

PARTICIPATORY DEVELOPMENT IN THE PRESENCE OF ENDOGENOUS COMMUNITY IMPERFECTIONS

Anita Abraham and Jean-Philippe Platteau

Draft, not to be quoted without the permission of the author

Department of economics and CRED (Centre de Recherche en Economie du
Développement), University of Namur
Rempart de la Vierge, 8
B-5000 Namur Belgium
Email : jean-philippe.platteau@fundp.ac.be

Since the last decades have been characterized by a strong disillusionment with the performances of the state, especially in countries of SubSaharan Africa, and since market imperfections are a pervasive feature of the rural economy in developing regions, it is perhaps not surprising that many professional and academic economists have looked increasingly to rural communities as a providential escape out of the state-market dilemma. In this way, they have got nearer to their colleagues from other social sciences for whom personalized relationships sealed by various forms of reciprocal exchanges in rural communities allow villagers to effectively solve important problems and to increase their welfare.

New strategies based on the idea of decentralized or participatory development have gained increasing currency among international organizations (including the World Bank and the European Community) and bilateral aid institutions. If the idea is anything but new (it has been implemented for a long time by Non-Governmental Organizations, especially in Asia and Latin America), big donor agencies have embarked only recently upon participatory programs that deserve their name because they are grounded in operational guidelines specially designed to enhance participation (see, e.g., Blair, 2000). The attitude of optimism which accompanies these new strategies is partly based on the belief that rural communities can be an effective channel of development if genuine delegation of powers and responsibilities takes place on a sufficient scale (provided, of course, that such powers and responsibilities are within their reach)¹. This is essentially because communities are usually considered to have important informational advantages. They know better the prevailing local conditions (such as who is poor and deserves to be helped, or the characteristics of the local micro-environment), and they are better able to monitor the activities related to interventions and to mitigate incentive problems (see, e.g., Hoddinott *et al.*, 2001).

On the other hand, on the basis of evidence pertaining to Latin America and Asia, it is also recognized that communities suffer from the disadvantage of not being as accountable as higher-level agencies to their members. More precisely, when the responsibility of allocating central resources is delegated to local organizations (such as panchayats in Bangladesh), village-level elites tend to appropriate for themselves whatever portion of the resources that they need and to let the poor have the leftovers only (Galasso and Ravallion, 2000). The advantages of community-based (welfare) programs –namely, the better knowledge of local conditions that communities possess, and their better ability to enforce rules, monitor behaviour, and verify actions– can therefore be outweighed by the accountability or ‘capture’ problem –communities may not be as accountable to their poor as state agencies. This possibility is especially

¹ It is, indeed, an important reminder that many services can only be publicly provided.

great when communities have informational deficiencies (Conning and Kevane, 1999) and/or when there is no functioning democracy at local level. The poor are then better targeted through a state distribution system than through a decentralized mechanism (Bardhan and Mookherjee, 1999, 2000a, 2000b). Hence the conclusion that “decentralization is not an universal *panacea* for the ills of centralization, and the results are likely to be context-specific” (Bardhan and Mookherjee, 2000b: 3).

The point could nevertheless be made that the aforementioned problem of a tradeoff between informational and accountability problems is characteristic of highly inegalitarian countries such as they are found in Latin America and Asia. In more egalitarian countries, such as they typically exist in regions with a long tradition of land abundance (see Platteau, 2000), notably in SubSaharan Africa, the accountability problem could be considered less important and, as a result, the advantages of the participatory or decentralized approach to rural development would be less debatable.

The aim of the present paper is precisely to dispute that claim and to argue that the lineage-based societies that inhabit the African continent are plagued by a number of community imperfections that tend to make such an approach difficult, especially as market opportunities are expanding, access to education is improving, and land and time become scarce. Awkwardly enough, the presence of such endogenous community imperfections leads to a tricky dilemma that aid agencies generally solve by bringing the accountability problem back into the picture or, more exactly, by largely contributing to create that problem. As a matter of fact, to keep down the costs arising from community imperfections, it is tempting to channel resources through local leaders or dubious intermediaries and, as a consequence, there is a serious risk that development efforts are hijacked by unaccountable members of the elite.

Note that, all throughout the ensuing discussion, we will assume that decentralized development needs to be financed, at least partly, by external agencies (state governments or foreign donors). This is a valid assumption to make since there is solid evidence that local contributions, whether in the form of local taxes or user fees (that is, fees paid on the basis of voluntary decisions by users), are not sufficient to provide people with basic public goods, especially in poor districts or countries (see, e.g., Swantz, 1997; Kleemeier, 2000).

The paper is constructed as follows. In Section 1, the economic concept of community as can be inferred from game theory is described in some detail. In Section 2, this concept and its implications are assessed critically in the light of a number of important characteristics of tribal societies which lead to significant community imperfections under conditions of rising market opportunities. In essence, it is argued that the very advantage of communities over alternative modes of organization, the informational advantage, gives also rise to deficiencies arising from the personalized character of human interactions obtaining in the context of small groups. As development proceeds by way of

expanding economic opportunities, growing resource scarcity, as well as rising aspiration and education levels, such deficiencies can increase to the point of outweighing the informational advantage. In Section 3, the aforementioned dilemma is discussed at some length. Finally, Section 4 concludes the paper by drawing attention to the critical role of the central state for a successful approach to decentralized development and it underlines the particular problem of Africa in this regard.

1. The economic concept of community

The development of classical game theory and the concomitant replacement of the assumption of parametric rationality by that of strategic rationality have allowed economists to elaborate a suitable concept to analyze communities. For the first time in the history of economic thought, they thus became able to provide a theoretical account of an important real-world institution that had so far eluded their analytical grasp. The critical result comes from repeated game theory and is known as the Folk Theorem: even if the stage game has a unique Nash equilibrium, there may be subgame-perfect outcomes of the infinitely repeated game in which no stage's outcome is a Nash equilibrium (Abreu, 1988). In particular, in the infinitely repeated Prisoner's Dilemma with complete information, cooperation becomes possible or the free rider problem may be surmounted.

In a less technical language, a framework of interactions that leads to the inescapable conclusion that agents will cheat, they will not participate in the construction of a public good, they will steal the partner in pairwise trade encounters, they will not abide by their commitment to help a fellow member in difficulty, etc. may yield beneficial outcomes when agents meet repeatedly for an infinite (or indeterminate) period of time and are well informed about each other's actions. This is because under conditions of perfect information and repeated encounters reputation effects and sanction mechanisms are at work that induce players to think of the long-term consequences of their present actions (see, e.g., Ostrom, 1990 ; Sandler, 1992 ; Baland and Platteau, 1996 : chaps. 4-6 ; Dixit and Skeath, 1999 : chap. 11).

As witnessed by the following excerpt, this idea has been remarkably anticipated by David Hume in the middle of the 18th century:

“We can better satisfy our appetites in an oblique and artificial manner, than by their headlong and impetuous motion. Hence I learn to do a service to another, without bearing him any real kindness; because I foresee, that he will return my service, in expectation of another of the same kind, and in order to maintain the same correspondence of good offices with me or with others. And accordingly, after I have serv'd him, and he is in possession of the advantage arising from my action, he is induc'd to perform his part, as foreseeing the consequences of his refusal ...After

these signs [i.e., promises] are instituted, whoever uses them is immediately bound by his interest to execute his engagements, and must never expect to be trusted any more, if he refuse to perform what he promis'd" [Hume, 1740: Book III, Part II, Sect. V, 521-2].

In the light of the above, the community institution can be defined as a group small enough to allow good circulation of information among its members who interact more or less continuously over infinite or indeterminate periods of time. In a repeated game, however, there exists "a profusion of equilibria" (David Kreps) and cooperation is just one possible outcome. Therefore, for a community to succeed in achieving cooperative outcomes, the expectations of its members must also converge on a cooperative strategy. This implies that they are willing to give cooperation a try in the initial stages of the interaction process, because they believe that fellow members are likely to be similarly predisposed. In short, trust must prevail among them. Then, if everyone is bent on punishing people who behave in a 'nasty' manner, and expects others to do likewise, an efficient equilibrium where all members cooperate continuously gets established.

Trust is typically assumed to arise in the context of small groups, presumably because pre-play communication, which is obviously easier to achieve when people are few, allows individuals to reveal and signal their intended plans of action and to learn about others' intentions. Shared experiences or beliefs and inherited patterns of behaviour may perform a similar role in small-scale settings (Baland and Platteau, 1996: 77). Moreover, communication in small groups tends to promote trust and to create a feeling of sameness or togetherness that establishes a collective identity. Such a feeling is associated with strong emotions that make any violation of promises and deviant behaviour appear as acts of sheer betrayal of the group (Frank, 1988: 223-225; Ostrom *et al.*, 1994: chaps. 5, 6, and 7).

Cooperation in small groups or communities is made possible by the assumed presence of a social ostracization mechanism, –called multilateral reputation or sanction mechanism by Greif (1993, 1994, 1998)–, well-known to all students of village societies. In the words of Hayami and Kawagoe (1993) :

"In the village community everyone is watching everyone. Gossip about one's misconduct is circulated by word of mouth faster than any other means of communication. In such an environment a significant cost would be incurred to a person who would violate a contract with a fellow villager, since not only would he lose benefits from the present contract but the resulting bad reputation would deprive him of future opportunities to enter into contracts with other villagers as well" (Hayami and Kawagoe, 1993 : 167).

In game-theoretical terms, if everyone follows a strategy whereby he acts cooperatively and moreover punishes (say, by retaliating or boycotting) any agent who has behaved non-cooperatively vis-a-vis some member of the group

in the past, this strategy of multilateral punishment is an equilibrium strategy and expectations are self-enforcing: believing that all other participants have this strategy, any given individual has an incentive to follow the same and at equilibrium everybody cooperates. Greif calls 'collectivist' or 'segregated' these societies where everyone expects everyone else to respond to any malevolent act committed in any pairwise encounter within the community space. The observed cooperative equilibrium is thus the spontaneous outcome of common cultural beliefs of the 'collectivist' type. It reflects a reputation mechanism among self-interested individuals whereby an agent can establish *ex ante* that his most profitable course *ex post* is to act cooperatively: in other words, the transactor can credibly commit to such behaviour (Greif, 1989: 858, 866-67).

A noteworthy feature of such a social system is that participants are incited to follow the multilateral punishment despite the fact that the agent's strategy does not call for punishing agents who violated the collective punishment procedure (Greif, 1993: 535). The self-enforcing character of collective punishment obtains insofar as a cheater stands to lose nothing (he expects anyway to be ostracized in the future) and is therefore inclined to free ride again in new interactions. Others thus do better by avoiding new deals with that individual and, in this way, the second-order public-good problem of sanctioning is solved.

Greif has illustrated the multilateral reputation mechanism in the case of trading networks (with reference to the Maghribi traders of the south Mediterranean in the 11-12th centuries) where agents have the choice between behaving honestly or dishonestly. To this date, however, mutual insurance has been the privileged domain of application of this mechanism. In the literature, rural communities are indeed presented as a rather effective device to provide decentralized insurance through reciprocal contingent voluntary transfers. Because written and legally binding contracts are not feasible (the arrangement is informal in this precise sense), an incentive compatibility or participation constraint must be respected to ensure the self-enforceability of the risk-pooling mechanism. The presence of reputation effects in a context of continuous and personalized relationships precisely achieves that purpose: promises to help fellow villagers hit by adverse economic events will not be reneged *ex post* (Sugden, 1986 : chap. 7 ; Kimball, 1988 ; Platteau, 1991; Coate and Ravallion, 1993 ; Townsend, 1994 ; Kocherlakota, 1996 ; Ligon, Thomas and Worrall, 1997).

So far, the economic concept of community based on three key characteristics (perfect information, continuous interactions and trust, all of which imply a small size of the group involved) has been made to work in the situation of pairwise encounters among individuals. Another possibility is that of strategic situations that involve numerous agents at the same time, that is, 'collective-action' games (Dixit and Skeath, 1999: chap. 11). Such game

situations arise when local public goods must be produced or local public ‘bads’ must be averted, e.g., the building of collective infrastructure or the management of common-property resources.

The framework of human interactions is obviously different in collective-action situations (that is, situations in which the production of public goods is contemplated) compared with pairwise interactions and this is why the underlying game forms also differ. The most important theoretical result here is that cooperation is likely to occur in small groups even in one-stage games. Underlying this result is the so-called ‘incentive dilution’ mechanism highlighted by Olson (1965) according to which small groups prevent incentives from being excessively diluted. The argument is rather straightforward and directly follows from the definition of free riding. Free riding is indeed a strategy whereby an individual trades a reduction in his own effort, from which he alone benefits, for reductions in the income of the whole group, which are shared among all members. Therefore, as the size of the group increases, the terms of this exchange become more and more favourable to the free rider (since shares are diluted), and vice-versa when the size of the group decreases².

On the other hand, in situations involving simultaneous decisions by numerous players, an authority structure may well come into existence to coordinate these decisions and regulate their implementation. Cooperative game theory (grounded in the assumption of binding agreements) then becomes the appropriate tool of analysis and a new argument can then be adduced in favour of small groups. As a matter of fact, when the agents involved are fewer, agreements can be reached at lower negotiation costs, which include the costs of communication and bargaining as well as, possibly, those of creating and maintaining a formal organization (Olson, 1965; Baland and Platteau, forthcoming).

Returning to a non-cooperative game-theoretical framework, it must be emphasized that, as can be inferred from the Folk theorem (Friedman, 1990; Abreu, 1988; Kreps, 1990), the (infinite) repetition of the collective-action game makes cooperation even more likely than in the one-period game. As we know, this is because perfect information and continuous interactions make reputation effects and (decentralized) punishment possible in small-group settings. In large groups, there is a serious risk that cooperative actions are punished by mistake in so far as one’s person free-riding may be hard to detect. As a result, the incentive to cooperate is susceptible of being blunted (Dixit and Skeath, 1999 : 373). The efficient outcome is all the more likely to obtain in small groups if

² Note interestingly that the same incentive dilution process occurs with a Chicken game. As the size of the group increases, the structure of the game modifies itself from a Chicken game into that of a Prisoner’s Dilemma, and, as a result, the collectively rational outcome which was initially established degenerates into the Pareto-dominated non-cooperative outcome (see Baland and Platteau, 1996 : pp. 89-90).

community members have multiplex relationships that get them involved in several games that are played simultaneously. In such circumstances, indeed, a free-rider in one game may be punished in another game (Ellickson, 1991 ; Aoki, forthcoming).

Furthermore, as has been already stressed, when people are few, they can communicate easily and this ability can help them coordinate on the ‘good’ equilibrium. In particular, if production of the collective good entails a coordination problem or threshold effects, easy signaling of willingness to contribute by members assuming leadership positions makes cooperation a more likely outcome in small than in large groups, and this is obviously true even in one-shot games. Finally, because the fruits of their actions are more closely and immediately visible, it may be easier in small groups to find volunteers or benefactors ready to expend personal effort to benefit the whole (Dixit and Skeath, 1999 : 374).

We can therefore conclude that cooperation has the best chances of success in communities construed as groups sufficiently small to allow a good circulation of information, easy communication, and more or less continuous interactions among members. It deserves to be emphasized that, in the above conceptualization of the community institution, economists never depart from their conventional assumption of rationality: in communities like in markets, people are guided by self-interest. Cooperation, if it occurs, is the outcome of selfish motives. There are some exceptions to this rule, however. Thus, some economists are of the opinion that, while market-like situations involving competition among many anonymous buyers and sellers (and complete contracts) tend to induce self-regarding behaviour, more personalized exchange settings (and incomplete contract situations) tend to yield choices consistent with other-regarding or relational preferences. More precisely, individuals tend to behave selfishly in the market, altruistically in the family, and according to the principle of reciprocity or ‘reciprocal fairness’ in communities (Lane, 1991; Rabin, 1993 ; Schotter *et al.*, 1996; Fehr and Tyran, 1996; Fehr, Kirchsteiger, and Riedl, 1998; Fehr and Gächter, 1998; Bowles, 1998).

The latter principle can be stated as follows : ‘you behave the way which you would like the others to behave, but only if they actually meet this expectation’ (Sugden, 1984: 774-75; Elster, 1989: 214). In other words, people want to be kind to those who have been kind to them (the positive reciprocity aspect) and to hurt those who hurt them (the negative reciprocity aspect). When this is the case, –when the payoff structure of the underlying game is that of the so-called Assurance Game–, the problem becomes one of coordination and, if preplay communication allows to solve it, cooperation can be achieved in the one-period game. Moreover, cooperation, the socially efficient outcome, is a possible equilibrium even when the game is repeated over a finite (rather than

infinite or indeterminate) period of time. This result is a direct application of an important theorem discovered by Benoit and Krishna (1985)³.

To the extent that they refuse to assume altruistic behaviour, economists cannot be accused of a romantic attitude towards communities⁴. The fact that they explicitly stress the existence of multiple equilibria when strategic situations are repeated or when coordination, one-shot games are considered, is also difficult to reconcile with such an attitude. For cooperation to prevail, the right equilibrium must be selected and this requires the establishment of the appropriate kind of beliefs and expectations on the part of the different actors. As we have mentioned, however, there is theoretical ground to believe that small groups are able to 'select' the good equilibrium. This may explain why economists are prone to trust communities to overcome the sort of market and state failures that are especially pervasive in the rural areas of poor countries. They thus tend to agree with the dominant view among social anthropologists and, together with the latter, they help provide a rational ground for the participatory approach to development.

Unfortunately, disappointing results observed in some remarkable cases force us to call into question the optimistic view of communities operating in poor rural regions. Even in a country like the Philippines where the National Irrigation Administration (the NIA) has been pioneering efforts of devolution, it appears that there have been more cases of failure than success, and reduction in state agencies' operation and maintenance activities has not been compensated for by the activities of irrigators' associations with alarming consequences for agricultural production (Fujita et al., 1999 : 3 ; see also Lam, 1998, for Nepal). Regarding informal insurance, recent evidence indicates that informal mechanisms can not only have a restricted scope, but also be fragile, unreliable in protecting the poorest households, and susceptible of retarding capital accumulation, economic growth and mobility (Platteau, 1991 ; Alderman and Paxson, 1994 ; Morduch, 1995). As regards the first point, reciprocal transfers may involve only a limited fraction of the village population and they may

³ Following this theorem, if a strategic-form game has multiple equilibria (when it is not repeated) that give two or more different payoffs to each player, then, under general conditions, the average payoffs in subgame-perfect equilibria of long finitely repeated versions of this game are very close to *any* average payoffs attainable in the *infinitely* repeated versions of the game (Myerson, 1991: 338). (Bear in mind that the Folk Theorem applies in the latter case). This theorem points up the essential difference that exists between Prisoner's Dilemmas and other game forms: while in PD games, the results obtained under infinitely repeated versions radically differ from those obtained in finite versions, this is not true of other game forms.

⁴ As a matter of fact, reciprocal fairness is neither purely egoistic behaviour (since reciprocators incur some personal cost in responding to other people's actions) nor purely altruistic behaviour (since "gifts are exclusively presented to people who gave something before, or are supposed to give something back later") (Fehr and Tyran, 1996: 134).

represent only a low proportion of the income shocks in bad periods (Rosenzweig, 1988 ; Czukas, Fafchamps, and Udry, 1998 ; Cox and Jimenez, 1990, 1997 ; Alvoet, 1997 ; Goldstein, 1999). Similar conclusions have been drawn when communities are considered as providers of health care and education (Tendler, 2000; Brett, 2000), or microcredit (Morduch, 2000).

Note that, unfortunately, the encouraging findings from the recent and scant literature that attempts to systematically assess the impact of participation on project outcomes on the basis of data collected for the purpose (see, in particular, Narayan, 1998; Isham, Narayan, and Pritchett, 1995; King and Ozler, 1998; Isham and Kahkonen, 1999; Hoddinott *et al.*, 2001) have to be treated with utmost caution. This is because measurement problems are numerous (with regard to what constitutes a project outcome, what constitutes participation, and how to measure the relevant characteristics of communities), and other problems tend to make the econometric estimates tricky, in particular, the potential endogeneity of participation to successful project outcomes, the possible correlation between the localities in which projects were sited and observable characteristics of the communities concerned (the so-called endogenous program placement problem), and the possible presence of omitted variable biases (the fact that the ability of communities to participate in projects of decentralized development might be related to other community characteristics)⁵.

Clearly, participation is not the magic key which opens blocked channels and accelerates local development (Swantz, 1997: 16). As pointed out by Galasso and Ravallion (2000), “the enthusiasm for community-based targeting in policy circles has clearly run well ahead of the evidence”. Underlying the difficulties encountered in the decentralized approach to development are a variety of causes that may be simultaneously operative. One possible problem that is frequently stressed in the literature is the resistance of the administration against devolution processes that have the inevitable effect of reducing its power and privileges⁶. In the following, however, we want to draw attention to the weaknesses of the communities themselves in the specific context of tribal societies. This actually requires that we examine the limitations of the economists’ game theory-based view of rural communities that we have summarized above with special reference to these societies.

⁵ The study that does best to overcome these various econometric problems, that by Hoddinott *et al.* (2001), is nonetheless fraught with measurement problems while the evidence about the positive impact of participation on project outcomes is not impressive (the dimension of project outcomes that appears most consistently to be positively influenced by participation is the wage bill as a percentage of total costs).

⁶ An interesting example of this will be mentioned in Section 3 while reviewing the recent experience of Kerala state (India) with decentralization.

2. The increasing cost of community imperfections in tribal societies

Imperfect information

Due to the presence of either physical or psychological barriers, information may not circulate well in a village society. The barriers are physical when rural dwellings are so scattered that it is not easy to observe the behaviour or income and wealth of fellow villagers. The examples of Rwanda and Burundi, where dwellings are spread all over the hills without there being any central location, spring to mind here. In such cases, according to the above-described economic concept, one cannot speak of genuine communities and, as a result, the advantages of local groups are lost, or at least mitigated.

On the other hand, the barriers are psychological when people are reluctant to disclose facts of malfeasance of which they have been the victims even in the absence of physical obstacles to communication. This typically occurs in societies pervaded by insurmountable distrust and deeply rivalrous or hostile relations between peasant families, such as has been documented for the South Italian countryside (Banfield, 1958 ; Putnam, 1993). In these circumstances, indeed, people shun away from confessing that they have been fooled because they want to avoid giving the impression that they lack the strength to protect their own interests effectively . To admit that they have been cheated is to recognize that they are somehow weak and vulnerable to attacks by predatory individuals. This appears to be a dangerous step in so far as it is likely to erode power of deterrence (see Nisbett and Cohen, 1996: 4-7)⁷. Or, in a similar vein, people may wish, consciously or not, that fellow group members deal with the same deadbeats by whom they have been burnt.

When such attitudes are adopted, the chain of information transmission is obviously broken and decentralized collective punishment becomes impossible. Misbehaviour on the part of an individual in his dealings with another member of the group only affects their mutual relationship without yielding any influence on other, potential partners in the same community: bilateral rather than multilateral reputation and punishment mechanisms are brought into play⁸. Perhaps more realistically, enmity opposes distinct groups of families

⁷ For example, in the fishing and marketing town of Estancia in the Central Philippines, local Filipinos do not convey to each other information about customers who did not pay their debts, “for fear of exposing to others that they themselves had been successfully taken advantage of”, and also for fear of insulting their debtors by suggesting that they might not be willing or able to meet their obligations (Szanton, 1998: 256).

⁸ The societies where such behaviour and beliefs predominate are considered by Greif to belong to the realm of ‘individualistic’ cultures. Greif himself considers that Third World societies tend to be ‘collectivist’ societies compared with the ‘individualistic’ societies of the advanced Western countries. The argument here aims at qualifying this characterization by pointing to the possibility of ‘individualistic’ cultures in the rural areas of the southern hemisphere as well.

constituted as antagonistic factions, in which case information circulates well within but not between factions, leading to a fragmentation of the information space in the village society (see, e.g., the account of beachseine fishermen societies in Sri Lanka, by Alexander, 1982). Clearly, deep-rooted hostility and distrust prevent a genuine community as defined in the previous section from being established. In the case of most traditional lineage-based societies, though, the above problem of information fragmentation is probably not a serious one in so far as an all-encompassing clan structure makes the formation of factions rather difficult (see, however, de Sardan, 1999, for exceptions). We will therefore assume it away in the following discussion.

Implications of personalized relationships: the importance of unanimous agreement

Economic theory reaches the conclusion that perfect information combined with continuous interactions can induce people to cooperate owing to the fear that one's reputation will be spoiled and, as a result, future benefits will be lost. The implicit assumption is that agents are liable to be punished through various sorts of sanctions including shame, ostracization and, eventually, expulsion. A problem arises in the case of traditional agrarian societies, though, since members of the elite, in tribal societies, those are typically the elders belonging to the lineage of the descendants of the first settlers cannot be removed from their position which is ascriptively fixed. In other words, punishment mechanisms cannot effectively operate towards people whose social position and status are fixed by what, according to Karl Marx, appears to be a natural law (Avineri, 1968: chap. 6).

None the less, in so far as members of the elite are few and in continuous interaction, the problem of effective enforcement of rules and decisions can be solved even though no ostracization or expulsion is feasible. The solution lies in consensus-seeking procedures. The point needs to be elaborated.

When interactions among people are close and more or less continuous, they are inevitably characterized by a high degree of personalization. One immediate implication of personalized relations is that the spheres of private and social life are not neatly separated as they are in modern societies based on wider and more anonymous interactions. As a consequence of this, any disagreement among the elite about a rule or a decision is bound to spill over into the sphere of private relations and to generate personal antagonisms. The problem is compounded by the fact that an elite member who disagrees with a rule or a decision does not feel tied by it and is therefore prone to violate it when the opportunity arises. This seems to be a natural reaction when there is no punishment, all the more so because acting against one's belief appears to be difficult, especially if the belief coincides with perceived self-interest. Such violations are obviously bound to create tensions or frustrations, and these are

susceptible of poisoning the social climate prevailing in the community. Because interpersonal conflicts in small-scale settings can easily get out of control and threaten to undermine the whole social fabric of the community, strategies and procedures must be devised to prevent them from arising or to contain them as much as possible.

Furthermore, in tribal societies, the council of elders embodies the will of supernatural agencies (the ancestors' souls) which are believed to govern every aspect of people's life. Since supernatural powers are supposed to share a common view of how the affairs of the living should be run, any disagreement among the elite is bound to cause serious suspicion about its ability to represent or act on behalf of these powers. In other words, the legitimacy of the village elite would be unavoidably undermined by the open manifestation of internal splits.

One obvious way to avoid dissent is by establishing procedures that aim at achieving consensus within the elite group, seeing to it that the viewpoint of everyone has been attentively listened to and bringing all the participants to the discussion to adopt a common position however long is the time needed. Here is the fundamental reason why the principle of majority voting is not deemed acceptable in close-knit societies : because it would officialize the existence of disagreements and because the minority would thereby feel justified to behave as it likes, such a principle is perceived as a potential threat both to the effective enforcement of rules and decisions, and to the continuation of amicable relations on which the reproduction of the group depends so critically. (Bear in mind that, under conditions of strong dependence on natural hazards, pervasive externalities, and the impossibility of written agreements and contracts, close-knit communities are an effective device to ensure people's long-term survival).

In so far as the notion of democracy presupposes the possibility of dissent and the peaceful handling of divergent opinions and behaviours, one can safely say that it is alien to traditional rural societies. In effect, the democratic concept is not straightforward since it implies that one is ready to act according to the will of the majority and not necessarily according to one's own belief or perceived self-interest. To be established, it therefore requires the development of a sense that social order cannot exist in its absence. The fact of the matter is that, in small groups or communities, it is possible to establish social order with the help of unanimous agreement which is the most natural way to proceed. In larger and more complex societies, this rule is no more feasible for obvious reasons and people have to learn that continued adherence to it will unavoidably lead to social chaos and its most obvious outcome, dictatorship.

Once he has publicly agreed with a rule or decision, a person credibly commits to abide by it. This is because his opinions or attitudes are likely to have been genuinely transformed in the course of the consensus-seeking discussion. He then acts according to his newly formed belief. And even if an elder gives in out of a feeling that his opinion will not be shared by others, his

words of agreement will carry weight: to betray one's words or break a promise is to incur a serious risk of spoiling one's trustworthiness and losing the esteem of one's peers in a context of highly personalized relationships. Of course, to the extent that violations are costly to detect, shame feelings are not sufficient to ensure that commonly-agreed rules are respected. Enforcement of such rules may then result from the fear of external punishment by angry supernatural powers, or from guilt feelings aroused by the belief that it is morally wrong to breach one's promises and to violate rules designed for the well-being of the community.

We have emphasized above that an important feature of small-scale societies characterized by highly personalized relationships is that the spheres of private and social life are intertwined to a considerable extent. Hence the concern to avoid the open manifestation of disagreements about collective rules and decisions at the community level. It must now be added that the fear of degeneration of conflicts also works in the other way around. More precisely, the wrangles that occur in the sphere of private relations are likely to percolate through to the social sphere where consensus may prove difficult to reach owing to the interference of ill feelings at the level of interpersonal relations. To contain that risk, a lot of effort is devoted by elders in tribal societies to arbitrate and settle interpersonal conflicts, thereby ensuring that they do not poison the climate surrounding decision-making processes at the community level.

Systematic recourse to voting through a show of hands is another striking characteristic of decision-making procedures in lineage-based societies. The rationale for this method has to be seen in conjunction with the aforescribed logic of the unanimity rule. Indeed, since the purpose of the discussion is to reach unanimous agreement and to have all participants tied by the expression of their personal consent, secret balloting is unacceptable. The vote is actually a public commitment made in front of witnesses and, as such, it must be manifested in the most unambiguous manner⁹.

In the above, we have considered the situation of the elite, that is, people who are of equal ranks and occupy the upper rung of the social ladder. The problem is obviously different when they deal with people of lower ranks, –such as young age classes, women, immigrants of recent origin, and persons with only secondary rights of access to land (e.g., herders) in tribal societies, or poor and dependent farmers in agrarian, class-based societies. In these encounters, the elite provides an authority structure which imposes its rule or its interpretation of the tradition on the lower people who have no choice but to

⁹ Timur Kuran has argued that people may refrain from asking for secret balloting for fear of revealing to others their potential opposition (1995 : 96). This argument does not apply here since the people considered are of equal status. Dissenters, therefore, have no fear about expressing their opinion publicly. We have in fact argued that, if the decision is not to their liking, they will not hesitate to violate it, hence the importance of consensus-seeking (see *supra*).

comply. The latter do not dare speak out their possible disagreement and, out of fear of retribution, they may just pay lip service to decisions or rules which they do not like. Note that the authority structure needs not resort to material sanctions if it can rely on the fear of public humiliation in the event of norm or rule transgression. A vivid illustration is provided by Badini (1994) for the *Mossi*, the dominant ethnic group in Burkina Faso :

“Activated by social rebuke and the accompanying public humiliation, the feeling of shame appears as the most formidable weapon in the service of the traditional *Moose* pedagogy (the *moaga*). Above the individuals, indeed, this feeling asserts the supremacy of social judgement and constitutes a powerful regulating mechanism to which everybody submits... Since a person can exist only through collective opinion, it is collective opinion that rates people and rare are those who are willing to incur the risk to defy it. The point is that its verdict is merciless and without appeal” (Badini, 1994 : 146-47 –my translation).

At this juncture, it is interesting to notice that, in a study of Kibera slum (Nairobi), Abraham, Baland and Platteau (1999) have found that local self-help groups are all eager to maintain the unanimity rule for the important decisions to be made both in the general assembly and the executive board. The justification for this rule is the same as that adduced above : to operate without a consensus is to run a serious risk to see decisions boycotted by the minority which opposed them in the voting procedure. Equally noteworthy is the fact that secret ballot is never practiced.

In this instance, however, since we deal with an urban or peri-urban environment, group membership is not predetermined in an ascriptive manner by considerations of traditional or hereditary status. Voluntary adhesion is the rule and members are on an equal footing. It is possible, in principle, to sanction and even expel uncooperative members and thereby exercise an effective threat in the hope that it will not need to be executed. In actual practice, however, the departure of any member, be it as a result of eviction or of a voluntary move, continues to be considered as a regrettable outcome to be avoided by all means. Even though expressions of dissent are less consequential than in traditional societies (since relations are less personalized), they are still deemed dangerous by the people of Kibera. The fact of the matter is that these people remain persuaded that a group cannot function effectively unless it is based on good personal relations between members, which implies that the latter can all participate in the decisions and have their opinion duly taken into account. In other words, although operating in an urban environment, they continue to adhere to the traditional view according to which the viability of a group or community can not be ensured by the mechanical implementation of abstract rules and principles, but needs to be literally manufactured through the unremitting efforts of its members to maintain peace, harmony, and conviviality amongst themselves.

Revealingly, expulsion is exceptional in Kibera self-help groups and it always concerns people who put the group in jeopardy due to their continuous suspicions toward the executive body, their ill-tempered interventions in the course of meetings, their attitude of systematic and ill-intent opposition against all decisions and initiatives, and their ill-speaking about the group with non-members. Also, when there is a breach of rules set for the purpose of ensuring regular attendance to the group meetings (an absence must always be justified beforehand), or peaceful discussions in the course of the same (codes of politeness and courtesy are defined), (moderate) sanctions tend to be systematically applied. By contrast, when rule violations concern the payment of contributions to the group's common fund, every effort is made to find a compromise that allows the defaulting member to mend himself. And, still more strikingly, when cases of patent mismanagement or embezzlement of funds are uncovered, the person at fault (usually the treasurer) is removed from his (her) position yet not expelled from the group.

There are both direct and indirect costs entailed by consensus-seeking procedures. Most of these costs tend to rise as economic opportunities are expanding. Among the most evident direct costs are the considerable efforts and time spent in lengthy discussions at meetings and assemblies as well as in protracted mediation procedures to settle interpersonal conflicts. These direct costs obviously increase when new economic opportunities cause the value of time to rise significantly. Therefore, the shift to majority voting is not only required when a society grows larger and more complex, but also when it remains small yet the opportunity cost of time rises, say, as a result of market penetration.

Indirect costs arise when group size is endogenous and members voluntarily restrict their number in order to preserve consensus-seeking procedures. This is costly to the extent that increased size could generate economies of scale, economies of scope, or the advantages of greater risk diversification. In the aforementioned study of Kibera slum, it was thus found that many groups, including rotating savings-and-credit associations that provide insurance to their members, are reluctant to accept new members precisely because they fear that beyond a certain size the unanimity rule will be impossible to implement and personalized relationships become difficult to maintain.

At this stage, it is useful to pause for a moment and point up a critical difference between tribal communities and small-scale organizations belonging to modern societies. As a matter of fact, while the former are essentially closed entities, the latter are largely opened to the outside world, which enables them to rely on external arbitrators and inspectors who can be deemed *a priori* impartial especially if their personal identity is not disclosed. Abstract rules can be effectively enforced only when such anonymous agents become available. To cite just one example, an academic department in a university appears in many

regards as a community in the above-defined sense. Many of the aforementioned characteristics and problems seem therefore to apply. Yet, precisely because promotion decisions can be made on the basis of evaluation reports made by external anonymous referees, delicate decisions can be made without jeopardizing the group's survival or threatening its internal functioning. Clearly, the same cannot be said of a traditional village community in which judgements are pronounced, conflicts settled, and assessments made by members whose identity, personal history, and social position are well-known to anybody.

Implications of personalized relationships: the importance of sharing norms

By placing heavy emphasis on the virtues of highly personalized relationships, the economic theory of the community tends not only to overstress the effectiveness of decentralized group-based punishment mechanisms, but also to ignore the potentially perverse effects arising from invidious comparisons among community members. As a matter of fact, when people continuously interact in close proximity to each other, they have a spontaneous inclination to look at the situation of their neighbours or acquaintances to assess their own situation. When social and economic differentiation is low, such as is observed in tribal societies, constant comparisons, by thus arousing jealous and envious feelings, create a highly charged emotional climate that can easily lead to the implosion of the group. To counter this ominous threat, tribal societies have evolved egalitarian norms and standards of values that compel or induce enriched individuals to share their surplus with their brethren. This is done on the ground that solidarity is the cement which ties all the members of the community together and enables them to survive in the long run.

As a rule, generosity and hospitality are highly praised behaviours in traditional rural communities and successful individuals therefore gain social prestige and esteem when they redistribute their surplus. In Gambia, for example, the concept of *badingya*, which represents harmony, cooperation, and shared progress (or shared decline), is stressed in contrast to the concept of *fadingya*, which refers to selfish ambitions and competitiveness. Individualistic proclivities are accepted only to the extent that they are considered as necessary for the advancement of the group as a whole (von Braun and Webb, 1989: 515-16; see also Sylla, 1994: 170-76, for the Wolof in Senegal; and Ortiz, 1967, for the Paez Indians of Columbia). Pressures to share use a mixture of positive incentives and ideological intimidation combined with fear of repression.

Upon a careful look, there are two mutually reinforcing motives that drive members of tribal communities to put pressure on successful individuals to share. First, if a prosperous individual were allowed to stop making gifts to fellow villagers, the size of the informal insurance network formed by the community would be reduced and the group's ability to spread risks would be

correspondingly diminished. Private wealth accumulation is actually perceived as an anti-social behaviour precisely because it is an attempt to break away from traditional solidarity networks (Fafchamps, 1992 : 160-63 ; Platteau, 1991: 160-61, 2000a : chap. 5). According to Guy Hunter, we are dealing with “levelling societies, in which attempts by equals to gain individual advantage are constantly suspected and bitterly resented”. At the root of this suspicious atmosphere is the “fear that the fundamental security of the village will slowly be lost if one individual after another can reach a platform of prosperity from which he might not need the help of the community and could therefore excuse himself from helping them” (Hunter, 1969: 40).

Note that, following the above insurance logic, the establishment of sharing norms can be rationalized as the outcome of individual decisions by selfish community members. As a matter of fact, assuming that idiosyncratic shocks are sufficiently severe or frequent and randomly distributed (and their effects are possibly amplified by collective shocks) and also assuming that community members are equally (or not too unequally) endowed in the initial situation, they will not only decide to join a mutual insurance scheme based on contingent reciprocal transfers but they may also support the laying down of social norms. This implies that they will vote in favour of rigidly enforced rules aimed at preventing members from quitting when favourable circumstances make it worthwhile for them to do so (that is, when the expected payoff from participation becomes smaller than the payoff from non-participation). This is because, *ex ante*, they ignore what their income trajectory will be and they therefore fear the breaking down of the risk-pooling mechanism over time¹⁰.

¹⁰ Michael Carter and Frederic Zimmermann (1993) have shown that the unravelling of a village-level social sharing scheme and the consequent polarization of the agrarian class structure are the expected outcomes of the interplay between risk and factor scarcity when no coercion is resorted to. They have nevertheless assumed that agents are heterogeneously endowed to start with, yet initial wealth of most members is not sufficiently large to make them shun mutual risk-sharing in the beginning of the game. Using a dynamic stochastic programming model simulated on the basis of West African data, they assume intertemporally rational decisions about consumption and investment in assets (such as stocks of grain, livestock and land) susceptible of being liquidated when adverse shocks severely reduce present consumption.

Simulation results show that the most numerous class of agents is comprised of those who are threatened by the prospect of a possible consumption shortfall, but for whom such a shortfall is not inevitable. These agents accumulate grain as a consumption buffer against the vagaries of risky production. They, in particular, stand to gain from a risk-pooling scheme, which protects their consumption and asset endowments at least for a short time by taking up the risk-buffering role that would otherwise be played by their land and other endowments. Yet, in the long run, as some agents want to become ever more independent of the reciprocal logic of customary risk-sharing, the force of structural evolution drives the moderately risk-sensitive agents to fall back upon the less attractive risk-coping potential of stored grain. From then on, some of them will face successive or especially severe adverse shocks that will impugn their stocks of stored grain, and reduce them to selling land to meet subsistence.

The second motive underlying social norms of sharing is the following : since the effort of any individual to improve his lot generates positional externalities that negatively affect the welfare of fellow villagers, redistributive norms that enjoin economically successful individuals to share their surplus appear as a form of taxation designed to curb positional race for status. In other words, the presence of sharing norms prevents a chain reaction of emulating efforts from being triggered off. This is a happy outcome in so far as efforts to improve one's lot are mutually offsetting (everyone wants to 'keep up with the Johnses') and inefficient equilibria arise precisely because investment in status enhancement is more attractive individually than collectively (Congleton, 1980 ; Frank, 1995, 1998).

That the insurance-based explanation is insufficient to account for sharing norms in tribal societies is evident from the fact that the hierarchy of ranks may not be called into question. Typically, the chief or the elders do not accept that commoners rise above them by acquiring old or new symbols of wealth and status (like cocoa plantations, mechanical devices, or roofs made of corrugated iron). All efforts to accumulate such symbols are unavoidably viewed as conscious attempts to compete with traditional leaders and to overturn the existing social order. As a consequence, they are strongly condemned and the prosperous commoner is immediately coerced into handing over to the chief his newly acquired riches. Thus, in a village studied by Geschiere in Cameroon, a man who accumulated wealth and used part of it to buy a new local suit (a beautiful *boubou*) was severely rebuked by the local chief to whom he was forced to hand over his new garment. This was done without any compensation, just on the ground that "he should not have displayed such a luxury while the chief had to go without it" (Geschiere, 1995: 210, note). If the new symbol of wealth is a productive asset, the successful individual is badgered to either give it away to the chief or use it for the latter's benefit (e.g., use his tractor to plow the chief's land).

Tribal communities thus appear as societies prone to resist any differentiation process whereby relative status positions are modified. Social reshuffling is actually perceived as a dangerous force susceptible of jeopardizing the fragile social equilibria typical of small-group societies based on highly personalized relationships. As hinted at above, the prevailing redistributive norms are often backed by powerful sanctions that include social pressures, constant harassment and the use of effective mechanisms of ideological intimidation, most notably witchcraft accusations and practices. Witchcraft accusations are especially threatening when they are based on the allegation that economic success of a particular individual is the result of some hidden and treacherous exploitation of fellow villagers (see Platteau and Hayami, 1998 ; Platteau, 2000a : chap. 5, for illustrations and references). They can easily result in banishment.

In accordance with what has been just said, accusations of sorcery are not only professed by villagers against a prosperous individual of similar rank, but they are also used by traditional authority figures against any maverick who dares challenge the erstwhile hierarchical structure. For example, we learn that in Botswana someone considered by a Tswana chief to be a dangerous competitor was accused of witchcraft and stripped of his property. “In such cases, the chief was able to justifiably ‘eat’ the miscreant” (Peters, 1994: 32). Of course, witchcraft accusations against social superiors are excluded (Evans-Pritchard, 1964: 243).

If our analysis is correct, the incidence of witchcraft should grow as economic opportunities expand and entrepreneurial villagers become more tempted to break the shackles of the traditional social order. This prediction seems to be confirmed by evidence coming not only from contemporary Africa but also from the historical experience of Europe. Regarding the latter, there is ground to believe that witchcraft accusations have become particularly widespread during the phase of transition from the egalitarian mutually dependent village community of preindustrial times to the more individualistic and socially differentiated structure of market-based societies. Thus, according to a British historian, “one of the major reasons for the rise of witchcraft accusations in the sixteenth century was the tension caused by a conflict between a traditional ethic of mutual responsibility and charity, the norms of self-contained and subsistence villagers, and the new acquisitive and individualistic spirit of capitalism and protestantism” (Macfarlane, 1978: 59).

Finally, latent conflicts born of jealous or envious feelings have to be addressed in some way or other. It is the prerogative of the elders to continuously intervene in disputes so as to avoid their degeneration into violent manifestations. This they do by constantly reminding the group its tenets and values, by inviting contending parties to behave reasonably and by trying to reconcile them, by separating quarrelling people, beating and fining them if necessary (Bourdieu, 1990: 129).

On the other hand, in conformity with what we argued in the previous sub-section, latent conflicts born of jealous or envious feelings are best tackled in a vicarious manner, using the mediation of supernatural agencies representing the ancestors’ souls or acting on their behalf. The advantage of this stratagem is that it subtly masks the unbearable objective truth of personal hatreds among kinsfolk and that it allows to settle interpersonal conflicts to the mutual satisfaction of all the parties involved. The latter result is obtained because everybody’s face can be saved when supernatural agencies are the apparent negotiators in charge of settling scores : the losing party, if there is one, does not have to suffer the humiliation of defeat at the hands of the winning party. All what he has to do is obey a verdict meted out by supernatural powers to which all humans have to submit in one way or another. Vengeful feelings arising from an humiliating posture can therefore be avoided or mitigated.

The picture of traditional lineage-based societies that emerges from the above discussion is bleaker than the one usually found in many popular accounts. Rather than idyllic ‘village democracies’ whose members interact in a free atmosphere of trustful cooperation based on well-accepted social norms, they appear as repressive societies where mutual control is constantly exercised, suspicions are continuously entertained about others’ intentions, inter-personal conflicts are pervasive, and a rigid rank-based hierarchical structure governs people’s life. This is what Bourdieu has called the ‘objective truth’ of these societies, one that is not allowed to come to the surface precisely because it could destabilize the village’s socio-political order (Bourdieu, 1990: Book I, chaps. 7-8). In an environment fraught with production and other types of risks, rural dwellers have no other choice than to accept this constraining social arrangement to be able to survive in the short and the long run.

There are evidently important costs associated with the above organization and functioning of traditional tribal societies. And such costs increase as the wider economy develops and education becomes widespread among the younger generations. The time spent in settling interpersonal disputes is more valuable, and entrepreneurial talent is wasted owing to the pervasive presence of sharing norms and the consequent loss of opportunities for accumulation and growth. Losses are especially damaging when local chiefs or elders use all their powers and privileges to systematically appropriate, deflect or misuse resources that have been accumulated by or accrued to deserving members of their community.

For the sake of illustration, in Yalogo, Burkina Faso, a Non-Governmental Organization (Islands of Peace, from Belgium) handed over a mill to a woman’s group but this equipment was soon confiscated by the local chief. In Canhabaque (Bijagos islands, Guinea Bissau), dynamic youth were targeted by the same organization to receive training and fishing assets with a view to better exploiting the surrounding fish resources. Yet, the local traditional king (an aged person) could not accept that young members of his community receive boats, nets and engines whereas he would have to go without them. The only individual who dared challenge the king’s authority by keeping his material had to leave the island and resettled on the continent (personal field observations).

It could be argued that, precisely, migration provides a straightforward solution to the problem at hand. This is true only in the case of long-distance permanent migration movements, though. When the new location is within reasonable reach, the migrant can be quickly traced back by his kin and his wealth may not be easily concealed from their sight. There is thus abundant evidence to show that in SubSaharan Africa the prosperity of an individual residing in town tends to attract envious kith and kin who do not hesitate to claim their due share of the spoils and to live as exacting, greedy and even arrogant parasites around him. A classical statement describes the problem as follows :

“Most [African] proprietors also anticipate a number of adverse consequences should kinsmen be permitted a direct involvement in business affairs. Family members, it is said, are unwilling to respond to the same discipline as other employees. They tend to demand special treatment and this provokes discontent among the workforce. Jealous of the owner’s success and resentful of his authority, they are also prone to dishonest as well as unreliable behaviour (...) [Moreover], demand to provide jobs for a wide range of kin, irrespective of their qualifications, and requests for cash donations or gifts of varying amounts from a stream of ‘visitors’ are probably the most frequent claims... Businessmen are often expected to finance the education of nephews, nieces and younger siblings...” (Kennedy, 1988: 169; see also Marris and Somerset, 1971: 131-45, 226-227; Beveridge and Oberschall, 1979: 57-59; Himbara, 1994 : 85-93 ; Ellis and Fauré, 1995).

A similar conclusion is reached by an African analyst of the situation in Kenya where, according to him, “[African] entrepreneurs are expected to share their incomes with other members of the extended family. They are expected to come to aid in case of financial hardships and to employ relatives regardless of whether they are efficient. These considerations lead to a withdrawal of a substantial amount of capital from an enterprise and its eventual failure” (Kamau, 1965 –cited from Himbara, 1994 : 89). The disincentives generated by such sharing norms are too obvious to deserve more comments. Efficiency losses also obviously occur when, out of a sense of lifelong obligation to his kith and kin, an employer gives preference to family or ethnic loyalty over objective performance criteria when hiring or promoting personnel. These problems account to a non-negligible extent for the failure of many indigenous African businesses and for the fact that whatever trading and industrial undertakings exist in Africa are essentially in the hands of immigrant communities, such as Indians in East Africa and Lebanese in West Africa (see Platteau, 2000a: chap. 5, for more details)¹¹.

It is therefore not surprising that, in Ghana, for example, selling on credit to relatives and neighbours seems to be carefully avoided by manufacturing and trading firms because it is considered as amounting “to the death warrant of the firm”. Payment problems would be frequent “as friendship and family ties get in the way of pressurizing clients” (Fafchamps, 1996: 441). In a survey of fifty-eight firms in Accra and Kumasi undertaken in 1993, no credit sales to relatives and family members were actually recorded (*ibidem*; see also Ledeneva, 1998:

¹¹ The economic failure of Senegalese shopkeepers after taking over the shops of Moorish residents in the years of grave tensions between Senegal and Mauritania (1989), as well as the similar failure of Kenyans and Ugandans in their running of shops and businesses taken away from Indians attest to the structural problems of African entrepreneurship. Regarding Kenya, one account is as follows : “Within a short period of time a good many of the African businessmen who had taken over from the Asian shopkeepers had lost most of their capital and turned thriving shops into bars and lodging rooms instead. Others were inviting back previous owners and partners” (Himbara, 1994 : 89).

195-200, on Russia; Li, 1998: 161, on clan relationships in Singapore; and Malarney, 1998: 282-83, on the same in Vietnam).

Educated youth particularly resent the conservative, authoritarian, and paternalistic outlook of the village elders. They are indeed in a better position to grasp the requirements of modern enterprises and development projects, particularly in terms of competences and skills, including accounting and record-keeping. They understand that the source of relevant knowledge has shifted from accumulated experience with conflict settlement and wealth redistribution, which is the traditional preserve of the elders, to formal training acquired in schools and on-the-job learning of new skills in modern establishments, which is obviously where the younger generations have an advantage. The elders, who are bound to lose status and power in this transition process, tend to resist the demands of the youth and thereby retard economic and social progress.

It is interesting to note that the same resistance is observed in urban ventures. It seems, indeed, that many African businessmen behave like traditional chiefs who are reluctant to delegate responsibilities to those who know best and insist on doing everything themselves. Since they do not fully grasp the concept of money and how to transform it into capital, and since they have a tendency to rely on relatives and close friends rather than on a competent personnel (see *supra*), their undertakings die prematurely (Himbara, 1994 : 90-91).

The educated members of village communities are not only increasingly dissatisfied with the undemocratic character of their society and with the traditional logic of status determination –reference is made to ascriptive rather than competence considerations–, but they also call into question the sort of metaphysical beliefs that form the traditional worldview and serve to discipline people's behaviour by using fear and ideological intimidation. As a consequence, the confrontation between opposite interests becomes more open than it has never been, and there is an increased risk that interpersonal tensions or conflicts get out of control¹².

¹² Note that, in differentiated, class-based agrarian societies like in lineage-based societies, generosity is a highly valued behaviour. Yet, the display of generosity in agrarian societies is of a different nature precisely because it takes place in a context where wealth differences are well-established and may not be levelled. Carried out within the purview of vertical patron-client ties, generosity appears as the duty of the patron acting as a benevolent superior (a kind of 'father' or 'godfather') towards his dependent workers for whose subsistence he is responsible. The patron's generous gestures constitute his part in an asymmetric deal where the clients are always in an inferiority position, which is mostly reflected in the fact that they are 'at the beck and call' of their patron (Bremner, 1974; Scott, 1976). To put it otherwise, the generosity of the patron is only apparent and reflects his commitment to ensure the decent survival of his clients (his gifts are in fact a disguised wage with an important insurance element) rather than his willingness to transfer income for the sake of redistribution. How does the behaviour of chieftains in tribal societies compare with that of patrons in agrarian

Implications of personalized relationships: the risk of parochialism

Almost by definition, communities correspond to close-knit groups acting as information networks and multilateral reputation mechanisms that have the effect of segregating them from other communities, hence the adjective ‘segregated’ coined by Greif to designate these societies (see *supra*). Moreover, because they honour the same ancestors, the members of a given (tribal) community share a strong feeling of collective identity that also distinguishes them from other communities. While the economic theory of the community stresses the informational advantages of segregation, it tends to bypass the negative effects that it can produce under some circumstances. In the traditional conception, indeed, members of stranger communities are viewed with a lot of suspicion and considered as potential enemies: towards them, the right standard of conduct is the one guided by the rule “better to cheat than to be cheated” (see, e.g., Pospisil, 1958 : 127)! On the basis of his field observations in Kabylia province, Algeria, Bourdieu thus wrote:

“Friendly transactions between kinsmen and affines are to market transactions as ritual war is to total war. The ‘goods or beasts of the fellah’ are traditionally opposed to ‘the goods or beasts of the market’, and informants will talk endlessly of the tricks and frauds that are commonplace in the ‘big markets’, that is to say, in exchanges with strangers. There are endless tales of mules that run off as soon as the purchaser has got them home, oxen made to look fatter by rubbing them with a plant that makes them swell (*adhris*), purchasers who band together to force prices down. The incarnation of economic war is the shady dealer, who fears neither God nor man. Men avoid buying animals from him, and from any total stranger” (Bourdieu, 1990: 115 ; see also Evans-Pritchard, 1940; Sahlins, 1963, 1968 ; Polanyi, 1977: 59).

As long as land remains abundant, tribal communities generally show a remarkable propensity to accommodate stranger farmers or herders provided that they accept to submit to the local social and political order and to occupy a lower rank than the members of the founding lineage (see, e.g., Coquery-Vidrovitch, 1985 ; Robertson, 1987). Alliance between local residents and immigrants is often forged through the establishment of personal links of friendship or godparenthood that serve the purpose of creating emotional bonds of allegiance (see Platteau, 2000a : chap. 3). An oft-used practice consists of submitting the migrant to a trial period during which his good character and manners are being tested (own field observations in Ghibe valley, Ethiopia).

societies? Chieftains redistribute wealth and it is in fact one of the main attributes of their chiefly function to do so: they possess in order to give but they also possess by giving, as Bourdieu put it vividly (1990: 126). True, redistribution takes place only to an extent compatible with the preservation of predetermined rank differentials. Yet, at the same time, chieftains are not allowed to accumulate private wealth as they wish since economic differentiation may not exceed the rigid limits set by the prevailing social norms.

Not unsurprisingly, actual or anticipated land scarcity has radically changed this situation in areas of high population density. In these new circumstances, traditional displays of tolerance and hospitality give way to open manifestations of hostility and discrimination against strangers who are perceived as dangerous rival claimants on the limited lineage land available. They are allowed only limited and temporary rights to private plots of land if these are still available. If local occupants have reasons to fear that temporary rights granted to strangers may be transformed into permanent rights, say, following an external or political intervention, they will deny them any access to the ancestors' land and some land will be kept 'vacant' to provide for the future needs of children and grandchildren in a context of rapid population growth (Platteau, 2000c).

As the observation of present realities in SubSaharan Africa amply attest, ethnic identity is frequently invoked as a convenient rationing device that allows to demarcate rightful and illegal claimants to the restricted resource domain. There are innumerable examples of ethnic tensions and violence in the African countryside that thus have their roots in severe conflicts about access to scarce resources. In Ghana, for example, as the land frontier became gradually exhausted, indigenous (*Akan*) ideology began to reassert with vigour "the inalienable rights of the native custodians of the land, and the inalienable rights of individual usufruct" (Robertson, 1987 : 77).

In the Senegal river valley, original (*haalpulaar*) occupants of the land became increasingly aggressive against the encroachments of *Beydane* farmers (of Moorish origin) supported by the political elite of Nouakchott. In response to the post-1983 introduction of private land rights which allowed irrigated lands of the right bank of the Senegal river valley to be adjudicated to them, an extremist group of the *haalpulaar* community produced a pamphlet called 'Manifesto of the Oppressed Negro-Mauritanian'. In this manifesto, the Negro-Mauritanians were invited to use any conceivable means to prevent their customary lands from passing into the hands of the *Beydane* elite, that is, "to boycott, ban, kill if needed, all those who encourage the sale of land; destroy, burn the possessions of these strangers who come to develop your lands while the land should belong to our villages" (quoted from Bayart, 1989 : 82).

It is evident from the above account that the parochialistic tendencies that assert themselves as land becomes more scarce can give rise to considerable costs. There are the costs of underutilization or misallocation of scarce resources which original claimants are unwilling to sell or rent out to members of other communities, as well as the social, political, and economic damages inflicted on a society by communal riots and ethnic violence. Finally, there are all the lost opportunities of inter-community and inter-ethnic cooperation. Such losses become inevitably important when the growing pressure on land creates room for serious externalities, whether ecological or economic (of the rent-dissipating kind), among neighbour communities.

3. The central dilemma of decentralized rural development

Traditional rural communities have characteristics that were well suited to meet past challenges. For example, sharing norms had more advantages than shortcomings when they were critically needed to preserve risk-pooling arrangements and maintain the long-term social cohesion of the community in a world pervaded by serious risks that could not be hedged otherwise. Consensus-seeking procedures, as well as constant interventions by elders in interpersonal disputes, were equally functional since they allowed the community to overcome the centrifugal tendencies that necessarily operate when relationships are highly personalized. And the costs of these procedures and interventions were low in so far as time was not a scarce commodity in a world of limited material aspirations. In this way, communities could survive over long periods of time and perform their essential functions of insurance, production of local public goods, allocation of land, and circulation of information.

The problem, as the discussion in the previous section has revealed, is that the functioning of traditional rural communities entails increasing costs as economic opportunities expand (with the result that the value of time rises and new risk diversification possibilities become available), land scarcity increases, and education becomes more widespread. Therefore, if one wants to use them as partners in a participatory approach to rural development, it is necessary to ensure that they are duly adapted for the purpose. For example, new rules and practices, such as majority voting, secret balloting, or the use of anonymous inspection or evaluation procedures, must be put into operation so that enlarged and, perhaps, more heterogeneous groups become viable and thereby apt to exploit scale economies and risk diversification opportunities, benefit from skill complementarities between different categories of persons, manage funds in a more effective manner¹³, etc.

In a sense, that much is reckoned by the designers of the participatory approach: in so far as endogenous processes of rule and norm evolution are bound to be slow, capacity-building programs supported by external agencies have a pivotal role to play. What seems to be harder to admit, however, is that the changes required are of a revolutionary rather than evolutionary nature. Considerable resources must therefore be engaged if significant results are to be achieved and, in a number of important respects, the changes will necessarily be slow. This is because what is at stake is nothing less than a radical transformation of deep-rooted institutions, values, beliefs and practices that have

¹³ For example, when there is no bank ready to take deposits in the vicinity, groups are likely to opt for a quick distribution of collective incomes among members so as to minimize the risk of financial malpractices or avert suspicions concerning the honesty of the managing team (personal field observations in Kibera slum).

to do with the mode of social relations, the power structure, the sources of legitimacy, and the perception of the outside world.

In short, what is required is a shift from a status-based and coercive society that relies on mutual control, respect of ranks, and strictly enforced codes of generosity, to an open society where free entry and exit¹⁴, democratic governance (including acceptance of dissent), competence criteria, and socio-economic differentiation are used as guiding principles or expressly allowed to operate. Since such a shift implies that relations become potentially more transient and less personalized (with the result that reputation mechanisms may work less effectively), and that strong social norms are no more available to enforce agreements and make commitments credible, the success of the new forms of localized cooperation ought not to be taken for granted. In particular, it will hinge on the extent to which new forms of trust and new mechanisms entailing more anonymous relations can be developed (including recourse to external arbitrators, experts and referees whose identity is not necessarily disclosed or whose personal histories are ignored), on the importance of exit opportunities, and on whether the erstwhile power figures have the will and wherewithal to block change.

The last point deserves to be emphasized and it would be wrong to assume that, because groups can now be formed as homogeneous entities comprising members of the same gender, age class, profession, or level of wealth, cooperation will be easily established. For example, even if specific groups are formed by young villagers to perform some development tasks, whether on their own initiative or as a response to a demand raised by external organizations, elders can cause obstruction by virtue of the fact that they can exercise their authority in other sectors of the village's life which are interlinked with the development project. The same applies to women when they try to emancipate from traditional authority patterns by constituting their own groups and associations. Beyond deceiving appearances which are often put up to satisfy the requirements of external aid agencies, we often find the hidden hand of customary authority figures.

Institutional support to rural communities and groups therefore appears as an essential condition for a successful participatory development program. The key problem here is that governments and big donor agencies need rapid and visible results to persuade their constituencies or supporters that the approach works well. To achieve these results, they have sizeable financial resources at their command that they want to disburse within a short time period. The temptation is great to spread them widely so as to reach as large a number of village communities as possible. Yet, the scarce factor is not financial capital

¹⁴ This is not always possible, though. As a matter of fact, location constraints combined with the indispensable character of a local public good (e.g., an irrigation infrastructure) may well compel individuals to enter into and remain within a particular group or association (Aggarwal, 2000: 1494).

but a particular kind of extension personnel, namely institutional organizers (sometimes called human catalysts or facilitators) who are willing and able to assist rural communities and groups without taking initiative and leadership away from them¹⁵. Unfortunately, capital and institutional organizers are not substitutable factors.

Confronted with this hard dilemma, donor agencies have the tendency to maintain their ‘diluted’ approach, which implies that they downplay the task, and minimize the cost, of institutional support to target communities. It is revealing, for example, that lack of capacity-building, especially the building of organizational skills at community level, and lack of ‘ownership’ of the projects by the beneficiary groups, are among the main limitations of the World Bank’s social funds program. As a consequence, the program remains too much driven by a supply-led approach rather than being responsive to the needs of rural people as a participatory approach should be (Narayan and Ebbe, 1997). Underlying this situation lies the aforementioned dilemma. As pointed out by Tendler, indeed, enhancing ‘demand orientation’ and community participation in social funds’ programs would require a significant increase of the social funds’ agency presence in the countryside in terms of time, personnel, resources and effort. Such a change would nevertheless compromise some of the social funds’ “most acclaimed strengths their ‘leanness’ and low administrative costs” (Tendler, 2000: 16-17). Note, however, that a heavy presence in the countryside of the separate agency that administers social funds is unlikely to be the right solution to the problem of ‘ownership’ of projects and community participation.

The method often used by donor agencies to circumvent the problem of scarcity of institutional organizers operating at the level of rural communities actually consists of asking these communities or specific groups within them to ‘elect’ leaders. For a reason well explained by Esman and Uphoff (1984), however, such a solution is bound to produce perverse results and to be self-defeating :

“The most prominent members are invariably selected and then given training and control over resources for the community, without any detailed and extended communication with the other members about objectives, rights, or duties. Creating the groups through these leaders, in effect, establishes a power relationship that is open to abuse. The agency has little or no communication with the community except through these leaders. The more training and resources they are given, the more distance is created between leaders and members. The shortcut of trying to mobilize rural people from outside through leaders, rather than taking the time to gain direct understanding and support from members, is likely to be unproductive or even counterproductive, entrenching a privileged minority and discrediting the idea of group action for self-improvement” (Esman and Uphoff, 1984 : 249).

¹⁵ For an interesting illustration of the role of facilitators, see the experience of the Gal Oya project in Sri Lanka (Ostrom, 1990 : 166-172 ; Uphoff, 1999), or that of the UZACHI forestry communities in Mexico (Klooster, 2000).

The dilemma of how to achieve rapid and visible results with a limited number of institutional organizers is thus translated into another, equally tricky quandary: acting through local leaders enables outside agencies to channel considerable amounts of resources towards rural communities in a short span of time, yet at the same time it creates a serious risk of an enormous misuse of these resources by local elites which stand reinforced in the process. In lineage-based societies, local chiefs and elders from dominant lineages are ideally positioned to thus ‘capture’ the benefits of decentralized development programs. As a matter of fact, they may easily respond to these new prospects of windfall gains by transforming themselves into all-powerful patrons. Instead of ‘father figures’ clinging to their traditional duties of redistributing wealth and settling conflicts in such a way as to maintain the existing social order, the erstwhile elite become greedy individuals who show all the less restraint in enriching themselves at the expense of their community as they are actually legitimated by outside actors.

The traditional elite are not the only category of persons to benefit from the newly channelled resources since they are frequently involved in tactical alliances with educated persons and politicians operating outside the village. Thus, in SubSaharan Africa, it is a frequent practice for chiefs to coopt new elites in their village ‘associations’, for example by creating neo-traditional titles that are then sold to the new rich eager to acquire a political base in the countryside (Geschiere, 1994: 110; Bayart, 1989).

In the other way around, the urban, rather than the rural elite may be responsible for initiating the process that deflects the participatory development program from its intended purpose. Witness to it is the rapid multiplication of national Non-Governmental Organizations that are created at the initiative of educated unemployed individuals, politicians, or state employees who may have been laid off as a result of structural adjustment measures. These people, acting as ‘development brokers’, have been quick to understand that the creation of an NGO has become one of the best means of procuring funds from the international community (Bierschenk, de Sardan, and Chauveau, 2000). It is thus ironical that budget cuts in the public sector at the behest of international multilateral organizations may be made good for through the capture of resources intended for the grassroots, possibly by the same organizations¹⁶. In Vietnam, for example, a recent study has found that most NGOs are run by state employees who may also be members of the Communist Party. Moreover, “they are growing in an incubator, and the government retains the authority to close down any groups that challenge the state’s ideological hegemony over the public sphere” (Gray, 1999: 711).

¹⁶ Whereas, before, state assets were often put to private use by state officials, the same officials can now manipulate local NGOs or other types of associations to get access to cars, computers, telephones, foreign travels, and various perks.

Clearly, Africa is just repeating the experience of Asia and Latin America where NGOs often constitute “an opportunistic response of downsized bureaucrats, with no real participation or local empowerment” and where, inevitably, program officers themselves become involved in the creation of community institutions (Conning and Kevane, 1999: 20; see also Meyer, 1995; Bebbington, 1997).

To curb the obnoxious influence of local elites, a strong central government must exist that is determined to confront the clientelism of rural areas in an environment rife with rent-seeking opportunities (see supra). One of the most interesting findings of Tendler’s detailed inquiry into the reasons underlying Brazil’s success in decentralization of public service from state to municipal government (in the state of Ceara in the Northeast) is that “it had at its core a strong and new role played by central government” (Tendler, 1997: 73). More precisely, the (state) government ‘kept an iron hand’ on some crucial components of the decentralized programs so as to substantially reduce the opportunities for mayors and local power-holders (especially large landowners) to exercise patronage. Simultaneously, it worked actively (through educational and information-spreading campaigns) to raise the hopes of rural communities about what to expect from their government. The result was a profound change in the dynamics of patronage politics as it related to public service at the local level.

Besides the ‘strong hand of state government’, another result which is worth singling out because it is never mentioned in the mainstream literature on participatory development is the following: the interests of the commoners can sometimes be rather well protected although their representation in decision-making bodies is not adequate. This happens when heterogeneity can be introduced into elite influence on local government, primarily by ensuring that the representation of elites is sufficiently diversified for a division of opinions to develop among them (Tendler, 1997: 66-69). As pointed out by the same author with reference to the decentralized program of drought relief:

“The state government, in sum, constituted a formal deliberative process at the municipal level, laid down strict criteria for decisions, and presided over council meetings. This was central to the better outcomes achieved for the intended beneficiaries, whether or not they were fairly represented on the new local councils. By broadening elite representation in the decision making about the drought, and formalizing it in a newly created deliberative body, the drought program created an environment in which more public-minded visions of fairness could emerge from among local elites themselves... the program brought changes to the social and political dynamic within the local elite community ... [that] were at least as significant as the increased representation of poor communities those intended to be served by the program” (Tendler, 1997: 66, 68-69).

Upon close observation, it is therefore the ability of the central government to set directions and strictures regarding how the programs should operate locally

that created important constraints on rent-seeking behavior by local elites (and government workers) as well as the conditions for a greater heterogeneity of opinion among them. We are clearly miles away from the idealized representation of a decentralized approach in which local communities or groups preside over their own destiny with the support of external resources.

The experience of Bolivia's Emergency Social Fund (ESF) essentially bears out the findings of Tendler for Brazil. We are thus told that "Decentralization worked because centralization worked. The ESF centralized the appropriate things: information, negotiations with international donors, and incentive systems for ESF employees. This in turn enabled it to decentralize the design and construction of rural projects" [Klitgaard, 1997: 1965-67 –quoted from Hoddinott *et al.*, 2001: 12 ; see also Stavits, 1982-83, for Taiwan].

The same can also be said of the whole experience of Kerala state (in the South-West of India) with decentralization. As a matter of fact, the government (the planning board, more precisely) is ultimately responsible for setting the national and regional priorities under which the program is to operate, defining the eligibility criteria, fixing the representation of various population groups or strata in the local decision-making bodies as well as their mode of operation, etc. (Isaac, 1998; n.d.; Isaac and Harilal, 1997).

What is remarkable about Kerala is that, following a long period of intense social struggles (starting in the 1930s) led by the Communists and an intensive literacy and conscientization campaign, the weakest sections of the rural population, especially agricultural labourers (always belonging to the lowest castes) and women, learned to articulate and express their aspirations, assert their rights, and bargain with local power-holders. The active participation of the poor and the oppressed in these struggles was facilitated by the fact that the political movement (especially in the Malabar district) was based on village-level organizations, with village- and *taluk*-level committees playing a critical role (Kannan, 1988; Ramachandran, 2000; Ramanathaiyer and MacPherson, 2000; Heller, 2000, 2001)¹⁷. These achievements, together with the availability of highly developed physical and institutional infrastructures at village level, create particularly favourable conditions for the successful implementation of a participatory approach to rural development as seems to be attested by significant success stories (Puthiavila and Kunhikannan, n.d.; Das, 2000). Also, expert committees were set up at the district level that were

¹⁷ It is not surprising that, when the Communist Party (CPM) embarked upon the decentralization programme, it had undergone the strong influence of some key leaders of the KSSP (the Kerala Sastra Sahitya Parishad, –Kerala People's Science Movement), an autonomous mass-based organization aimed at empowering the grassroots, particularly in rural areas (for more details, see Heller, 2001). As will be seen later, however, the commitment of the CPM to the programme was far from faultless, and considerations of political expediency on the part of a party with a deep-rooted tradition of centralized management may have been rather shallow, after all.

supposed “to scrutinize and, wherever required, vet the developmental plans prepared by the gram/block panchayats” (Das, 2000: 4302).

Interestingly, the state of Karnataka, which pioneered participatory development in India, has not produced the relatively encouraging results that have been observed in Kerala. One likely reason for this difference lies in the fact that new forms of local organizations have not developed at the village and township level. Traditional social structures, such as caste councils, have remained predominant and they have not proven able to act as advocates with local government agencies or compete with other organizations in getting their attention and support. The conclusion is that “there seems to be no obvious way to transform them quickly into players in the new democratic local governance systems, because their experience simply has not prepared them for such a role” (Blair, 2000: 29). Similar conclusions have been reached for other Indian states as well (Lieten, 1996; Mathew and Nayak, 1996; Crook and Manor, 1998).

Even in Kerala, however, where the conditions for a democratic decentralized administration seem to be largely fulfilled, the achievements of the so-called decentralized people’s plan for development, albeit impressive if compared with other country experiences, ought not to be overplayed. As has been recently claimed (see Das, 2000) and as we could verify by ourselves on the ground (personal observations by Anita Abraham), the programme suffers from an important weakness in that it has become a platform for political favouritism: political parties have emerged as the most important intermediaries between people and the state, replacing traditional mediation channels, whether based on caste, religion, or community. In spite of elaborate objective procedures for the selection of programme beneficiaries, development activities organized through local panchayats have turned out to be a battleground used by political parties to maintain or enlarge their clientele. When a party dominates a panchayat, it thus tends to reward its sympathisers exclusively. Such political favouritism has been particularly obviously backfired in the last panchayat election.

The main loser has been the Communist Party (CPM) which was the actual protagonist of the decentralized development programme. It is distressing to note that in the last election tickets were denied “to almost all those who had worked tirelessly for the success of the people’s plan” and were largely responsible for significant achievements wherever they occurred. Revealingly, they were dedicated and courageous panchayat presidents and other office-bearers who “refused to play to the party’s diktat, particularly in the matter of the distribution of patronage” (Das, 2000: 4303). Resistance within the CPM is partly explained by the fact that government employees, who form an important constituency of this party, actually oppose the devolution of powers to local bodies because this process has the effect of fragmenting bureaucratic prerogatives. As a result, the kind of support systems and expertise envisaged at

the gram, block and district panchayats under the people's plan programme could not be provided to the extent required (ibid.: 4302).

Here, we can measure the formidable challenge of decentralization as stressed by Heller. According to him, indeed: "To move the locus of public authority is to shake up existing patterns of political control and patronage", and in order to overcome the considerable institutional inertia involved, there is a Herculean task at hand: "new laws and regulations have to be passed, personnel have to be redeployed, resources have to be rechannelled, and local administrative capacities have to be built up". Therefore, "much institution building and training must take place before local government can work effectively" (Heller, 2001: 135). Even in Kerala where commitment to decentralized development has been high by all international standards, such a requirement has not been sufficiently paid attention to. Critical observers actually believe that people's planning ought to have been preceded by a genuine administrative decentralization process (Das, 2000).

This has proven especially damaging since the whole exercise of preparing local plans reflecting the actual needs and requirements of the people as well as fulfilling the primary objective of the programme, namely asset creation for the poor, "ultimately came to rest in the hands of people who had had no experience of the planning process". In so far as funds' beneficiaries were often selected on the basis of political considerations by the local party bosses or village leaders acting on their behalf, the non-beneficiaries became disillusioned with the whole process and soon started to distance themselves from the experiment. As an immediate consequence, absenteeism quickly rose in the gram sabhas, in sharp contrast with the initial days where "these sabhas had incredible attendance" (Das, 2000: 4302). It is therefore not surprising that newly elected members often end up 'filling posts' rather than acting as effective members of the local panchayat administration. Also, if the rules for representation regarding women and backward communities are religiously adhered to, their effectiveness is seriously undermined because enough attention has not been paid to the capacity of the candidates to adequately perform their duties. These incompetent members are all the more likely to fall prey to 'strong men', soon behaving as simple puppets in their hands, as allocation decisions are more corrupted by the power play of partisan politics.

4. Conclusion

Contrary to what classical game theory leads us to believe, the functioning of rural, lineage-based communities entails various costs that are endogenous to the ecological, economic, and cultural environment in which they operate. Such costs tend to increase significantly when land becomes more scarce, economic opportunities opened by the market are enlarged, and education facilities are developed. In order to be effective engines of decentralized rural development,

communities must therefore evolve: rules for decision-making must lay more emphasis on majority voting at the expense of erstwhile consensual procedures; rank-based hierarchy must give way to more democratic modes of governance; sharing norms must be relaxed; the importance of knowledge based on formal training and work experiences outside the native village must be increasingly recognized; etc.

Once it is admitted that a spontaneous process of rule evolution would take too much time to meet the present-day need for a more participatory approach to development, a tricky dilemma arises. As a matter of fact, institutional support to rural communities is necessarily a costly enterprise, especially because the critical factor of success (institutional organizers) is not easily forthcoming. There is a serious risk that, in their eagerness to put the above approach into practice within the shortest time and on the most massive scale, international donor agencies tend to privilege financial support and thereby overlook the unquestionable role of external facilitators and capacity-building programs. The likely consequence is an undue appropriation of the resources channeled through rural communities or groups by local elites operating within a logic of patronage.

There are three main lessons to be drawn from our discussion of endogenous community imperfections and various experiences of participatory development. First, to minimize the risk of decentralized development programmes being 'captured' by local elites, it is important that communities be strengthened institutionally *before* substantial amounts of money are channelled through them. Training in the basic principles governing local organizations and the functioning of participatory development programmes should not be confined to community leaders, whether traditional or not. This is especially important when simple members belong to other social or gender groups than the leaders. If that critical condition is not met, leaders will not be effectively accountable to the people whom they are supposed to represent and serve and the equity impact of such programmes will be disastrous.

Second, institutional support of communities ought not to be delegated entirely to private organizations such as NGOs or other voluntary organizations. This is because such organizations are liable to be 'captured' by officials or other members of the educated elite acting as 'development brokers' whether at the central or local levels, or run according to the particular interests of international aid agencies including NGOs. Orientations, rules and criteria must be fixed by the central state regarding the mode of operation of decentralized bodies, which implies that an effective state is already in place. Such an approach will help provide a regional framework for decentralized development instead of letting development be decided in an anarchistic manner under the uncoordinated initiatives of foreign agencies, whether public or private. As has been aptly pointed out by a political scientist, a critical precondition for decentralization is "a high degree of central state capacity". If weak states

cannot successfully pursue decentralization, it is because, “when a weak state devolves power, it is more often than not simply making accommodations with local strongmen rather than expanding democratic spaces” (Heller, 2001: 139).

An immediate implication of such a diagnosis is that training ought not to be provided to local-level organizations only, but also to state agents in charge of implementing the participatory development programme. In such a way, also, the unhealthy competition and awkward antagonisms which foreign intervention tends to foster between state agents starved of functioning budgets, logistical means, and operational skills, on the one hand, and the staff or leaders of voluntary organizations benefiting from the ample rewards of international aid flows, on the other hand, can be avoided in favour of a more cooperative approach to public and private intervention.

Third, strengthening the central state does not by itself diminish the risk that dominant parties interfere with the procedures of decentralized development following a partisan logic of political patronage. To counter that risk, a genuine decentralization of administrative powers must take place in which local office-bearers with the requisite skills and expertise can support communities regardless of political affiliations. And to ensure that this condition is met, a vigilant civil society must exist, implying that, through enhancement of education and mass awareness-building campaigns, the grassroots come to know their rights as well as the duties and responsibilities of their leaders at all levels. They must feel sufficiently empowered to organize or follow contest movements that bring malpractices into the open. And their protests must be adequately echoed by a free and independent press that many people should be able to read and comment.

Clearly, the above conditions are very stringent. They cannot be met in a short span of time in countries where the social and political environment is not appropriate. This applies, in particular, to most countries of SubSaharan Africa where both state and community imperfections are large. Here, since it remains an important objective to ground development in people’s initiatives, there is no escape from a gradual approach that refrains from disbursing quickly vast amounts of money over as many communities as possible. Instead, experiments are needed by the way of institutional support to communities and state structures from which useful lessons adapted to the African continent can be hopefully derived. This is a safer path to participatory development than a bold jump into the unknown that is bound to bring great disillusionments a few years hence.

References

Abraham, A., and J.P. Platteau, 2000, “The Central Dilemma of Decentralized Rural Development”, Working Paper, CRED (Center for Research on Economic Development), Department of Economics, University of Namur.

Abraham, A., J.M. Baland, and J.P. Platteau, 1998, “Groupes informels de solidarité dans un bidonville du Tiers-Monde : le cas de Kibera, Nairobi”, *Non Marchand* (Editions De Boeck Université, Bruxelles), N° 2, pp. 29-52.

Abreu, D., 1988, “On the Theory of Infinitely Repeated Games with Discounting”, *Econometrica*, Vol. 56, No. 2, pp. 383-96.

Aggarwal, R.M., 2000, “Possibilities and Limitations to Cooperation in Small Groups : The Case of Group-Owned Wells in Southern India”, *World Development*, Vol. 28, N° 8, pp. 1481-1497.

Alderman, H., and C.H. Paxson, 1992, “Do the Poor Insure? A Synthesis of the Literature on Risk and Consumption in Developing Countries”, Policy Research Working Papers, WPS 1008, Washington, DC: The World Bank.

Alexander, P., 1982, *Sri Lankan Fishermen - Rural Capitalism and Peasant Society*, Canberra: Australian National University.

Alvoet, E., 1997, *Les transferts privés en Indonésie*, unpublished M.A. thesis, Department of economics, University of Namur, Belgium.

Aoki, M., forthcoming, *Towards a Comparative Institutional Analysis*, MIT Press.

Avineri, S., 1968, *The Social and Political Thought of Karl Marx*, Cambridge: Cambridge University Press.

Badini, A., 1994, *Naître et grandir chez les Moosé traditionnels*, Paris & Ouagadougou : Sépia-A.D.D.B.

Baland, J.M., and J.P. Platteau, 1996, *Halting Degradation of Natural Resources – Is There a Role for Rural Communities?*, Oxford: Clarendon Press.

Baland, J.M., and J.P. Platteau, forthcoming, “Institutions and the Efficient Management of Environmental Resources”, in Mähler, K.-G., and J. Vincent (eds.), *Handbook of Environmental Economics*, chap. 18, Amsterdam : North-Holland.

Banfield, E.C., 1958, *The Moral Basis of a Backward Society*, Chicago: The Free Press.

Bardhan, P., and D. Mookherjee, 1999, “Relative Capture of Local and Central Governments: An Essay in the Political Economy of Decentralization”, IED Discussion Paper Series, N° 97, Institute of Economic Development, Boston University.

Bardhan, P., and D. Mookherjee, 2000a, “Decentralizing Anti-Poverty Program Delivery in Developing Countries”, mimeo, University of California, Berkeley.

Bardhan, P., and D. Mookherjee, 2000b, “Corruption and Decentralization of Infrastructure Delivery in Developing Countries”, IED Discussion Paper Series, N° 104, Institute of Economic Development, Boston University.

Bayart, J.F., 1989, *L'Etat en Afrique*, Paris: Fayard.

Bebbington, A., 1997, “New States, new NGOs? Crises and Transitions among Rural Development NGOs in the Andean Region”, *World Development*, Vol. 25, N° 11, pp. 1755-1765.

Benoit, J.P., and V. Krishna, 1985, “Finitely Repeated Games”, *Econometrica*, Vol. 53, No. 4, 905-22.

Beveridge, A.A., and A.R. Oberschall, 1979, *African Businessmen and Development in Zambia*, Princeton, NJ: Princeton University Press.

Bierschenk, T., J.P.O. de Sardan, and J.P. Chauveau (eds), 2000, *Courtiers en développement Les villages africains en quête de projets*, Paris : Karthala.

Blair, H., 2000, “Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries”, *World Development*, Vol. 28, N° 1, pp. 21-39.

Bourdieu, P., 1990, *The Logic of Practice*, Stanford, Cal. : Stanford University Press.

Bowles, S., 1998, “Endogenous Preferences: The Cultural Consequences of Markets and other Economic Institutions”, *Journal of Economic Literature*, Vol. 36, N° 1, pp. 75-111.

Breman, J., 1974, *Patronage and Exploitation: Changing Agrarian Relations in South Gujarat*, Berkeley: University of California Press.

Brett, E.A., 2000, “Participation and Accountability in Development Management”, Paper presented at the Conference on “New Institutional Theory, Institutional Reform and Poverty Reduction”, London School of Economics, September 7-9, 2000.

Carter, M.R., and F. Zimmerman, 1993, “Mediating Risk Through Markets, Rational Cooperation, and Public Policy: Institutional Alternatives and the Trajectories of Agrarian Development in the West African Sahel”, Department of Economics, University of Wisconsin, Madison (mimeo).

Coate, S., and M. Ravallion, 1993, “Reciprocity Without Commitment: Characterization and Performance of Informal Insurance Arrangements”, *Journal of Development Economics*, Vol. 40, N° 1, pp. 1-24.

Congleton, R., 1980, “Competitive Process, Competitive Waste, and Institutions”, in Buchanan, J., R. Tollison, and G. Tullock (eds), *Toward a Theory of the Rent-Seeking Society*, Texas A&M Press.

Conning, J., and M. Kevane, 1999, "Community Based Targeting Mechanisms for Social Safety Nets", mimeo, Department of Economics, Santa Clara University, Cal., USA.

Coquery-Vidrovitch, C., 1985, *Afrique noire - Permanences et ruptures*, Paris : Payot.

Cox, D., and E. Jimenez, 1990, "Achieving Social Objectives Through Private Transfers — A Review", *The World Bank Research Observer*, Vol. 5, N° 2, pp. 205-18.

Crook, R., and J. Manor, 1998, *Democracy and Decentralised in South Asia and West Africa*, Cambridge: Cambridge University Press.

Czukas, K., M. Fafchamps, and C. Udry, 1998, "Drought and Saving in West Africa : Are Livestock a Buffer Stock ?", *Journal of Development Economics*, Vol. 55, pp. 273-305.

Das, M.K., 2000, "Kerala's Decentralised Planning –Floundering Experiment", *Economic and Political Weekly*, December 2, pp. 4300-4303.

De Sardan, O., 1999, "A Moral Economy of Corruption in Africa ? ", *The Journal of Modern African Studies*, Vol. 37, N° 1, pp. 25-52.

Dixit, A., and S. Skeath, 1999, *Games of Strategy*, New York & London : W.W. Norton & Cy.

Ellickson, R.C., 1991, *Order Without Law- How Neighbors Settle Disputes*, Cambridge, Mass. and London: Harvard University Press.

Ellis, S., and J.Y. Fauré, 1995, *Entreprises et entrepreneurs africains*, Paris: Karthala-ORSTOM.

Elster, J., 1989, *The Cement of Society — A Study of Social Order*, Cambridge: Cambridge University Press.

Esman, M.J., and N.T. Uphoff, 1984, *Local Organizations: Intermediaries in Rural Development*, Ithaca, New York: Cornell University Press.

Evans-Pritchard, E.E., 1940, *The Nuer: A Description of the Modes of Livelihood and Political Institutions of a Nilotic People*, Oxford: Clarendon Press.

Fafchamps, M., 1992, "Solidarity Networks in Preindustrial Societies: Rational Peasants with a Moral Economy", *Economic Development and Cultural Change*, Vol. 41, N° 1, pp. 147-174.

Fafchamps, M., 1996, "The Enforcement of Commercial Contracts in Ghana", *World Development*, Vol. 24, N° 3, pp. 427-448.

Fehr, E., and J.R. Tyran, 1996, "Institutions and Reciprocal Fairness", *Nordic Journal of Political Economy*, Vol. 23, N° 2, pp. 133-144.

Fehr, E., and S. Gächter, 1998, “How effective are trust- and reciprocity-based incentives ?”, in Ben-Ner, A., and L. Putterman (eds.), *Economics, Values, and Organization*, Cambridge : Cambridge University Press, pp. 337-363.

Fehr, E., G. Kirchsteiger, and A. Riedl, 1998, “Gift Exchange and Reciprocity in Competitive Experimental Markets”, *European Economic Review*, Vol. 42, N° 1, pp. 1-34.

Frank, R., 1988, *Passions Within Reason: The Strategic Role of Emotions*, New York: Norton.

Frank, R., 1995, *The Winner-Take-All Society*, New York: Martin Kessler Books at the Free Press.

Frank, R., 1998, “Social Norms as Positional Arms Control Agreements”, in Ben-Ner, A., and L. Putterman (eds.), *Economics, Values, and Organization*, Cambridge : Cambridge University Press, pp. 275-295.

Friedman, J.W., 1990, *Game Theory with Applications to Economics* , New York and Oxford: Oxford University Press (2^d edition).

Fujita, M., Y. Hayami, and M. Kikuchi, 1999, “The Conditions of Collective Action for Local Commons Management : The Case of Irrigation in the Philippines”, Aoyama-Gakuin University, Tokyo, mimeo.

Galasso, E., and M. Ravallion, 2000, “Distributional Outcomes of a Decentralized Welfare Program”, mimeo, The World Bank, Washington.

Geschiere, P., 1994, “Parenté et argent dans une société lignagère”, in Bayart, J.F. (ed.), *La réinvention du capitalisme*, Paris: Karthala, pp. 87-113.

Geschiere, P., 1995, *Sorcellerie et politique en Afrique — La viande des autres*, Paris: Editions Karthala.

Goldstein, M., 1999, “Chop Time, No Friends, Intrahousehold and Individual Insurance Mechanisms in Southern Ghana”, University of California, Berkeley, mimeo.

Gray, M.L., 1999, “Creating Civil Society? The Emergence of NGOs in Vietnam”, *Development and Change*, Vol. 30, N° 4, pp. 693-713.

Greif, A., 1989, “Reputation and Coalitions in Medieval Trade: Evidence on the Maghribi Traders”, *Journal of Economic History*, Vol. 49, No. 4, pp.857-882.

Greif, A., 1993, “Contract Enforceability and Economic Institutions in Early Trade: the Maghribi Traders’ Coalition”, *American Economic Review*, Vol. 83, No. 3, pp. 525-548.

Greif, A., 1994, “Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies”, *Journal of Political Economy*, Vol. 102, N° 5, pp. 912-950.

Greif, A., 1998, "Historical and Comparative Institutional Analysis", *American Economic Review*, Vol. 88, N° 2, pp. 80-89.

Harris, T.A., 1995, *The Book of Choice*, London : Arrow Books.

Hayami, Y., and T. Kawagoe, 1993, *The Agrarian Origins of Commerce and Industry: A Study of Peasant Marketing in Indonesia*, London: Macmillan and New York: St. Martin's Press.

Heller, P., 2000, "Degrees of Democracy: Some Comparative Lessons from India", *World Politics*, Vol. 52, (July), pp. 484-519.

Heller, P., 2001, "Moving the State: the Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre", *Politics and Society*, Vol. 29, N° 1, pp. 131-163.

Herbst, J., 2000, *States and Power in Africa –Comparative Lessons in Authority and Control*, Princeton, N.J.: Princeton University Press.

Himbara, D., 1994, *Kenyan Capitalists, the State, and Development*, Nairobi: East African Educational Publishers.

Hoddinott, J., M. Adato, T. Besley, and L. Haddad, 2001, "Participation and Poverty Reduction: Issues, Theory, and New Evidence from South Africa", FCND Discussion Paper N° 98, International Food Policy Research Institute, Washington, D.C.

Hume, D., 1740, *A Treatise of Human Nature*, (ed. L.A. Selby-Bigge), Oxford: Clarendon Press (1888).

Hunter, G., 1969, *Modernizing Peasant Societies: A Comparative Study in Asia and Africa*, New York & London: Oxford University Press.

Isaac, T., 1998, "Decentralisation, Democracy and Development: People's Campaign for Decentralised Planning in Kerala", Paper presented at the International Conference on *Decentralisation: Devolution and Participation*, State Planning Board, Government of West Bengal, Calcutta.

Isaac, T., n.d., *People's Planning –Principles and Practice*, Kerala State Planning Board, Trivandrum (written in Malayalam).

Isaac, T., and K.N. Harilal, 1997, "Planning for Empowerment", *Economic and Political Weekly*, January, pp. 53-58.

Isham, J., and S. Kahkonen, 1999, "What Determines the Effectiveness of Community-based Water Projects? Evidence from Central Java, Indonesia, on Demand Responsiveness, Service Rules and Social Capital", Washington, D.C.: World Bank.

Isham, J., D. Narayan, and L. Pritchett, 1995, "Does Participation Improve Performance? Establishing Causality with Subjective Data", *World Bank Economic Review*, Vol. 9, N° 2, pp. 175-200.

Kamau, J., 1965, "Problems of African Business Enterprise", Center for Economic Research, University of Nairobi, Discussion Paper N° 6.

Kannan, K.P., 1988, *Of Rural Proletarian Struggles: Mobilisation and Organisation of Rural Workers in South-West India*, Bombay: Oxford University Press.

Kennedy, P., 1988, *African Capitalism —The Struggle for Ascendancy*, Cambridge: Cambridge University Press.

Kimball, M.S., 1988, "Farmers' Cooperatives as Behavior Toward Risk", *American Economic Review*, Vol. 78, N° 1, pp. 224-32.

King, E. and B. Ozler, 1998, "What's Decentralization Got to Do with Learning? The Case of Nicaragua's School Autonomy Reform", Paper presented at the Northeast Universities Development Economics Consortium Annual Conference, Yale University, New Haven, Conn.

Kleemeier, Elizabeth, 2000, "The Impact of Participation on Sustainability: An Analysis of the Malawi Rural Piped Scheme Program", *World Development*, Vol. 28, N° 5, pp. 929-944.

Klitgaard, R., 1997, "Unanticipated Consequences in Anti-Poverty Programs", *World Development*, Vol. 25, N° 12, pp. 1963-1972.

Klooster, D., 2000, "Institutional Choice, Community, and Struggle: A Case Study of Forest Co-Management in Mexico", *World Development*, Vol. 28, N° 1, pp. 1-20.

Kocherlakota, N.R., 1996, "Implications of Efficient Risk Sharing Without Commitment", *Review of Economic Studies*, Vol. 63, N° 4, pp. 595-609.

Kreps, D.M., 1990, *A Course in Microeconomic Theory*, New York : Harvester Wheatsheaf.

Kuran, T., 1995, *Private Truths, Public Lies —The Social Consequences of Preference Falsification*, Cambridge, Mssts & London: Harvard University Press.

Lam, W.F., 1998, *Governing Irrigation Systems in Nepal —Institutions, Infrastructure, and Collective Action*, Oakland, California : ICS Press.

Lane, R.E., 1991, *The Market Experience*, Cambridge: Cambridge University Press

Ledeneva, A.V., 1998, *Russia's Economy of Favours —Blat, Networking and Informal Exchange*, Cambridge: Cambridge University Press.

Li, T.M., 1998, "Constituting Capitalist Culture —The Singapore Malay Problem and Entrepreneurship Reconsidered", in Hefner, R.W. (ed), 1998, *Market Cultures —Society and Morality in the New Asian Capitalisms*, Boulder, Col.: Westview Press, pp. 147-172.

Lieten, G.K., 1996, "Panchayats in Western Uttar Pradesh", *Economic and Political Weekly*, September, pp. 2700-2705.

Ligon, E., J. Thomas, and T. Worall, 1997, "Informal Insurance Arrangements in Village Economies", mimeo, Department of economics, Warwick University.

Macfarlane, A., 1978, *The Origins of English Individualism*, Oxford: Basil Blackwell.

Malarney, S. K., 1998, "State Stigma, Family Prestige, and the Development of Commerce in the Red River Delta of Vietnam", in Hefner, R.W. (ed), *Market Cultures –Society and Morality in the New Asian Capitalisms*, Boulder, Col.: Westview Press, pp. 268-289.

Marris, P., and A. Somerset, 1971, *African Businessmen*, London: Routledge & Kegan Paul.

Mathew, G., and R. Nayak, 1996, "Panchayats at Work", *Economic and Political Weekly*, July, pp. 1765-1771.

Meyer, C.A., 1995, "Opportunism and NGOs _Entrepreneurship and Green North-South Transfers", *World Development*, Vol. 23, N° 8, pp. 1277-1289.

Morduch, J., 1995, "Income Smoothing and Consumption Smoothing", *Journal of Economic Perspectives*, Vol. 9, N° ..., pp. 103-114.

Morduch, J., 1999, "Between the Market and the State : Can Informal Insurance Patch the Safety Net ?", *World Bank Research Observer*, Vol. 14, N° 2, pp. 187-207.

Morduch, J., 2000, "The Microfinance Schism", *World Development*, Vol. 28, N° 4, pp. 617-629.

Myerson, R.B., 1991, *Game Theory - Analysis of Conflict*, Cambridge, Mssts & London: Harvard University Press.

Narayan, D., 1998, "Participatory Rural Development", in Lutz, E., H. Binswanger, P. Hazell, and A. McCalla (eds.), *Agriculture and the Environment*, Washington, D.C.: World Bank.

Narayan, D., and K. Ebbe, 1997, "Design of Social Funds _Participation, Demand Orientation, and Local Organizational Capacity", World Bank Discussion Paper N° 375, Washington, DC: The World Bank.

Nisbett, R.E., and D. Cohen, 1996, *Culture of Honour –The Psychology of Violence in the South*, Boulder, Col. : Westview Press.

Olson, M., 1965, *The Logic of Collective Action* , Cambridge, Mass. : Harvard University Press.

Ortiz, S., 1967, "The Structure of Decision-Making Among Indians of Colombia", in Firth, R. (ed.), *Themes in Economic Anthropology*, London: Tavistock Publications.

Ostrom, E., 1990, *Governing the Commons –The Evolution of Institutions for Collective Action* , Cambridge : Cambridge University Press.

Ostrom, E., R. Gardner, and J. Walker, 1994, *Rules, Games, and Common-Pool Resources*, Ann Arbor: The University of Michigan Press.

Peters, P.E., 1994, *Dividing the Commons —Politics, Policy, and Culture in Botswana*, Charlottesville & London: The University Press of Virginia.

Platteau, J.P., 1991, “Traditional Systems of Social Security and Hunger Insurance: Past Achievements and Modern Challenges”, in Ahmad, E., J. Drèze, J. Hills, and A.K. Sen (eds), *Social Security in Developing Countries*, Oxford: Clarendon Press, pp. 112-70.

Platteau, J.P., and Y. Hayami, 1998, “Resource Endowments and Agricultural Development: Africa versus Asia”, in Aoki, M., and Y. Hayami (eds), *The Institutional Foundations of East Asian Economic Development*, London: Macmillan, pp. 357-410.

Platteau, J.P., 2000a, *Institutions, Social Norms and Economic Development*, Harwood Publishers.

Platteau, J.P., 2000b, “Order, the Rule of Law and Moral Norms”, Paper prepared for the High-Level Round Table on Trade and Development, UNCTAD, Geneva.

Platteau, J.P., 2000c, “Allocating and Enforcing Property Rights in Land : Informal versus Formal Mechanisms in Sub-Saharan Africa”, *Nordic Journal of Political Economy*, Vol. 26, N° 1, pp. 55- 81.

Polanyi, K., 1977, *The Livelihood of Man*, New York and London : Academic Press.

Pospisil, L., 1958, *Kapauka Papuans and their Law*, New Haven, Conn.: Yale University Press.

Puthiavila, M.K., and T.P. Kunhikannan (eds.), n.d., *Success Cases of People’s Planning*, Kerala State Planning Board, Trivandrum (written in Malayalam).

Putnam, R.D., 1993, *Making Democracy Work - Civic Traditions in Modern Italy*, Princeton, NJ: Princeton University Press.

Rabin, M., 1993, “Incorporating Fairness into Game Theory and Economics”, *American Economic Review*, Vol. 83, N°5, pp. 1281-1302.

Ramachandran, V.K., 2000, “Human Development Achievements in an Indian State: A Case Study of Kerala”, in Ghai, D. (ed.), 2000, *Social Development and Public Policy A Study of Some Successful Experiences*, London: Macmillan Press Ltd, pp. 46-102.

Ramanathaiyer, S., and S. MacPherson, 2000, *Social Development in Kerala: Illusion or Reality*, Aldershot: Ashgate.

Robertson, A.F., 1987, *The Dynamics of Productive Relationships –African Share Contracts in Comparative Perspective*, Cambridge: Cambridge University Press.

Rosenzweig, M., 1988, “Risk, Implicit Contracts, and the Family in Rural Areas of Low-Income Countries”, *Economic Journal*, Vol. 98, N° ..., pp. 1148-1170.

Sahlins, M., 1963, "On the Sociology of Primitive Exchange", in Banton, M. (ed.), *The Relevance of Models for Social Anthropology*, London: Tavistock Publications, pp. 139-227.

Sahlins, M., 1968, *Tribesmen*, Englewood Cliffs, New Jersey : Prentice-Hall.

Sandler, T., 1992, *Collective Action –Theory and Applications*, Ann Arbor : University of Michigan Press.

Schotter, A., A. Weiss, and I. Zapater, 1996, "Fairness and Survival in Ultimatum and Dictatorship Games", *Journal of Economic Behavior and Organization*, Vol. 31, N° 1, pp. 37-56.

Scott, J.C., 1976, *The Moral Economy of the Peasant – Rebellion and Subsistence in Southeast Asia*, New Haven & London: Yale University Press.

Stavis, B., 1982-83, "Rural Local Governance and Agricultural Development in Taiwan", in Uphoff, N.T. (ed.), *Rural Development and Local Organization in Asia*, New Delhi : Macmillan, Vol. II, pp. 166-271.

Sugden, R., 1984, "Reciprocity: The Supply of Public Goods Through Voluntary Contributions", *Economic Journal*, Vol. 94, pp. 772-787.

Sugden, R., 1986, *The Economics of Rights, Co-operation and Welfare*, Oxford: Basil Blackwell.

Swantz, M.L., 1997, "Community and Village-based Provision of Key Social Services: A Case Study of Tanzania", WIDER Research Paper N° 41, The World Institute for Development Economics Research, United Nations, Helsinki.

Sylla, A., 1994, *La philosophie morale des Wolof*, IFAN, Université de Dakar.

Szanton, D.L., 1998, "Contingent Moralities –Social and Economic Investment in a Philippine Fishing Town", in Hefner, R.W. (ed), *Market Cultures –Society and Morality in the New Asian Capitalisms*, Boulder, Col.: Westview Press, pp. 251-267.

Tendler, J., 1997, *Good Government in the Tropics*, Baltimore & London: The Johns Hopkins University Press.

Tendler, J., 2000, "Why Are Social Funds So Popular?", mimeo, MIT, Cambridge, Msstts, forthcoming in Yusuf, S., W. Wu, and S. Everett, 2000, *Local Dynamics in the Era of Globalization*, Oxford: Oxford University Press.

Thomas, J.P., and T. Worall, 1994, "Informal Insurance Arrangements in Village Economies", Department of economics, University of Warwick, mimeo.

Townsend, R.M., 1994, "Risk and Insurance in Village India", *Econometrica*, Vol. 62, N° 3, pp. 539-91.

Uphoff, N.T., 1999, "Understanding Social Capital: Learning from the Analysis and Experience of Participation", in Dasgupta, P., and I. Serageldin (eds.), *Social Capital –A Multifaceted Perspective*, Washington, D.C.: The World Bank, pp. 215-249.

Von Braun, J., and P.J.R. Webb, 1989, "The Impact of New Crop Technology on the Agricultural Division of Labor in a West African Setting", *Economic Development and Cultural Change*, Vol. 37, N° 3, pp. 513-534.