.

Finally, it must be highlighted that the exchange of scientific reflection was also very positive for the group of university professors, both junior and senior, that met there. The joint reflection within an environment of international excellence, as was the case at the seminar, contributes greatly to guaranteeing that we are offering our students the proper training and guidelines to enable them to answer the demands and challenges society requires within our field of knowledge in a satisfactory manner.

THE TEACHING OF FOUR RENOWNED PROFESSORS IN BRIEF

The forth seminar and this publication are significant milestones along the intellectual trajectory of the GESPLAN Group and its international partners dating back to the summer of 1991. However, it is not an isolated process. Instead it has deep roots in the contributions of other professionals who preceded us in the study and conceptualization of rural development.

It is worth noting the work of Professor **Ángel Ramos**, trainer of numerous researchers and public managers for more than four decades (among them some of
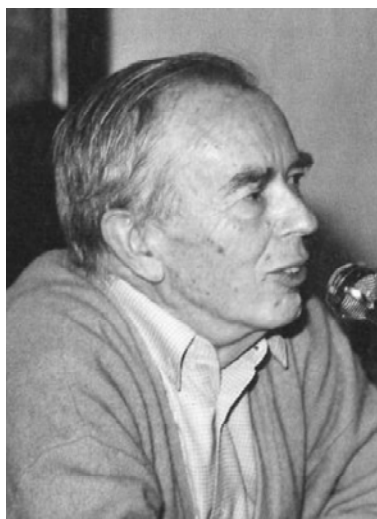
the more senior of us). From his chair at UPM, he focused on environmental awareness in the management of projects and demonstrated the value of the environment as a resource for planners and public managers. Thanks to him, the environment started to be understood as an asset with intrinsic value and potential and was no longer considered a mere support for human actions.

In parallel, Professor **Ignacio Trueba**, from the College of Agricultural Engineering at the same university, contributed to developing the concept of a project as a whole. This allowed us to establish a close link between engineering teachings —until then merely technical— and the management of the big initiatives of international organisms. From the sixties on, these international organisms contributed to create an international awareness of the concept of development and the mission of technique and engineering and their role in the solution of the great problems of humanity. In rural areas, the problem we all focus on is the fight against hunger and poverty.

During the late eighties, the young professionals who were finishing their doctoral studies and being guided by those advisers, anticipated that development required a management element that had not been approached in the past. With this concern, I was fortunate to meet a true intellectual giant, Professor John Friedmann. As the father of modern planning, Professor Friedmann understood meta-discipline and introduced us to this field of knowledge, which was totally new for the young engineers we were. He opened the doors for our scientific and professional careers that were later developed by the GESPLAN Group.

John Friedman showed us, among many other things, that the link between the project, as a unit of knowledge, and the territory could be

established and conceptualized through our thinking about planning. The decision making and the management responsibilities in the process of implementation of development plans, programs and projects —that we came to name "Action at Public Domain"— fitted the Planning Models that could be understood depending on the responsibilities taken by the involved actors and the way in which they were related to each other.

We discovered that planning as social learning was becoming significantly important. This was true mainly in the development projects where learning and participation of all the actors is promoted from the beginning to the end.

John Friedmann (in the middle with purple tie) with some GESPAN researchers and postgraduate students during his last visit to the UPM (year 2007).

From these three solid foundations and through more than two decades, we have developed an intense study of management of development projects and the evaluation of public policies in different geographical levels and different countries (mainly in Europe and Latin-America).

Along this entire process of intellectual growth, we have observed that the human dimension is the key element for success or failure of initiatives, depending on the way people are managed in the projects. For this reason, we have synthesized the working methodology in the model Rural Development as Working with People, which describes how to promote social learning in the process of rural development.

During the period when this methodology was being consolidated, professor **James Midgley** appeared. He contributed to corroborate the importance of social dimension in public policies and development initiatives. His contribution greatly enriched the social dimension of the model through his wide experience in the School of Social Welfare at the University of California. By working together and organizing this international seminar, we have seen how both research groups had a common goal: to improve the quality of life of people and generate knowledge for the future.

The practical way in which the university demonstrates its universality is by generating knowledge that is helpful for people and enables them to improve their livelihood. The university cannot be a mere transmitter or preserver of old knowledge. It must be able to articulate a new way to achieve new knowledge that facilitates progress in our society.

The research papers presented at the seminar have their own way of generating knowledge. They have been developed from the teachings of our first advisers and have made it possible for our scientific output to evolve and incorporate Friedmann and Midgley's views so that they are now a body of teaching in the field of Rural Development. From the practical experience that the management of development projects provides, we found common links that led us to the conceptualization of

rural development planning. We use these experiences as models that determine the management of plans, programs and policies of development.

The reflection on planning in the public domain allowed us to identify the values and criteria that determine how we can achieve truly sustainable rural development. In a later stage, we moved to formulate the methodologies to implement these values, guiding the management of programs and development projects in a way that closely involves the population so that they are the true builders of their own development.

We, therefore, conclude that this seminar must not be understood as a final result, but as a milestone of intellectual growth that continues to go on. The management of development always requires ongoing reflection about the adequateness of achieved goals and continuous updating of the methodologies to adapt the management of specific initiatives to specific circumstances in the endlessly changing and evolving life of the people who benefit. We believe this seminar has provided a new way to monitor activity and an ongoing guide for updating our competences and the competences of many other professionals involved in our common tasks.

The main lesson that we have obtained during these forty years, thanks to our masters and also to our acquired experience, is that development promotion and life quality improvement, is a noble, exciting and extremely responsible task. The planners' main mission is promoting the development of the people, by the people, for the people, by helping them to be the authentic managers of their own destiny, respecting their human, cultural and natural heritage, and trying to make the World a friendly place for the future generations.

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