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The Building Blocks of Participation: Testing Bottom-up Planning

Michael M. Cernea

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ABSTRACT

A pragmatic question that arises during the design and execution of many government programs is this: How can a capacity for mobilizing community participation be built into the project's design and staffing? This paper answers that question by analyzing, step by step, one case rich in experience: the decentralization project in Mexico and its predecessor, the PIDER (Programa Integral para el Desarollo Rural) program. The time span of this series of projects stretches from the early 1970s to the early 1990s.

The methods and patterns of community involvement in initiating projects and in the bottom-up planning of local investments, developed during PIDER, have undergone various adaptations and set-backs, but many survived the vicissitudes of Mexico's economic crisis and structural adjustments during the mid- and late 1980s and are reemerging as sound and replicable approaches.

In Section 1, the author argues that the public's participation in government-initiated development programs is essentially a matter of social organization. It requires: identification of social actors, goal definition, linkages between planners and the local community, establishment of information channels, procedures for consultative decision making and resource allocation, and mobilization mechanisms.

Section 2 develops the argument that building up the "software" of development programs, their institutional and social arrangements, requires a systematic methodology, to be formulated through applied social research.

Section 3 defines the problem faced by Mexico's PIDER program: to develop a bottom-up planning methodology and give local communities a role as social actors in this bottom-up planning. This had to be achieved through consulting rural communities about the projects they need and encourage them to initiate three categories of projects (productive; economic support; and social infrastructure). For each project that is to be supported by public resources, a share of local contribution had to be mobilized.

Section 4 describes how a "capacity-building" team was set up inside PIDER to construct the new framework for participatory planning. Six components of the capacity-building process are discussed: (1) creation of a multidisciplinary capacity-building group; (2) formulation of a conceptual framework; (3) sociological analysis and understanding of the social actors; (4) action research and social experiments with the new planning methods; (5) staff training; and (6) institutionalization of the new methodology for planning with community participation.

Section 5 describes the three phases recommended for the planning process: field assessment; preliminary programming; and final programming. It also discusses in detail the pattern of field teamwork recommended for community diagnosis (Chart 1), in order to consult local populations about local needs, give them the opportunity to initiate projects, and involve them in social and environmental impact assessment.

Section 6 discusses the action-research process, with its series of field experiments (Chart 2). Action research produced, refined, and streamlined a planning methodology for initiating and executing local development projects by combining financial and equity resources from the public sector and the beneficiaries themselves.

Section 7 and 8 describe how the new participatory planning methods were formally instituted, explained, and disseminated through manuals and organized training, and how staffing was adjusted to match the new requirements.

Section 9 describes some of the actual results of participatory local programs and the degree of beneficiaries' satisfaction with them. It also describes how -- after the country's economic crisis in the 1980s -- Mexico's new Decentralization and Regional Development Program for the disadvantaged states, started in 1990, has reintroduced and improved the earlier participatory approaches.

Section 10 points out the key lessons about generating a social methodology for bottom-up planning, that is apt to elicit, organize, and incorporate a degree of participation of the local social actors in government-launched development programs.

FOREWORD

A priority concern on the development agenda for the 1990s is to find ways for increasing people's participation in government sponsored development programs. Government resources to support public sector programs in developing countries are generally limited. Increased people participation is, therefore, a means for enhancing the material resources immediately available to these programs, and a strategy for developing in the long-term the most important capital of any country -- the capacity of its human resources.

Creating favorable circumstances for expanding participation is an explicit goal of the World Bank's general and sectoral policies, such as the recently published policy for poverty alleviation, the forest sector policy, the urban development policy, the environmental assessment guidelines, the indigenous people policy guidelines, and many others. Translating participation strategies into programs and projects, and involving people in designing these programs and assessing their consequences, requires complex efforts. The results of such efforts in various projects, however, have been uneven. Therefore, it is important for both policy and project work to identify positive experiences whenever available, study the best practices, understand the factors that made them possible, and feedback the gained knowledge into the design of the new programs.

The specific case analyzed by Michael M. Cernea in the present study falls in this category: it consists of a 20-year long series of development projects in Mexico, within which an exceptionally interesting experience with fostering participation has been accumulated.

Through patient action-research, field experiments and repeated returns to the drawing board, the staff of these projects have developed a participatory methodology for bottom-up planning and allocating investments at the community level for local priority projects. This experience has been accumulated in Mexico's most depressed areas, its "poverty pockets", where the projects' primary goal was poverty alleviation through combining the state's and people's resources. Thus, this positive experience is directly relevant to the long standing concern of policy makers, practitioners and social researchers in developing countries for building up the know-how necessary to promote participatory development.

Taking a sociological perspective on participatory development, the present study analyzes both the strengths and weaknesses of the Mexican experience and derives from it many lessons useful for public policy and development programs.

By presenting the study written by Michael M. Cernea on this case in the World Bank's Discussion Papers series, we are pleased to make such experiences available to a broad readership outside the World Bank, and to further the discussion around good practices in development strategies.

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My field work in Mexico, on which this essay is based was carried out over several years during the preparation, appraisal, implementation, and monitoring of the PIDER program (Programa Integral para el Desarollo Rural). In recent years, my colleagues in the World Bank, who have been involved in the latest evaluation of the PIDER projects and in the appraisal and implementation of the recent Decentralization and Regional Development Project in Mexico, have assisted me with new data and with their insights.

I owe a debt of thanks to V. Rajagopalan, who encouraged and steadily supported my work on social participation in public sector development programs. My appreciation goes also to Alexander Shakow, who started the "lesson learning exercise" on participation, and to A. Williams, D. Beckmann, B. Bhatnagar and the other colleagues in the World Bank's core team on popular participation, whose comments helped finalize this paper. A preliminary summary of this paper was presented in the World Bank's International Workshop on Participatory Development (February 26-28, 1992) in Washington, DC.

During my field work in Mexico, many individuals have contributed to my knowledge and understanding of the country's development needs and programs. Among my colleagues in Mexico, I would like to thank in particular Marcos Arellanos, Victor Chagoya, Jorge Echenique, Jaime Mariscal, Antonio Monzon, Rudolfo Stavenhagen, and Arturo Warman. For the latest data from Mexico, I am grateful particularly to Abel Mateus, who led the preparation and appraisal of the decentralization project, and to Hans Binswanger, Shelton Davis, Hubertus von Pogrell and Ingrid Buxell.

Thanks are also given to Gracie Ochieng, who skillfully processed this manuscript more than once.

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1. RHETORIC OR METHOD?

No matter how intense or loud, the advocacy for people's participation in development programs remains empty rhetoric if it is not translated into a "how to" social methodology for making popular participation real.

People's participation in government-sponsored development programs cannot be achieved just by emotional exhortations. Nor can it be brought about only by intellectual arguments about its usefulness. In the last instance, participation depends on social arrangements and political relations. It also depends on economic incentives and on administrative approaches. Economic benefits must give people reasons to participate. Administrative arrangements must link the decisions of state bureaucracies to the will of local communities. In sum, for popular participation in government programs to occur, it must be *socially* organized. Actually *doing* this social organizational work is more difficult by far than waxing romantically or sloganeering rhetorically about the blessings of people's participation.

THE NEED FOR METHOD

Decades ago many developing countries inscribed community participation as one of the goals on their development agendas. Today, interest in participation is often reaffirmed, but actual progress has been slow. Program after government program, donor-assisted project after project, list participation on their frontispiece. Yet evaluation report after evaluation report usually show that these projects were as short on accomplishments as they were long on intentions and promises.

Exceptions do exist. Here and there a project demonstrates that popular participation happens in real life and is very effective. But there is wide agreement that popular participation in

public programs is insufficient. Thus, the need to analyze positive experiences wherever they are available. Exploring the social mechanisms that have led to successful participation is an effective way to develop new approaches for overcoming non-participatory routines and bureaucracies.

Despite the ubiquitous presence of the topic of participation in the current development literature, the "participation problem" is not a general problem common to every single kind of development. It rather is a problem limited essentially to one kind of development, namely government-induced development. Historically, the issue of participation is intrinsic to *public* programs. This issue does not arise in the spontaneous development that is accomplished by the producers, so to say by the "people themselves", through their regular activities, since this development happens precisely because the people initiate it, finance it, and carry it out without having to be called "to participate."[1] Overall development is the composite result of myriads such self-started activities and of the interactions and linkages between their social actors.

The situation becomes different, however, in development programs that are initiated and managed by the state. The fact that one or another government agency designs a plan intended to benefit a certain category of the citizenry (or the public at large) does not automatically bring the public into the fold of that program. The "need for participation", or the "non-participation" as a problem, occur therefore primarily in public sector programs. Since governments have a large potential to generate programs often divorced from the genuine interests or immediate needs of their publics, and/or since even good government programs tend to be costlier and less effective if not supported

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[1] For instance, farmers acting as economic agents -- or any other entrepreneurs -- do not just "participate" in development: they simply do it. They carry out productive activities according to their own goals, plans, designs, and resources. They are the actors and managers of their own economic growth, survival, and change "programs".

by the public, participation becomes a matter of extraordinary importance for programs that are launched, financed and implemented under the aegis of the state.[2]

The recognition that a partnership between public programs and people must be ensured through "popular" participation has been propelled by at least three key circumstances: (a) the enormously expanding role of the public sector in launching such programs in developing countries, without a commensurate improvement of the mechanisms for the public's involvement; (b) the growth of international aid which amplifies the financial resources, scope and number of government programs, while increasing the distance between the programs' "center" and "periphery"; and (c) the traceability of recurrent failure in public programs to alienation from their own intended beneficiaries.

Participatory approaches within the public sector's development programs are hampered by a lack of adequate methods and processes for *organizing* such participation. Introducing the concept of "social methodology" in this context -- specifically, a social methodology for involving people in bottom-up participation planning -- may bring additional light to the subject.[3] New

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[2] By extension, however, the concern for securing one or another form of "participation" has penetrated in other contexts as well, such as large private corporations and similar organizational settings, which Coleman has conceptualized as the "constructed social environment" (Coleman 1990). The meaning of participation is, therefore, not identical in all settings and should be regarded as context-specific. For instance, in the context of the industrial enterprise, certain management philosophies emphasize the benefits the enterprise is likely to obtain from promoting workers' "participation," thus advocating certain rather truncated forms of "participation" in private sector enterprises. William Foote Whyte has noted that a "major conceptual shift regarding the role of workers" supports and promotes "evolution of participatory systems in industrial relations..." He wrote: "In the tradition of Taylorism, workers were regarded as passive agents to be controlled and manipulated by management. Today they are coming to be regarded as active collaborators who contribute not only physical effort and skill but also information and ideas required to achieve high performance. To be sure, the conceptual shift is not universal... There are still many managers who adhere to the Taylorism model and probably many more whose espoused theory fits the new framework but whose behavior is closer to the old model" (Whyte 1991).

[3] Methodologies for social action are a specific product of applied social science (Cernea 1991b). These methodologies codify existing social experiences, sociological theoretical knowledge, and empirical findings into sets of procedures for organizing human activities in order to achieve defined goals. Such methodologies should be regarded as social technologies and are part of what is often called (under parallel but overlapping conceptualizations) either "human engineering," or "sociotechniques," or "social

approaches to designing and administering public programs require well thought-through sequences of steps for eliciting the desired forms of convergent actions by individuals and groups. But because the diffuse know-how for accomplishing this task has not been codified, such social methodologies are still to be crafted systematically, one after the other.

Generally, such social methodologies should include the following elements:

- identification of the *social actors* who will carry out the program;
- conceptualization of the program *goals* and participatory *principles*, in line with the socioeconomic interests of the social actors;
- establishment of adequate *linkage systems* and *forms of cooperation* between government agencies and the social actors;
- establishment of *information and communication patterns*;
- *procedures* for joint decision making, particularly to allocate financial resources to selected priorities;
- and *mobilization* through the structures endogenous to the group of social actors themselves.

Combining these elements into a unified social methodology, tailored for one or another major activity, is not easy; moreover, participatory structures and methods cannot be blueprinted for all programs, because they vary with the *nature of the task* at hand and with the *characteristics of the social groups* (urban or rural, small farmers or landless people, etc.). Therefore, generating such methodologies must become an integral part of organizing the participatory process itself.

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engineering" (Barnes 1980; Firth 1981; Rossi and Whyte 1983). They represent codified know-how suitable for guiding the actions of human groups and institutions. Professionally crafted social methodologies -- and not just happenstance and casual procedures -- are indispensable for building up the "software" of development programs.

PIDER AND THE DECENTRALIZATION PROJECT

This paper examines a participatory strategy for allocating investments at the community level that has been embodied in a sequence of rural development programs and projects financed by the World Bank in Mexico over the past two decades. The most recent project in this sequence is the Decentralization and Regional Development Project for the Disadvantaged States started in 1991 (World Bank 1991). It followed the large-scale PIDER program (*Programa Integral para el Desarollo Rural* -- Integrated Program for Rural Development), which began in the early 1970s as a multisectoral program to alleviate property by investing in a score of local projects in the "poverty pockets" of the country. At the Mexican government's request the World Bank made a series of loans for three PIDER projects (PIDER I, PIDER II, and PIDER III) between 1975 and 1988 (World Bank 1975; 1977; 1981). These projects were part of the overall PIDER program, which benefitted from the Bank financial, conceptual, and technical assistance. This strategy of investment in local projects has been resumed and continues in the 1990s through Mexico's recent decentralization project.

The methodology for planning and implementing community investments formulated and tested in Mexico is relevant to the quest of many social researchers for replacing the woolly rhetoric around participation with a pragmatic and codified approach.[4] Many elements of the Mexican experience, particularly the action research and the administrative reforms, may be transferrable, with adjustments, to other countries. Among projects assisted by the World Bank, PIDER stands out as one

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[4] Anders Rudqvist, for instance, describes the research program initiated by SIDA (Swedish International Development Agency) as just such a quest: "the main objectives of the program are to identify preconditions, problems and possibilities for the promotion of popular participation in rural development projects.... The activities include desk studies..., field studies and trial operations..." (Rudqvist 1990).

of the most systematically concerned with participation,[5] and within Mexico itself it also compares favorably with other large scale development programs.

This essay has the benefit of hindsight, as the period it covers is rather long. The design and testing of PIDER's methodology for community participation started in early to mid-1970s and continued throughout the 1980s, including some major ups and downs in Mexico's economy.

Between 1950 and the mid-1970s Mexico enjoyed a period of high growth, with low inflation and moderate external debt. Real growth averaged 6.4 percent per annum, while the poverty rate (percentage of households below the poverty threshold) declined by 15 to 20 percentage points. In this economic context, important public investments were made including those in the PIDER program. The total of these investments in 139 PIDER microregions, with about 9,000 communities, approached US$ 2 billion.

In 1982, however, the situation in Mexico changed dramatically, as falling oil prices and rising world interest rates put an end to the country's expansionary policies. A severe economic crisis started. Structural adjustments cut public investments from 10 percent of the gross domestic product in 1982 to only 4.4 percent in 1988. Government programs and agencies shrank, and real minimum wages fell by one-half.

As a result, many projects like PIDER were severely curtailed. The PIDER III project lost its poverty focus; its much reduced resources for investment had to be spread thinly during the crisis.

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[5] William Nagle and Senjoy Ghose provide a broad overview of community participation in World Bank supported projects (Nagle and Ghose 1990).

The participatory approaches painstakingly promoted by PIDER over the previous decade were largely pushed aside by a return to excessive centralization.

This turmoil ridden period, however, makes the retrospective analysis even more interesting. It allows us to seek answers about the effects of participation in public programs and the resilience (or perishability) of participatory planning under the hammer of economic crisis, structural adjustments and austerity reforms.

According to a wise adage, the way to the truth is as important as the truth itself. Sociologists agree when they assert, albeit in a less colorful way, that the process is as important as the end product. In this spirit, the present paper examines the experimentation process that created PIDER's methodology for getting the beneficiaries to participate in the actual planning of state investments for local projects. This methodology is a product of applied social research. The focus in the paper is on the type of social craftsmanship that was mobilized within PIDER in order to design and test out the methods of participatory, bottom-up planning; the final product itself will be also summarized, with more details available in the bibliography.[6] Mobilizing similar skills in other projects or contexts, and developing comparable tools and processes, will produce better results than mechanically copying the methodology that worked in Mexico's context.

Field research carried out in 1988 and 1989, some half-dozen years after the onset of the economic crisis, has generated data about the actual contribution of participating beneficiaries to

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[6] The actual "product" -- namely, the set of principles, approaches, and procedures that together represent a methodology for community participation in local investments in Mexico - is described in detail in a number of manuals and guidelines (see bibliography). See also: Michael M. Cernea, *A Social Methodology for Community Participation in Local Investments: The Experience of Mexico's PIDER Program*, World Bank Staff Working Paper No. 598, and the *World Bank Staff Appraisal Report - Mexico: Decentralization and Regional Development Project for the Disadvantaged States*, March 1991, on which this paper draws.

local development projects and about the survival of participatory approaches during Mexico's economic crisis. These data , along with the new developments under the ongoing decentralization project in four of Mexico's disadvantaged states, are examined in the last sections of this paper.

2. DEVELOPING METHODOLOGIES FOR PARTICIPATION

The pragmatic questions that must be addressed by the managers of each public program intended to be participatory are as follows:

- What can stimulate people's interest in participation?
- What specific actions should project managers take to organize participation?
- Who can prepare the tool-kit of concepts, methods and examples on how to proceed in practice?

To begin with the first question, it is clear that no administrative decree can automatically induce farmers to participate in the execution of investment programs if they don't recognize their own interests in such programs. No participatory approach can evolve in a sanitized executive office away from the communities for which it is destined, and then be imposed from on high. No design of participatory procedures can be perfect and workable on first attempt. Although these truths would seem self-evident, the designs of many rural development programs testify to the contrary. They simply proclaim participation as a goal and assume that once proclaimed it will happen by fiat. When little actually happens, the programs fail lamentably.

Why doesn't participation just "happen" and why do good intentions about encouraging participation fail? Very often, the reason is that such programs have not taken the *organizational* steps to translate the desirable participation into practice, or did not provide *economic* gains to the people expected to participate.

In the case described in this paper, a team of social researchers was created under Mexico's PIDER in order to prepare the methodology for participation. They focused on remodeling the process of selecting and planning local investments and on modifying the work pattern of state agencies that decide upon investments and carry them out. By analyzing this team's activities -- with both its strengths and weaknesses -- we may peer into what commonly remains a black box in projects, namely, how to create a system of bottom-up planning and promote various patterns of participation in its implementation.

Although tested methods are available for building the "hardware" components of development projects, very few similarly tested methods are available for building the "software" -- the institutional and other sociocultural components of these projects. Such methodologies are needed in conceptual and operational forms, but governments seldom call on social scientists to help produce such social methodologies.[7] Government agencies too often prefer the spurious comfort of what I call econocratic or technocratic approaches to planned development (Cernea, 1991a). Social scientists associated with the bilateral development agencies of several donor countries (Archetti 1991; Kievelitz 1991; Olsson 1991) have recently offered significant supporting testimony for this view and have proposed revisions of current routines.

The lack of social methodologies also reflects the relative youth, and weaknesses, of development sociology and anthropology. Social scientists share some of the responsibility, because

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[7] The scarcity of social methodologies for developing the software of development interventions is doubly counterproductive: it leaves the operational questions unanswered, and the vacuum is filled by amateurism and incompetence. A vicious circle results: First, many decision makers and politicians abet such incompetence and deny their support for developing the methodologies for participatory social action. Then, in a surprising volte-face -- which Alan Dershowitz would likely see as a fitting illustration of the *chutzpah* concept (Dershowitz 1991) -- the same decision makers invoke this scarcity as an excuse for low performance in the social components of projects. The net result is more failures in development interventions.

they have talked about the need for participation more than they have worked to perfect the social techniques for achieving it. Individual social analysts may make valuable contributions to development projects, but their contributions remain piecemeal and particularistic if they are the occasional products of talented individuals rather than the translation of a sociological methodology (Cernea 1991b). Often development agencies must rely excessively on a social scientist's personal flair in the field, rather than on a codified disciplinary approach. The intuition and ad hoc judgment of the individual sociologist are indisputedly important, but in the long term it is essential to replace ad-hoc-ism with a systematic body of sociological know-how that is readily transferable operationally. It is therefore essential to aim deliberately toward working out such social methodologies as valid products of applied social research.

I turn now to a presentation and discussion of the Mexican projects in which social methodologies of this nature were meticulously, step-by-small-step, developed.

3. REVERSING CONVENTIONAL PLANNING

Mexico is a federation of 32 states with some 3,000 municipalities and a population of about 88 million. One-fourth of its people, about 21 million, have incomes below the poverty threshold, and about two-thirds of the poor inhabit the rural areas. Almost all of Mexico's indigenous population lives below the poverty line.

THREE TYPES OF LOCAL PROJECTS

PIDER was a program for rural development targeted primarily to the poorest municipalities of the country, including areas inhabited by indigenous groups. PIDER's enormous financial resources were allocated not for a few large, very costly infrastructural investments, but for thousands and thousands of small projects to meet the needs of small villages or subgroups within these communities. Administratively located within Mexico's Federal Secretariat of Programming and Budgeting (SPP), PIDER did not dispense these investments itself but used technical or line agencies to channel funds to specific small rural projects.

In carrying out these local projects PIDER sought to develop a model not only for consulting the farmers about these investments but, even more important, for getting communities involved in initiating, selecting, planning, and executing the most needed local projects. This institution-building goal, and the creative and imaginative work by which it was accomplished, yielded some of PIDER's most worthwhile lessons.

The vast array of small local projects eligible for PIDER's investments can be loosely grouped into three clusters:

(a) Productive projects such as small-scale irrigation schemes, fruit-tree plantation, agroindustry units, and livestock units;

(b) Economic support projects, such as construction of stores and warehouses in rural areas, construction of rural roads, rural electrification and development of local markets; and

(c) Social infrastructure projects, such as construction of schools, health centers, community halls and recreation areas, establishment of water supply and sewerage systems.

THE SEARCH FOR A BOTTOM-UP PLANNING APPROACH

The problem that emerged at the outset was how to select the projects that most deserved financing from among the multiple and simultaneous needs of the poorest communities? Past practice in Mexico was hardly a guide for locally sensitive planning. The conventional planning system was unambiguously top-down: investment agencies and administrative/planning authorities first decided which local projects would be started and only afterwards, if at all, notified the communities.

Early in PIDER's beginnings it became obvious that the planning system shouldn't continue the same way. It was clear that government planners lacked the requisite knowledge of local conditions to choose wisely among the multiple projects that could be undertaken. The local elites and various politicians exploited planners' lack of information and contact with the grass-roots to capture public investments for projects that primarily benefitted them, disregarding the acute needs of the poorest strata. Without proper knowledge of local needs and potentials, even well-intended planners could do no better than choose to make the investments they themselves assumed were needed.[8]

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[8] Jorge Echenique (1979), who played a key role in designing PIDER's participatory approach to local planning, characterized this situation in Mexico in the following way:

> There is a tendency for rural development programs, PIDER included, to proclaim farmer participation, organization, and self-management.... But these goals are never actually defined or explained in detail.... As a result, this

The process proved largely unresponsive to the needs of the poverty groups and often represented a siphoning of public resources to the private pockets of small local elites.

The involvement of local beneficiaries in initiating projects and making local investment choices appeared, therefore, as the only alternative. PIDER began getting people involved not solely for the purpose of "democratizing the development process" (Clark 1991) -- even though the political and educational justifications for participation are worthy goals in themselves, and democratizing the process of public investment is a key to capacity building. PIDER pursued participation also for explicit reasons of economic efficiency and technical soundness.

In 1974, PIDER's management resolved that new procedures were necessary to identify priority needs and optimal investments at the community level. Planning of the public financing for local projects was to be based not just on "consulting" the peasants about projects proposed by the bureaucracy, but on getting the peasants to become the social actors of planning by initiating the projects needed with priority. Thus, planning was to take into account the peasants' knowledge of available resources and their definition of needs, and to get them involved in carrying out the planned projects.

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approach often goes no further than the pronouncement stage, and is not reflected or put into practice during the course of the program. The official agencies, whose inertia is evident, mostly act along their old hidebound traditional lines, defining what is to be done, how it is to be done, and who is to benefit, without having any specific knowledge of the real social and cultural context in which they are operating. Limited to a superficial view of the natural environment and resources, they entertain the naive conviction that the aspirations and needs of the rural population match their own institutional priorities, and continue to dwell in the blissful certainty that the peasants know nothing of technology, projects, and serious things of that kind.

PIDER asked the Research Center for Rural Development (CIDER -- Centro de Investigacion para el Desarollo Rural) to prepare, design and test out empirically a set of procedures that would eventually become an *overall methodology* to replace the top-down imposition of investment decisions with a system of planning from the bottom-up. CIDER's contribution was expected to be a large scale action-research exercise, rather than a desk-bound report. The ultimate objective was to make beneficiaries, planners, and line agencies jointly contribute to planning and implementing local projects.

4. BUILDING CAPACITY IN PROJECTS

PIDER's aim -- to organize the participation of the local population in investment planning -- embodied a courageous political orientation. It confronted the lack of prior experience, the political opposition of vested interest groups, and the stifling routines of entrenched bureaucracies.

Both PIDER and CIDER realized that introducing community participation in investment planning was a formidable task. It not only required getting large numbers of expected beneficiaries *into becoming actors in activities they had not done before; it also required changing the situation in* which state bureaucracies were accustomed be the only actors, but now have to share their role with the local people. New procedures for planning had to be invented, new institutional arrangements had to be made, and legal provisions about resource allocation had to be changed. In short, the entire machinery of the public sector involved in PIDER had to become capable to work (specifically, to select, design, and carry out local investments) in a new, participatory manner. Such a capability could be developed only gradually. Therefore, staff and resources had to be assigned to the special effort for building a new capacity.

To prepare PIDER for participatory activities, CIDER created a special working group of professional researchers[9] with a multidisciplinary skill mix (sociology, economics, social anthropology, agronomy). PIDER management gave this group the authority to design new methods of mobilizing local communities and to subject the proposed procedures to repeated experiments during the actual planning for investments in PIDER microregions. Formulating a social methodology for community participation in local investments was to be the heart of the entire capacity-building

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[9] The core members of this team were Jorge Echenique, Marcos Arellanos, Victor Chagoya, Antonio Monzon, and Alfonso Cano.

process, and the primary task of the working group. Further in this paper I shall refer to this group as PIDER's "capacity-building" group.

The first important lesson to be learned by other projects from PIDER's experience is precisely the creation of such a special group to actually *do the job* of casting the framework for participation. There IS such a job to be done in virtually every program, and it requires time, brainpower, and leg work. Surprisingly, countless development projects that are intended to include community participation do not even provide a budget for this job to be done as a distinct activity. They decree participation in a "thou shalt..." manner and do not realize that a purposive effort is a prerequisite. Thus, the first answer to the question what specific action project managers should take to organize participation? is that creating in each program the capacity for organizing participation must be an integral, yet a clearly distinct, part of the program.

COMPONENTS OF THE CAPACITY-BUILDING PROCESS

Capacity building is not a one-shot affair. It requires long-term commitment and staying power. Creating the working group was only the beginning of the road. The central CIDER-PIDER capacity-building group helped to establish in the states several *local* multidisciplinary teams (consisting of sociologists, economists, planners, and technical experts) that carried out similar work in the microregions -- consulting beneficiaries, examining planning procedures, and the like. The researchers were thus linked to an actual development program and its agencies at the central and local levels; they could "work from within" to learn from observation of the process and to obtain a multiplier effect by constantly interacting with the personnel of the line agencies.

In hindsight, the six *main* components of PIDER's capacity-building process through which the participatory approach was introduced in practice, were:

(a) Creation of a multidisciplinary group responsible for promoting participation;

(b) Elaboration of a conceptual framework to define the participation strategy;

(c) Sociological understanding of the population affected;

(d) Action research and experiments, with frequent returns to the drawing board;

(e) Training; and

(f) Institutionalization of the participatory planning methodology.

Although the capacity-building group spearheaded the effort, PIDER and CIDER management constantly backed up the work and "products" of the group with its political and managerial weight. PIDER's leaders negotiated with other entities of the state apparatus to obtain "the room" for experimenting and doing action research. Bringing a vast program like PIDER on a participatory track required the sustained support of the top leaders throughout the long process of testing, revising, and enacting new norms.

The components of this capacity-building effort will be examined further.

THE CONCEPTUAL FRAMEWORK FOR PARTICIPATORY PLANNING

The search for a participatory planning methodology was guided by a conceptual framework gradually developed by CIDER's capacity-building group and with PIDER managers. This conceptual framework consisted of several main ideas and principles, and it was informed by the

sociological understanding of Mexico's rural population -- its stratification, culture, and structures -- which CIDER's various studies provided.

First, community development was to result from combining the efforts of the communities themselves, and their locally available resources, with the work and resources of government agencies at all levels -- municipal, state, and federal. The participation process had to aim at mobilizing latent *local* resources, and do this more effectively than is done (if at all) by bureaucratic planning. It also aimed at avoiding the kind of unilateral decisions (and errors) usually made by the government agencies' technical staff who neglect to consult community members or local authorities. Of course, it was also recognized that mobilizing local resources would stretch public funds and benefit more people.

Second, the *"self-definition of interests"* by the beneficiary peasants was proposed as the keystone for the local plan. Because recognizing peasants' own definition of their interests and "felt needs" is crucial for securing their participation, investments in each regional program must support proposals initiated by the peasants themselves. PIDER emphasized that although expert technical knowledge is indispensable for identifying development potential, officials and experts do not automatically have a better perspective on peasants' problems than the peasants themselves have; nor are officials and experts necessarily the best exponents of peasants' interests.[10] The experts and

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[10] One of the local investment projects examined by the CIDER/PIDER team vividly illustrates how peasants' perspective and definition of their own needs may reflect aspects that the experts may not perceive. During a conventional investment planning exercise, the technical planning staff of a line agency mockingly rejected a "crazy" written request from a village where the farmers proposed that a dance hall be constructed. The CIDER team then decided to visit the ejido that had proposed that unsuitable expenditure. It found that many of the peasants in the village were musicians and that their reputation was so good that on Sundays and holidays inhabitants of surrounding areas came to dance on improvised, open-air grounds. Most of the ejido members thought a dance hall would be the best means of attracting much more visitors, selling more local products, getting added revenue, and generating employment. In terms of rural development, as the CIDER capacity building group commented afterwards, "we wondered whether the request for a dance hall was not more justifiable than many of the 'white elephants' included by the experts in PIDER programming."

officials fulfill their role as agents of change when they help the peasants become more aware of what the technical options suitable to their own interests and development are.

Third, *community diagnosis* was proposed as the key to understanding local social stratification and socioeconomic structures neither the peasant communities nor the "peasants' perspective" is monolithic. Therefore, community diagnosis must ensure that village social stratification is identified, and that the economic priorities of various subgroups (e.g., farmers who irrigate and farmers who don't within the same community, landless peasants, youth, and women) *are* reflected as much as possible in the scheduling of priority investments.

Fourth, local priorities should be reconciled with, and integrated into, the broader regional social and ecological systems. Local participation is not a recipe for autarchy. To achieve overall balanced development, and to enable each locality to contribute to the progress of its surrounding area, the local plans must be integrated and reinforced by the regional plan.

Fifth, to determine the best mix of investments to meet the needs of various peasant groups, CIDER/PIDER proposed "iterative planning" which ultimately consisted of three phases: field assessment, preliminary programming, and final programming. (These are discussed in the next section.)

This conceptual framework was continuously enriched over the years as the new bottom-up planning approach was tested and improved. One significant enrichment (through a "support program for rural community participation" adopted in 1982[11]) was the recognition of the importance of d*isseminating information* for fostering grass-roots participation. Special guidelines were

[11] Programa de Apoyo a la Participation de la Communidad Rural (PAPCO).

developed for PIDER staff to use in systematically informing rural communities about PIDER's objectives, strategies, resources, and interventions. Furthermore, it was decided to inform local communities of contractors' timetables and public resource allocation. This information dissemination strategy tended "to increase the beneficiary population's bargaining position with the [government] agencies and entities taking part in the program" (see SSP 1982c).

Guided by this conceptual framework, CIDER's capacity-building team then spent several years conducting social experiments in which the intermediate "products" (the methods for community diagnosis, the guidelines for consultation procedures, the planning methods, etc.) were subjected to one real-life test after another. The same team both designed and tested the new procedures. This enabled them to avoid the trappings of a purist academic approach, detached from the trade-offs present in real life: instead, they learned from field difficulties and continuously enhanced the practicality of the proposed methodology.

5. THE THREE PHASES OF PARTICIPATORY LOCAL PLANNING

This section summarizes the three-phase model for local planning devised by PIDER and its capacity-building team (field assessment, preliminary programming, and final programming), with particular emphasis on the first phase. (Of course, this model, which is presented here in its final version, was arrived at gradually. The research from which it evolved is discussed in the next section.)

The sequence of three phases recommended in PIDER's methodology is:

(a) Phase One: field assessment

(b) Phase Two: preliminary programming

(c) Phase Three: final programming.

The roles of both actors -- agencies and peasant groups -- are carefully defined in each phase. The procedures for each phase cover both the sociological and the technical elements of investment planning. They define what the local community must do and what kind of technical-economic feasibility analysis the specialized agencies should undertake. The three phase planning process results in a medium term program (for a duration of three to four years); at the beginning of each year, the annual slice of the medium-term program is rechecked and specified through a simpler exercise colloquially called "reprogramming".

The norms incorporated in PIDER's programming methodology are binding for the technical (or line) agencies that execute PIDER investments. However, because these norms require the staff of these agencies to do more field work in remote communities than other programs require, there has been constant pressure to simplify the phases of the participatory methodology. Flexibility

in adapting the programming procedures to local circumstances was, of course, encouraged, but the primary responsibility of PIDER staff was to enforce the participatory procedures and avoid a too soft interpretation of their flexibility. The call for flexibility is sometimes used as an excuse for unwarranted sidestepping of participatory procedures. The risk involved in an excessively flexible interpretation at local levels is precisely that it might circumvent some of the innovative, albeit more difficult, steps of the new methodology.

COMMUNITY DIAGNOSIS

In the first phase, the main method for understanding the farmers' perspective is the community diagnosis.* In the conceptual framework of the CIDER team, field assessment is a comprehensive term under which several activities have to be carried out: data on the existing population, infrastructure, and resources in the microregion must be collected; past programs must be assessed; communities eligible for the program must be selected and the needs of each selected locality diagnosed; and planners must meet with local groups to select investment proposals and prepare a report on the proposed strategy.

The challenge for PIDER was to get planners who were unaccustomed to consulting people (and who simply did not know how to do it) to go into those communities, elicit people's views, and understand their needs and priorities. The consultation mechanisms developed by PIDER may be particularly useful today for organizing the consultation of project area populations as required by environmental impact assessment (EIA) and social impact assessment (SIA) procedures.

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* See for more detailed PIDER guidelines and manuals listed in the reference list.

The types and sequence of activities to be performed by a team in the field in carrying out the PIDER pattern of community diagnosis are graphically represented in Chart 1.

Chart 1

PATTERNS FOR FIELD TEAMWORK

	PURPOSES	CARRIED OUT BY
1. General information meeting	(a) To announce the purpose of the program preparation to the village population at large (b) To talk with small groups or individuals and to find best informants (c) To identify natural leaders in the different community strata (d) To ask the authorities for census data (on 2.c below).	Field team, in cooperation with population
2. Locality study	To ascertain, in general terms: (a) The status of the existing general infrastructure and technical packages being used) (b) The available potential resources and those to be rehabilitated (c) The existing social groups and their salient features (first approximation) (d) The village power structure	Part of the field team (division of work)
3. General programming meeting	To ascertain (a) The estimated production targets (b) The approximate credit, input, and other needs (c) The investment proposals and the social group making them (d) The ranking of the investment proposals	Part of the field team
4. Follow-up of the locality study	(a) To check the technical feasibility of the proposals in the field (b) To check the social acceptability of proposals through talks with individuals or groups	Part of the field team

Before the field work began, however, the planners collected all available background data on the microregion and its municipalities (with respect to population, ecology, natural resources, land tenure, productive activities, employment, etc.) needed for identifying the area's growth potential and constraints. Then several field teams (each with two to three members) were created, consisting of staff from PIDER and from technical agencies. Each team was assigned a number of localities in which to carry out the village diagnosis. Before going out to the villages, the teams attended a two- to three-day seminar at which the objectives and procedures were explained, routes were assigned, and material support organized.

The field diagnosis of each village took about two days and included meeting and surveying the village, holding meetings with various subgroups, identifying needs, and defining development priorities.

The teams used the trip through the village to become acquainted with the social groups and the physical environment in which activities are to be carried out, and to inform the residents of the objectives of the study. The teams then conducted a survey using selected informants who always included the authorities (ejido leaders, security committee (*consejo de vigilancia*), municipal delegate), the local school teacher, medical personnel (if any), and the leaders of other local organizations (parents' association, credit groups).

The teams recorded the data collected[12] through this kind of inquiry on a survey form that, although the content remains broadly similar, was adapted to the specific conditions in each region. At firs the teams found that use of the form helped them manage the discussions, but as teams became more experienced, they were able to use the survey form only for recording answers, while giving free rein to the discussions to cover any subject of interest to the group.

The teams then held meetings with the community in one of two ways: discussing selected issues with certain groups separately or discussing matters of common interest with a large, integrated group. The second method was found to be preferable except where irreconcilable internal community differences exist, because it allowed for a comparison of views and provided more reliable background information. The composition of these meetings also varied according to the time available, the social characteristics of the village, or the particular topic discussed. In some cases, men, women, and young persons met together; in others, separate meetings were held with each group. In certain cases of sharply polarized communities, positive results were achieved by holding meetings with different strata (rural dwellers with land and without land; with cattle and without cattle; etc.). In Oriente de Morelos, for instance, three different groups were established for a regular programming exercise: peasants with irrigated land who emphasized the need for technical assistance and marketing; those with rain-fed land, who gave priority to irrigation; and those with wage earnings, who proposed investments that did not involve landownership, such as agroindustry and hog farms.

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12 The kind of data gathered in this part of the field work for community diagnosis should point up land tenure systems and agrarian problems; total and active population and seasonal migration; the land resources, quality, and distribution; production activities, and their relative importance; agricultural output, productivity, and markets; ownership of cattle; production technology; other production resources and the degree to which they are used; the condition of the social and economic infrastructure (water supply, road, marketing, telecommunications and postal services, electrification, health, education, and drinking water); credit and technical assistance; internal social organization of the village; institutional activities and works undertaken; investment needs and priorities.

In some cases when the field teams -- and particularly CIDER researchers -- had plenty of time and resources to work for programming, they carried out surveys with individual questionnaires among a sample of peasants at different socioeconomic levels. However, because the cost in time and human resources ruled out widespread application of this procedure, this detailed information gathering was not included in the final methodology.

The participatory methodology contains no formal recipe for organizing the discussions between the expert team and rural dwellers at these meetings, but recommends possible procedures for reaching agreement on investment proposals and for assigning priorities to them.[13] It is important, though, for the diagnostic team to strive to get the "farmers' perspective" on each proposed investment and record it on the report form.

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[13] The recommended procedures for conducting such consultative village meetings were described by Jorge Echenique, the head of the capacity building group, as follows:

> The data obtained by the field team from various informants should be summarized and presented to the village meeting (especially with regards to potential resources and their use, agricultural production and related problems, employment and migration). A review of the production support services (credit and technical assistance) and social services (education, health, drinking water, electricity, communications, etc.) should be part of this presentation. In making this presentation, the field team members should instigate the meeting to express views on proposals collected during the village survey by asking direct questions about them. For example, if the team is told that in one *ejido* a large part of the irrigated land is sown once each year, the question can be asked: why not twice? This question starts off the discussion, which must not be allowed to end until the opinions of all present have been made known, however contradictory these may be.
>
> Subsequently, possible solutions to the problems can be discussed, as well as the extent to which PIDER can provide the answer. In the preceding case, for instance, the main reason for a single sowing may have been the lack of water, the possible solution being to expand the storage reservoir and to build canals. In such a situation, the meeting would probably tend to apply for such a PIDER investment.

In sum, the individual discussions and group/village meetings brought the planners and the communities together to share information, to identify needs, and to define the development approaches and priorities. The planners explicitly expected both to *learn* from the local population and to *inform* the population about their technical assessments of the local opportunities for development investments; often, the people do not have the information on which to base judgments on using all the local potential. Community readiness to contribute to the investments for various projects (through labor, cash, or other contributions) also was assessed during the village diagnosis.

It is not surprising that the investment requests made by the peasants during this public analysis are often different from the solutions proposed by the experts. For instance, in the microregion Baja California Sur, the livestock experts responded to the farmers' requests for breeding cattle by recommending the purchase of Swiss cattle, which, they argued, would be an excellent solution for meat and dairy needs if crossed with the local Chinampo cattle. The villagers, however, insisted on Zebu cattle, and the discussion ended only after one determined farmer described his own experience: on the recommendation of the experts, he had purchased two Swiss breeders out of his own funds, but one cow died during the first dry season and he had had to keep the other in his home because of its poor physical condition. Looking into the causes, the farmer observed that during the dry season the animals had to be able to eat the top leaves off the bushes and to walk enormous distances to find water, even drinking sea water at times. The Swiss cattle, which had short legs, could not get food and water in this way, but the Zebu, which had long legs, were able to reach the highest branches and could travel to the most distant watering points. This ended the discussion.

TECHNICAL AND ECONOMIC ANALYSIS

Following consultations and community diagnosis, agency staff make their professional contributions in the following two planning phases, particularly through their professional expertise for technical and economic analysis.

In the second phase, preliminary programming, the sectoral on-line agencies must prepare integrated investment plans for microregions. This work takes one to two months. These agencies, and PIDER experts, analyze the investment proposals put forward during phase 1 using the following criteria:

- Good quality of the detailed preparation studies
- Complementarity between projects
- Relatively low investment per beneficiary
- Comparatively lower investment per man employed, and
- Estimated benefits and relatively greater impact per unit of investment (per family, per hectare).

The preliminary investment program has to establish which of the proposed local projects can be approved for inclusion in the final current program, which will be included for study in the next annual program, and which will not be included in the program at all.

In the last phase, final programming, the specific microregional project plans are completed and consolidated into the regional PIDER program once their overall technical and economic feasibility have been determined.

At the end of this three-phase process, it is recommended that the final investment program be made known to the beneficiaries who requested the projects in the first place. The community must have a thorough knowledge of the investments that have been approved, of the implementation schedule, and of the resources provided by the government or to be contributed by the beneficiaries if the program is to be effectively implemented and locally monitored.

6. EXPERIMENTING: BACK TO THE DRAWING BOARD

As already mentioned, the process through which the participation model was painstakingly developed stretched over several years. Chart 2 shows the main stages and events of this process in a chronological manner. It conveys a *crucial message about what capacity building for organizing participation actually means*.

WHAT CAN A CHRONOLOGY INDICATE?

To highlight this message, I would like at this point to invite the reader to pause for a minute, have a long look at Chart 2, and ponder the lessons embedded in it. Indeed, only a line by line examination of the chronology can convey the volume of work, the patience, and the commitment that were involved in preparing the participatory methodology, and in refining it, step-by-small-step. Reviewing these stages, one gets the image of an incessant "dialogue" between work at the drawing board, field testing, and actual application. In fact, this back-and-forth process, from design to field testing and then to redesign and training of staff to apply the new design on a larger scale, was more complex than the chart can suggest. And while this back-and-forth process continued creatively, the diffusion of participatory procedures into actual operations gradually gained more ground. This is why I feel that this simple chronology embodies and conveys the essence of this paper's argument.

As the chart shows, the design of the participatory methodology started in 1975. Its testing in practice began in the Mazahua microregion of Mexico State. The process involved meetings at the community level, village diagnostic assessments, and other procedures. With some corrections,

Chart 2

CHRONOLOGY OF THE PREPARATION, TESTING, APPLICATION, REVISION, AND RETESTING OF THE GUIDELINES FOR PARTICIPATORY PROGRAMMING

PERIOD	STAGE OF WORK	WHO DID THE WORK	AREAS OF TESTING OR APPLICATION
1975 August-September	Design (preparation of first methodology)	CIDER/PIDER staff	
1975 October-December	Field testing	CIDER/PIDER staff	Mazahua (Edo. de Mexico)
1976 January-March	Field testing	CIDER staff	Tejupilco (Edo. de Mexico; Ensenada (Baja California Norte) and other microregions (for annual reprogramming)
1976 April	Revision and training seminars (for PIDER's technicians) on programming	CIDER staff CIDER, PIDER, and state staff	Headquarters; Baja California Sur; Sur de Yucatan; Hecelchacan (Camp); Sur de Nuevo Loan
1976 October-December	Revision and document preparation (PIDER's programming methodology)	CIDER/PIDER	Headquarters
1977 February-June	Application and training seminars (in different regions for PIDER and agency technicians)	CIDER/PIDER and state staff	Oriente de Morelos Poniente de Morelos
1977 July-October	Revisions and document preparation (new document on programming)	CIDER/PIDER	Headquarters
1978 February-April	Application	CIDER/PIDER	Sur de Yucatan
1978 June-October	Partial application (of CIDER's methodology on PRODERITH/SARH Regions)	CIDER	Ostuta (Oaxaca) Huixtla (Chiapas) Tixcancal (Yucatan)
1979 February-December	Application (including the entire plan for Zacatecas)	CIDER/PIDER and state staff	Chatina (Oaxaca); Valparaiso, Norte Sombrerete, Pinos, Fresnillo, Jalpa (Zacatecas)
1980 January-February	Revision and document preparation (new manual)*	CIDER/PIDER and coordinator	Headquarters

(continued)

Chart 2 (continued)

CHRONOLOGY OF THE PREPARATION, TESTING, APPLICATION, REVISION, AND RETESTING OF THE GUIDELINES FOR PARTICIPATORY PROGRAMMING

PERIOD	STAGE OF WORK	WHO DID THE WORK	AREAS OF TESTING OR APPLICATION
1980 March-April	Application (for full-scale programming)	SSP and agencies' staff -- federal and state	Full-scale programming in eight microregions as basis for appraisal of PIDER III Project: Norte and Mocorito (Sinaloa), Atoyac and Costa Chica (guerrero), Tlaltenango and Valpariso (Zacatecas), Sur and Litoral Norte (Yucatan)
1981	Application (for full-scale programming)	SPP and agencies' staff	Additional 9 microregions financed under the PIDER III Project
1981 April	National seminar on PIDER	SPP federal and state staff	Reviewed national experience with PIDER, including participatory methodology for transfer of certain responsibilities to state level
1982 March	Issuance of Guidelines of the Support Program for Rural Community Participation (PAPCO) (focused on information and motivation)	SPP/CIDER	Application in several microregions
1982 May	Issuance of two manuals (on the socioeconomic analysis of rural communities and on the formulation of productive project)	SPP/PIDER	
1982 June	Issuance of manual on PAPCO (revision of March 1982 guidelines)	SPP/PIDER	
1982 July	Issuance of manual (on procedures for programming-budgeting in PIDER)	SPP/PIDER	
1982 August-September	Issuance of two manuals (on project implement-ation monitoring and evaluation)	SPP/PIDER	

a/ "Manual de procedimientos para la programacion de inversiones publicas para el desarollo rural (Mexico, D.F.: SPP and CIDER, January 1980).

at initial programming design continued to be tested during the first quarter of 1976 in a larger area consisting of eight microregions: Tejupilco (Mexico State), East Morelos (Morelos State), Ensenada (Northern Baja California), and Chol, Cintapala, Zoque, Lacandona, and Bellavista (Chiapas). These tests were carried out either as an initial programming of investments for a given microregion, or as part of the annual exercise for reprogramming allocations made previously.

As a result of these experiments the first guidelines were drastically modified and a more down-to-earth document was prepared. At that point, and at PIDER's request, CIDER also organized a training program to educate PIDER staff in the principles and procedures of the emerging methodology.

It is not my purpose here to reconstruct and describe each one of these initial or intermediate methodologies, which were provisional when they were drafted, and were improved or partly discarded under a succession of revisions. Rather, the intent is to emphasize the *process* of working out a methodology through trial and error, through iterative approximations and refinements.

As can be seen from the chronology, two more rounds of testing and adjustments followed in 1976 and 1977 (the first in South Yucatan, Hecelchacan, and other microregions, and the second in the Western and Eastern Morelos microregions). These resulted in new recommendations that were applied in early 1978 through *actual* planning in limited areas.

The difference between simply "testing" and "applying" was that the latter was done as part of the regular annual programming exercise. Its results were incorporated into the investment plan. Staff from CIDER/PIDER and from several technical agencies were involved, so that the

methodology emerging from these rounds was not just the brainchild of a few imaginative minds in the CIDER capacity-building team, but the result of dialing with real planning dilemmas.

The social experiments were difficult, at times puzzling. The lessons derived from microregions with various socioeconomic structures and institutions differed. The field tests often yielded contradictory and unclear results, so that new tests were necessary. Successfully tested principles had to be solidified in clear prescriptions, and areas of uncertainty had to be gradually narrowed. Firmness, through normative prescriptions, had to be built in, combined with overall flexibility, so as to allow room for local differences in applying the guidelines. The entire sequence was a long learning process.

During the designing, testing, and refining of these procedures, PIDER and CIDER continuously stressed the linkage between the *sociological* and the *technical* sides of the planning process. Participatory planning was intended to mean more than collecting a "shopping bag" of community proposals and accepting them without sound review. Understanding the sociology of the given community, its power and economic structures, was important but not enough. The social engineers of the participatory approach soon learned that a careful technical-economic scrutiny and justification of each proposal was also required. Social engineering had to go hand in hand with, and not substitute for, the technical engineering and analysis of financial soundness.

Because the proposals emerging from communities often contained no backup technical information and economic justification, the research team had to produce analytical instruments to assess the technical and economic soundness of local investment proposals.[14] Therefore, PIDER

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[14] The simultaneity in preparing both types of "instruments" -- social and technico-economic -- was in fact an adequate response to two fallacies often present in the arguments for or against participation -- the "populist" fallacy and the "paternalistic" fallacy. As has been correctly argued, the populist fallacy which

issued instruments and standard forms for the technical and economic justifications of projects proposed at the local level, standard checklists for investment analysis, and identification guidelines for assessing the engineering requirements of projects. The use of these instruments enhanced the quality of microprojects, particularly their economic and technical preparation.

Another midterm correction of PIDER's overall approach was the result of a belated recognition of the need for community participation not only in initiating and planning the investments, but also in implementing and monitoring them. This modification was triggered by the midterm evaluation of the PIDER I project, which uncovered many cases of serious waste of resources (Cernea 1979). Such waste, it was felt, could have been prevented or mitigated if the beneficiaries had been more closely involved in the *execution* of the local projects and in the *monitoring* of private contractors' work.

EXTENSION OF THE NEW APPROACH

A further phase in testing the participatory programming methodology was its application in 1979, for the first time, to an entire state -- Zacatecas.

The challenge of preparing the statewide investment plan (see CIDER 1979; Plan Estatal 1979) and the staff resources required were much larger than those in any earlier testing. Nearly 200 staff from different agencies carried out diagnostic work in some 1,050 village communities in Zacatecas. The survey work itself had two foci -- locality studies and sectoral studies. For the former,

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contends that the rural majority always "knows better" than the technical personnel and has sufficient skills is as erroneous as the paternalistic fallacy which pretends that the bureaucracy knows best and can do alone all that is needed for development (Uphoff and Esman 1974).

60 field teams using a total of 120 technical experts carried out the diagnostic work; in the sectoral studies eight groups including some 100 technicians were involved.

The survey results were impressive: it was estimated that about 80 percent of the total population of the Zacatecas state was contacted; a total of over 4000 investment proposals were received from communities and an additional 2200 were made by government departments. Fruitful interaction between local communities and government planners was achieved in each of the three phases of planning.

WEAKNESSES OF PIDER'S PARTICIPATORY APPROACH

The chronology in Chart 2 also reflects some of the weaknesses and discontinuities that sometimes disrupted the process of producing and testing the new methodology. In 1980, the relationship between PIDER's management and CIDER became somewhat tense, partly because of personality clashes, partly as a result of their subordination to different ministers and partly for reasons related to political events in Mexico. In 1981, CIDER ceased to be institutionally involved in the further refinement or application of the participatory methodology, and this development proved to be detrimental to both CIDER and PIDER, particularly the latter. The subsequent repeated reorganizations of PIDER also had disruptive effects on the implementation of the participatory approach, a matter that is discussed later in this paper.

Furthermore, a weakness of the PIDER/CIDER approach was its relative neglect of other forms of building participation, beyond the concern for developing bottom-up planning. Indeed, PIDER didn't put sufficient effort into assisting the creation, or the strengthening, of grassroot organizations of farmers, which would themselves mobilize and sustain the active involvement of peasant groups

in development activities. Helping such stable forms of peasant self-organization to emerge is essential, because it creates *enduring structures* critical for generating the synergy from individuals' efforts and effective in building long-term sustainability (Cernea 1987, 1983).

The community meetings organized by the planning teams with various population segments were an useful, but somehow a short lived, transitional form of group action. The interaction between planners and local communities could not be maintained and sustained on a regular basis after the field teams departed from the village. When village grassroot organizations exist, or when they can be encouraged and established, they tend to be more effective in carrying out development activities. Even the most dynamic individuals are limited in their effectiveness if they are scattered and isolated, and if their efforts are not reinforced through group structures and group action. In hindsight, the availability of PIDER's sensitive change agents, who learned to know and respect local communities, could have been used far beyond involving villages in bottom-up planning, specifically as organizers and catalysts for creating stable group structures, various associations, etc. Such organizations are apt to have more lasting effects in building participation than securing the "atomized" participation of individuals from those communities.

7. INSTITUTIONALIZATION THROUGH FORMAL NORMS

By early 1980s the process of designing, testing, and revising the methodology was virtually completed. The essential lessons had been learned and the methodology for participatory investment programming had become reliable enough for widespread application. The time had come to move ahead from experimenting to institutionalizing, from testing approaches to prescribing procedures for mandatory application in PIDER.

Thus, in 1980, SPP issued its Manual for Programming containing the strategy and the detailed procedures that had emerged from the previous several years of testing (SSP 1980). This Manual became the norm for programming PIDER III areas. Numerous training seminars were organized for staff at various levels and in different regions to familiarize them with the manual. The four states (Sinaloa, Guerrero, Zacatecas, and Yucatan) that were to receive financing under the World Bank-assisted PIDER III project were required to use the methodology prescribed in the manual. Investments in the first eight microregions were programmed according to this methodology in 1980 and in early 1981.

Conflicts. The path towards this "final" methodology was not free of conflicts. Besides the difficulties inherent in the mechanics of testing, there were institutional and political obstacles to overcome. Various conflicts emerged between PIDER and line agencies at work in the same areas, either on substantive or on procedural matters -- for instance, over the kind of compensation to be provided for labor on community projects, as it happened in Quintana Roo (Koch-Weser, 1979). The bureaucracy in one or another agency sometimes opposed the new approach openly and at other times paid it lip service while sidestepping it. Even within PIDER, staff and managers only gradually, and not monolithically, accepted the methodology. In fact, at every stage

that a new, revised methodology was readied, it had to clear significant resistance before it could be formally applied. Such open resistance was not a surprise: in fact, it is to be expected in every government program attempting to promote participation.

Whereas the capacity-building group responsible for testing and refining the methodology acted basically as a team of applied social researchers, those who had to approve and enforce its implementation were managers, politicians, and administrators -- and the views and interests of these groups often clashed. The managers often felt pressed by time and execution deadlines; they were concerned that the application of the participatory model might lengthen the planning process or entail excessive costs and staff resources. Bureaucratic administrators felt that their power was diminished.

Various management teams that succeeded each other at the helm of PIDER over the years were not equally committed to ensuring participation. Some were not convinced that the improvements resulting from the participatory procedure would justify the greater efforts involved in planning. In turn, some line agencies at the local level did not apply the proposed procedures in earnest.

The social researchers involved in refining the new methodology derived strength during this process from their increasing immersion in the practicalities of investment identification and planning, as well as from the ultimate support given by SPP/PIDER's senior management. This support was instrumental in keeping the social experiment going and in triggering some reorientation within the line agencies as well.

8. PREPARING STAFF TO IMPLEMENT THE NEW METHODOLOGY

The capacity-building process is not complete without some adjustments in organizational arrangements and in the training of staff.

Cultural constraints to promoting broader participation, and specifically bottom-up planning, are often overlooked, but they are nonetheless a major slowing down factor. The promotion of participation confronts not only political constraints and vested interests, fearsome as these are, but bureaucratic and cultural impediments as well. A specific expression of such cultural constraints are the value systems of the army of technicians, planners, bureaucrats, etc., who, in PIDER's case, were called upon to embrace a new style of planning and interact with new (for them) clients. Overcoming such constraints requires organizational changes, training and related measures, with their share of efforts and costs.

There are indeed significant transaction costs involved in shifting from an old to a new administrative approach. The new approach cannot be simply superimposed over existing bureaucratic structures. Some reorganization is required: staff resources must be reallocated, functions and responsibilities redefined, existing staff must be trained and retrained, learning--from-doing mechanisms must be incorporated, and linkages between administrative units must be rearranged to improved work patterns. Korten and Uphoff (1982) defined such processes as a "bureaucratic reorientation." Without such reorganization a new participatory methodology would remain an utopian notion, and business as usual would continue.

Particularly relevant to facilitating participation was the decentralization of certain administrative functions started in Mexico in 1981, when some prerogatives were transferred from the

federal government to state governments. The maintenance of tight central control over each microregion was not consonant with progress in vesting rights in the local communities. Subregional Rural Development Committees were established for each of the PIDER microregions. Additional staff were assigned to act as "support groups" (Grupos de Apoyo) to inform communities about PIDER and to make socioeconomic analyses and diagnostic assessments of project communities by working directly with their populations.

Concomitant with the devolution of important functions from the center to the local settings, SPP considered it necessary to set up four support programs within SPP headquarters. These were programs to: (a) assist the participation of rural communities; (b) perform socioeconomic analysis of rural communities; (c) help formulate productive projects; and (d) monitor, control, and evaluate project implementation. These four central programs had also the task to issue guidelines and manuals about their activities for general application in all states.

The institutionalization of these methodological activities in SPP/PIDER headquarters provided additional structure and focus. In short time, a flurry of "Lineamentos Metodologicos" (methodological guidelines) and "Manuales" were issued. Of particular interest is the "Manual for the Support Program for Rural Community Participation" (PAPCO) which sets forth the strategy for "information and motivation" -- in other words, the approach to explaining to communities the goals and means of PIDER (see SPP 1982c). At about the same time two other manuals were prepared and published on the socioeconomic analysis of communities and on the formulation of productive projects for local communities (SPP 1982a, 1982b). In July 1982 a revised manual was issued on procedures for programming and budgeting in PIDER, summarizing both the justification of the participatory approach and the procedures for carrying it out. Two other manuals on project monitoring and control of execution followed (SPP 1982d, SPP 1982e, SPP 1982f). Each one specified ways in which

communities should be involved not just in initiating and selecting investments but also in implementing and monitoring projects.

To sum up, the process of capacity building led to the establishment of organizational tools and staffing patterns that supported the participatory approach. Errors were corrected through built-in learning mechanisms. The institutional memory of PIDER has been captured in printed guidelines and manuals, even though some of this experience was lost because of the high turnover in staff and managers. New managers often were not equally committed to the guidelines they inherited, and the orientation toward participation was at times weakened.

The economic crisis that hit Mexico in the early 1980s, as is shown in the next section, curtailed many development programs, including poverty alleviation programs and their participatory approaches. Yet Mexico's new Decentralization Project (World Bank 1991), which started as the economic crisis was ending, builds directly on some of PIDER's key accomplishments. The continuing orientation toward decentralized decision making is a vindication of the essence of PIDER's participatory strategy in the new circumstances of the 1990s.

9. DECENTRALIZATION FACILITATES PARTICIPATION

Given the complexity and vastness of PIDER and the unevenness of its results in different places, it is not surprising that PIDER's accomplishments over almost two decades have been both heartily praised and severely criticized. From calls for emulation to labeling the program's results as "unsatisfactory", the spectrum and the conflicting judgments is broad.[15] Moreover, the economic crisis in Mexico after 1982/83 reduced PIDER's financial and institutional resources to such an extent that many of its results were deemed unsatisfactory when compared with goals and expectations.

CAN PARTICIPATION SURVIVE AN ECONOMIC CRISIS?

Despite its various shortcomings PIDER had accomplished, among other gains, one remarkable breakthrough: it shook up Mexico's entrenched bureaucratic planning systems and promoted substantial consultation and participation of local communities in the allocation of resources for local development. The decentralization to the microregional level was an important social innovation that has had a profound influence.

Although the austerity measures introduced in the mid-1980s reversed some of this progress and undercut the decentralization trends, these setbacks could not wipe out all the progress regarding participation introduced by PIDER. Nor did these austerity measures and structural adjustments substitute more effective alternatives for getting people involved in public-sector

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[15] Some of these evaluations simply misjudged the significance of PIDER's experience in participation: an example is the paper "Integrated Rural Development in Latin America" by R.L.J. Lacroix, World Bank Staff Working Paper No. 716, 1985, which reports interesting empirical facts about the practice of participation yet evaluates them, in my view, inadequately.

programs. Some of the institutional gains achieved in PIDER proved enduring, and the new decentralization project (World Bank 1991) attempts to continue and expand them.

During the preparation of the decentralization project, the Government of Mexico and the World Bank carefully reviewed the experience of prior programs. Mexico's National Institute of Statistics, Geography, and Information (INEGI) surveyed PIDER III subprojects and derived conclusions for an overall strategy report (see World Bank 1989). INEGI found that direct participation by beneficiaries had contributed significantly to the construction of a large number of local projects and that beneficiaries expressed high rate of satisfaction with most local projects: about 65 percent of the subprojects were judged successful by the beneficiaries, and the social infrastructure and economic support projects rated above 70 percent. The productive projects received a lower rating.

The beneficiaries contributed substantially to the cost of certain types of local projects, as shown on Chart 3: 23 to 64 percent of labor costs and 40 to 47 percent of the cost of land for setting up agroindustry units, small scale irrigation systems, fruit-tree plantations, and livestock units. Beneficiaries were actively involved in identifying projects. They reduced costs and improved the quality of maintenance by getting directly involved in maintenance, along with the employed technicians or the executing agency.

DECENTRALIZATION AND POPULAR PARTICIPATION

Under the decentralization project that started in 1991, the World Bank is supporting the Mexican Government's efforts to resume the countrywide decentralization and foster stronger population participation.

Chart 3

STRUCTURE OF COMMUNITY PARTICIPATION BY TYPE OF ACTIVITY

Activity	Small-Scale Irrigation (%)	Fruit Trees (%)	Live-stock (%)	Agro-Industry (%)	Stores (%)	Ware-houses (%)	Roads (%)	Electri-city (%)	Water Supply (%)	Sewer-age (%)	Educa-tion (%)	Health (%)
BENEFICIARIES' CONTRIBUTIONS TO COSTS												
Land	40.9	43.8	41.2	47.1	n/a	n/a	42.3	0.0	6.1	6.3	22.2	15.8
Machinery and Equipment	4.5	6.3	--	--	n/a	n/a	3.8	--	--	--	--	--
Financial	9.1	3.1	17.6	11.8	n/a	n/a	11.5	75.0	33.3	43.8	33.3	15.8
Materials	9.1	0.0	14.7	17.6	n/a	n/a	11.5	0.0	6.1	6.3	19.4	5.3
Labor	31.8	46.9	26.5	23.5	n/a	n/a	30.8	25.0	42.4	37.5	25.0	31.6
Other	4.5	0.0	0.0	0.0	n/a	n/a	--	0.0	12.0	6.3	6.0	31.6
All Projects	100.0	100.0	100.0	100.0	n/a	n/a	100.0	100.0	100.0	100.0	100.0	100.0
PARTICIPANT'S SHARES IN PROJECT IDENTIFICATION												
Beneficiaries	63.2	68.4	58.8	--	--	--	--	--	--	--	--	--
Community	26.3	21.1	29.4	41.7	54.2	25.0	50.0	54.5	38.5	41.2	40.7	30.0
Ejido	--	--	--	58.3	20.8	12.5	--	36.4	15.4	11.8	11.1	0.0
Municipality	--	--	--	0.0	4.2	25.0	25.0	9.1	26.9	11.8	11.1	30.0
Inst./Authority	10.5	5.3	11.8	0.0	20.8	0.0	20.0	--	15.4	23.5	37.0	40.0
Individual	0.0	0.0	--	--	--	--	--	--	--	--	--	--
Other	0.0	5.3	0.0	0.0	0.0	37.5	5.0	0.0	3.8	11.8	0.0	0.0
All Projects	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(continued)

Source: INEGI surveys.
n/a = not available

Chart 3 (continued)

STRUCTURE OF COMMUNITY PARTICIPATION BY TYPE OF ACTIVITY

Activity	Small Scale Irrigation (%)	Fruit Trees (%)	Live-stock (%)	Agro-Industry (%)	Stores (%)	Ware-houses (%)	Roads (%)	Electri-city (%)	Water Supply (%)	Sewer-age (%)	Educa-tion (%)	Health (%)
PARTICIPANTS' SHARES OF MAINTENANCE												
Beneficiaries	18.8	n/a	21.4	35.7	n/a	n/a	16.7	0.0	35.0	20.0	65.2	25.0
Municipality	--	n/a	--	--	n/a	n/a	16.7	--	--	--	8.7	--
Technicians	56.3	n/a	78.6	64.3	n/a	n/a	44.4	5.9	60.0	70.0	--	56.3
Executing Agency	18.8	n/a	--	--	n/a	n/a	--	94.1	--	--	21.7	--
Other	6.3	n/a	0.0	0.0	n/a	n/a	22.2	0.0	5.0	10.0	4.3	18.8
All Projects	100.0	n/a	100.0	100.0	n/a	n/a	100.0	100.0	100.0	100.0	100.0	100.0

Note: The percentage represents the breakdown of participation by different groups or institutions for each type of activity.

The principal objective of the decentralization project is to increase the access of poor and indigenous populations in the four poorest states of the country -- Chiapas, Guerrero, Hidalgo, and Oaxaca -- to basic infrastructure, social services, agricultural technology, and larger markets. To achieve this broad objective, one of the specific goals of the project is

> "to strengthen the decentralized municipal institutions to identify, prepare, build, operate and maintain the investments in a more participatory manner" (World Bank Staff Appraisal Report, 1991, p. 19).

The process of selecting and prioritizing small scale local investments under the decentralization project will follow closely, and improve upon, the participatory planning model previously developed under PIDER (see Chart 4). The planning process is to start at the community levels, where the projects should be identified and prepared. Communities are to be informed, when their proposed projects are not approved at the subsequent stages, about the reasons for rejection. Thus, the earlier approaches and solutions PIDER arrived at, despite having been temporarily pushed back, or apparently discarded, have returned on today's agenda for careful reconsideration and use. This is a case akin to what Hirschman called the "principle of conservation and mutation of social energy" (Hirschman 1984).

The "heritage" of PIDER is visible at every stage of the current planning process and the new guidelines are seen as the "grandchildren" of PIDER, while some of the leaders are described as "PIDER-veterans". Indeed, the resumption of the PIDER approach was definitely helped by the fact that some of the key Mexican officials involved in the preparation of the decentralization program, and now in its implementation, have been associated during earlier years with PIDER or CIDER and have been formed in the spirit of PIDER's "school of thinking".

Chart 4

DECENTRALIZATION AND REGIONAL DEVELOPMENT PROJECT
FOR THE DISADVANTAGED STATES

Project Selection: Institutions, Functions, Processing Steps, and Products

INSTITUTIONS	FUNCTIONS AND PROCESSING STEPS	PRODUCTS
1. Community Committee	• Identifies/prepares project (preparation can be contracted)	• Project proposal
	• Submits proposals to municipality on a standard form	
2. Municipality	• Reviews proposals in light of exclusion criteria[1]	• First selection of projects
	• Returns rejected proposals to community	• Rejection of project, with explanation
	• Reviews remaining proposals according to criteria, filling out a score sheet on each project; projects receiving less than 25 points are returned to communities for modification	• Second selection of projects, with respective score sheets
	• Ranks projects in priority order by scores and submits selected projects, score sheets, and list to state planning and SPP/Delegation	• *First list of priority projects*
3. State Planning	• Reviews proposals according to exclusion criteria	• Third selection of projects
	• Returns rejected projects to municipality	• Rejection of project, with explanation
	• Reviews remaining proposals to ensure that selected projects meet expected standards	• Fourth selection of projects
	• Returns projects not in compliance to municipalities for modification[2]	• Explanation of reasons for rejecting projects
	• Reorders list of projects by priority and submits new list with funding for each group of projects to COPLADE[3]	• *Second list of priority projects*

(continued)

Chart 4 (continued)

DECENTRALIZATION AND REGIONAL DEVELOPMENT PROJECT
FOR THE DISADVANTAGED STATES

Project Selection: Institutions, Functions, Processing Steps, and Products

INSTITUTIONS	FUNCTIONS AND PROCESSING STEPS	PRODUCTS
4. COPLADE	• Decides on package of proposals and priority list; returns package to state planning, and submits new package of projects/priorities to SPP/Delegation	• *Third list of priority projects*
5. SPP/Delegation	• Ensures that proposals are not in exclusion criteria	• Rejection of project, with explanation
	• Returns rejected projects to state planning	
	• Reviews remaining proposals to ensure that criteria were adequately applied on each project	
	• Returns improperly selected projects to state planning for modification and deletes them from funding request to SPP/Mexico	• Explains reasons for rejecting projects
	• Reviews rankings of projects according to scores assigned and submits state program package without basic project forms or score sheets to SPP/Mexico	• *Fourth list of priority projects*
6. SPP/Mexico	• Reviews state submissions and decides on program financing	• Issuance of project funding authorization

1/ Any municipality not able to carry out this screening can request assistance from a state planning or regional SPP office.

2/ Such proposals, if modified, may be resubmitted for consideration in the current or next fiscal year.

3/ State Coordinating Planning Committee.

Summarizing the main elements that currently embody both the continuity and the changes in planning methods for local projects, the World Bank's task manager for the ongoing decentralized project wrote:

> 1. The regional planning mechanism started under PIDER is being institutionalized and embedded in the federal structure of the Mexican administration. Specifically, the manuals for operational controls used presently are the grandchildren of the manuals developed by PIDER.
>
> 2. The planning mechanism has evolved and been further improved, so that nowadays the state COPLADES (state coordinating planning committees) are the primary body responsible for regional planning. In these committees are represented all sectoral federal and state agencies. They elaborate the annual operational plan that is then revised and approved by the federal planning ministry. The need to extend the planning system to the whole country and establish a regular federal structure was the factor that required such a change.
>
> 3. PIDER's microregion planning concentrated resources on particular microregions. Nowadays planning is conducted at several levels: municipal and state so it can become comprehensive and integrate all the microregions in a state. One of the criticisms of the microregion approach was that it created islands, without coordinating planning and the required institutional support with the other microregions that were not covered by PIDER. Currently, all microregions are covered. And the basic concept of the microregion, which was the unit introduced through PIDER, still permeates regional planning today.
>
> 4. The present challenge in Mexico is to extend the public administration structures down to municipalities. A large number of them exist only on paper, so special emphasis is given to creating local structures that are participatory. In this process, institutionalized throughout the Municipal Solidarity Fund, we have certainly used a lot of the ideas of the PIDER experiences. (Mateus 1992).

The decentralization project contains two special institutional arrangements for channeling resources to the most deprived local communities: (a) the Municipal Solidarity Funds; (b) and the Development Funds for Indigenous Populations. These funds are accounts created at the municipal and community levels to provide budget financing for small community projects. They will

stimulate and strengthen communities' social demands; emphasize the consultation, participation, and direct contribution of beneficiaries; and introduce competition among the providers of services to those communities. Thus, the contradiction that weakened PIDER -- keeping project financing overly centralized while democratizing project planning -- was overcome under the new Mexican program, which gives municipalities control over funding many local projects.

Early reports from the field about the first year of project implementation confirm that activities under these two funds have indeed attracted substantial participation of local groups from the outset (Davis 1992; Mateus 1992). Another field report (Binswanger 1992) notes that "the pace and manner in which the municipal funds have been taking off are exceeding any expectations we could have had during the design and the preparation of the decentralization project." The same report indicated that in all the local projects visited, the communities provide local materials and contribute the unskilled labor, leading to beneficiary shares in capital cost from 10 to 70 percent, depending on the labor intensity of projects. About 14,000 microprojects have been completed in the first year of the project. Local microprojects include construction of schools or classrooms, road segments, additions to water supply and electrification, health facilities and drainage systems. The unit costs of projects are similar to those of line agencies, or cheaper. Community input further reduces the cost, while the ceiling on project size and cost prevents concentration of projects in municipal headquarters and favors projects in smaller settlements.

Perhaps the best summing up conclusion about the developmental value of the strategy discussed in this paper is an excerpt from a field supervision report written by an experienced project officer about the mechanisms and impact of the project's approach. The excerpt has the earmarks of the rapid and sparse style of a routine back-to-office report, yet it insightfully captures the essential strategic lessons:

"The theory underlying the decentralization project seems to have worked well so far in this component of the project: change the destination of the resources from the line agencies to the municipalities; give them control over the resources within a transparent and internally consistent project appraisal and selection system; put the burden of subproject coordination on them and give them the money to do so; involve all elected officials in the municipality and the settlements jointly with the beneficiaries in the project selection; clearly spell out the conditions under which a project can receive financing; require community labor input and thereby eliminate all projects for which no one is willing to volunteer labor. Then rely on the executive capacity dormant in the thousands of villages and slum areas.... This program appears to be a victory of municipalities over the line agencies in the competition for government resources...." (Binswanger 1992).

10. LESSONS ON GENERATING A SOCIAL METHODOLOGY

This paper has not attempted to give a full description of the methodology for organizing popular participation, as it is formulated in various manuals (see the bibliography and, for a more detailed description of the participatory planning methodology and the decentralization measures, Cernea, 1983; World Bank 1991). Nor does it try to demonstrate all the benefits achieved by applying this methodology to the selection and realization of local investments. Rather, the purpose here was to determine *how* the capacity-building path that CIDER/PIDER followed has also resulted in an *usable model* and a kit of practical tools for identifying, selecting, and carrying out investments with people's participation. The lessons for social researchers and development practitioners interested in replicating similar efforts in other countries can be summarized as follows:

The set of circumstances crucial for setting the climate and working out a participatory methodology include:

- Agency awareness of failure (meaning the candid recognition of the ineffectiveness of prior programming procedures) and consensus on the need for change;
- Establishment of a multidisciplinary (basically social science) capacity-building group, with a shared conceptual framework, to design the new approach;
- Support from the top echelons of the government agency;
- Willingness to experiment in the field, to take risks, and to learn from mistakes; and
- Recognition that innovative social engineering takes some time before it can be implemented on a large scale, but once ready it requires formal institutionalization and staff rearrangements.

The core component of this capacity-building process was a sustained action-research effort. The researchers were concerned with modeling the social process of local investment planning and implementation for applied purposes. All three principal functions for which action research can be applied were exercised: action research was used as a social research tool, a training tool, and a management tool (Lenton 1981). The duration of this action-research, however, as perhaps too long, and at times the process became cumbersome. Future similar action-research can be shortened by building on the already existing experiences and on prior tested approaches.

When action research and social diagnoses are accompanied by recommendations for problem solving, policymakers and practitioners are more likely to respect and apply them. Such recommendations should offer more than a solemn pronouncement: "thou shalt...": to facilitate application, recommended solutions should be developed and *articulated as step-by-step methodologies for social action*. Methodologies of this nature show *how* to achieve a certain development. Rather than rehashing endlessly what the policy objectives should be, they spell out in detail how to take action for translating objectives into reality.

The operational maturity of social researchers in recommending participatory development policies and approaches to governments is measured not just by their advocacy effort but by their capability to offer guiding models for action. Development practitioners are entitled to *expect* that sociologists and anthropologists who theorize about participation are able to transform their ideology into an applicable social engineering of participation.

Introducing bottom-up planning is not an operation free of incremental costs. It requires more staff time for the diagnosis phase than conventional top-down planning, and costlier logistical means. If people's involvement in public programs is to be expanded, these specific costs must be

recognized and assumed, otherwise the approach will be vulnerable to real or claimed staff constraints, to short-sighted cost-benefit arguments, or to expediency counter-arguments.

While there are indeed incremental costs for organizing participation, the cost-benefit argument against assuming the extra effort is valid. True, the economic benefits of participation and the participation-induced increase in the effectiveness of public programs do not always lend themselves to easy measurements. Many benefits will remain "invisible," but they nevertheless are real: we will never know the number of unsuitable projects which have not been included and financed due to the peasants' participation, and the amount of money thus saved. In PIDER, many inadequate investments were screened out early by the farmers' sense of feasibility and priority. The lesson is that the opportunity costs of not involving the peasants as participating actors in public programs is unaffordable, since the alternative is likely to be repeated failure or diminished effectiveness of the financial resources committed.

Furthermore, several conclusions about the innovative social engineering needed for organizing participation can also be derived from this experience. Although none of them is necessarily a novelty to applied researchers, or to development practitioners and project managers, the approaches involved are far from being unanimously accepted and applied in projects. In this light, the Mexican experience strongly supports the following conclusions:

- The elaboration of a social methodology requires the joint effort and integrated skills of professional researchers and development practitioners; they must together design for "software".

- Education alone is not sufficient for organizing participation: sound and innovative social engineering, in the sense of gradual creation of new institutionalized arrangements, is necessary. This can be done through *experiments,* as opposed to the desk-bound concoction of schemes. The model for participation of beneficiaries in development projects is not an abstract prescription, but a pattern of social organization for joint action. To establish such a pattern, researchers must patiently observe of their experiments, learn from errors, and repeatedly return to the drawing board.

- *Training* is critical for good social engineering because even partial, results have to be communicated to, and learned by, the client audience; ongoing training builds up the receptivity for the products of innovative approaches.

- Sustained political commitment to the innovative social engineering approach is necessary for fighting off entrenched bureaucratic opposition and vested-interest obstacles.

- Normative institutionalization of participation has to follow immediately after the experimental period.

- Organizational and staffing adjustments are integral to the capacity-building process. No new methodology can be effective or sustainable without the necessary organizational and administrative resources.

The process described above, impressive as it is in terms of continuity and the quality of its outcomes, nevertheless should not be seen as the only way to produce a methodology for a certain type of social action. Moreover, this process should not be idealized, because it had its own weaknesses, some of which were pointed out here. Yet, this is one of the relatively few cases in which a team of applied social researchers worked with continuity over a period of several years to produce a methodology for community participation in bottom-up planning that was professionally designed on the basis of social analysis and field trials, rather than improvised hastily with more enthusiasm than meticulousness.

If theories and methods for purposive development activities are to be improved, and if organized community participation in publicly financed programs is to become more widespread, the action-research experience described here needs to be replicated by other applied researchers, with adjustment to their contexts.

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