

Michael Cernea

Modernization and Development Potential of Traditional Grass Roots Peasant Organizations

FILE COPY

Reprinted with permission from *Directions of Change: Modernization Theory, Research, and Realities*, edited by Mustafa O. Attir, Burkart Holzner, and Zdenek Suda (Boulder, Colorado: Westview Press, 1981), chapter 5.

5

Modernization and Development Potential of Traditional Grass Roots Peasant Organizations

Michael Cernea

Anyone who has observed the formation of a colony of bees has certainly noticed that before collecting any pollen or starting to produce honey, the bees busy themselves with building their honeycomb. With wax from their own bodies, they construct a beautifully shaped matrix of little hexagonal chambers. Only after the colony completes the construction of this delicate, but strong and indispensable, structure does it feel that it can begin the ultimate work: producing and accumulating honey. The significant lesson the bees are teaching us concerns the role of organization and priorities: In order to produce, start first by building a structure for the productive activities. Without such a structure, no productive activity can be carried out.

My chapter will focus on exactly this point: the importance of structure-building for development-oriented activities. The area of discussion will be agriculture in traditional peasant societies. More specifically, I will examine some issues related to the modernization of the social organization of agricultural productive activities, under the following headings:

- organizational underdevelopment in peasant societies;
- development potential of traditional peasant economic organizations;
- rural development projects and peasants' organizations; and
- organization building.

The author is senior sociologist at the World Bank, Washington, D.C. The views and interpretations in this paper are those of the author and should not be attributed to the World Bank. The initial version of this chapter was revised and expanded during the author's period of residence as a fellow at the Netherlands Institute for Advanced Study in the Humanities and Social Sciences (NIAS), Wassenaar, 1979–1980.

The questions implied under these headings are relevant to the broader topic of convergence and divergence, more in terms of the dialectics of the developmental process itself than in terms of the end-model the process will produce. Can we identify common trends in organization building in the less developed countries? Our investigation should not be confined to exploring the extent to which the industrial societies of the world are (or are not) developing a common socioeconomic system in response to similar needs. We should also examine whether the less developed nations—particularly those freed (at least politically) from colonial servitude that are taking off from a more or less similar starting point—are following a common pattern of development, as well as whether they are advancing on divergent paths in terms of the types of institutions and organizations they establish.

I. Organizational Underdevelopment in Peasant Societies

Quite often, modernization of traditional agricultural societies is interpreted as if it were reducible to technological progress. Rapid economic and social progress is expected to occur as an immediate consequence of “introducing” a modern “technical package” into a subsistence type of agriculture. Yet, no matter how important technological modernization might be, it does not on its own ensure development, as many technocrats and bureaucrats naively think. The impossibility of generating genuine development through technological transfer has been confirmed by countless agricultural development schemes that have unilaterally channeled their investments into technology and neglected the corresponding adjustments in social organization. Sooner or later the promoters of such investments had to wonder why the technology was not absorbed by the intended beneficiaries and why it failed to lead to the expected development.

A distinct feature of traditional agricultural societies is what I would term “organizational underdevelopment.” Understanding this concept is crucial for the general definition of underdevelopment and for conceptualizing the requirements for modernization. The organization of economic life in traditional peasant societies can be described, in essence, in terms of two major dimensions: the technological axis and the structure and membership of productive units. Other characteristics can of course be added to build a multidimensional model, but for the purpose of this analysis I will concentrate on these two essential dimensions.

The first—the technology of production activities—is rather simple in traditional peasant systems. It is characterized by a low degree of division of labor as well as by undifferentiated skills among the producers, and it relies largely upon human energy for operating many or most of its production tools. Agricultural activities are performed syncretically, without specialization of technical tasks, and thus without a strong need for complementarity

among producers except for specialization along natural lines (sex and age). As Firth (1951:135) wrote, "the relative simplicity of technology . . . means the lack of a high degree of economic specialization. With it goes also the lack of allocation of resources to technical development as such. The economic mechanism is not highly sensitive to the possibility of technical change, and such change is slight and slow." Subsistence is the essential goal and self-sufficiency is the condition for the survival of the basic productive unit.

As to the second dimension, the fundamental feature of most traditional peasant economies is the absence of specialized and distinct social organizations created solely for the purpose of production. "Peasant and primitive societies do not have organizations whose only tasks are those of production, and there are no durable social units based solely on productive activities" (Nash 1967:5). This statement may well be too categorical and should be qualified, but it represents what many anthropologists have believed and still believe.

Later in this discussion I will attempt to qualify this seldom-questioned contention, reviewing part of the immense variety of organizational forms invented by peasant societies for their productive activities. But it is undoubtedly true that the basic unit of production in such agricultural societies—the family production unit—is in fact a social unit with multiple functions, and the essential social organization carrying out the making of goods is derived from, dependent on, and often coincident with other forms of social life.

Historically, there have been three main types of social structures or forms of noneconomic organization that have offered a framework for productive and economic activities in traditional peasant societies:

1. kinship structures (the family entity, or groups of several families, clans, phratries, etc.);
2. age-graded groups, which provided a relatively loose organizational structure facilitating some productive or service activities (for instance, the age groups led by the Basumba Batale among the Sukuma in Tanzania); and
3. political structures, which sometimes served as a matrix for carrying out certain economic activities as well.

Students of primitive peasant societies have observed that the dependence of economic units on networks of social relations performing mainly other, noneconomic functions has a series of adverse consequences on technological levels, productivity, and outputs. As Nash (1967:6) wrote, "Their economic activities are only one aspect of the things they do. . . . In these societies there tend to be many productive units, similarly structured, all doing the

same sort of work. These productive units are limited to the sorts of personnel they are able to recruit, the capital they are able to command, and the way in which they may distribute their product." More than that, they are limited in their possibilities for specialization, exchange, improvement of resources, and increasing productivity. In other words, these small and discrete units are limited in their capability to grow and to develop economic activities.

This historical underdevelopment of productive organizations in the agricultural sector is aggravated by the imbalances resulting from the relatively accelerated organizational developments in other sectors. Across the board, less developed countries (LDCs) are characterized by a pattern of uneven organizational development of the various sectors of their natural economies, in which agriculture is always losing to the industrial-urban economy and to the commercial sector. The productive agents in agriculture—mainly the mass of small and middling farmers—become more vulnerable and less able to compete and to defend their economic interests. Rural poverty is a direct consequence of, *inter alia*, the opportunities afforded for surplus extraction by the better-organized economic sector from the vulnerable, isolated, weak, and unorganized (as a group) productive units in agriculture. Justifying and recognizing the implications of this organizational underdevelopment is essential for understanding all the crucial issues of planned modernization of peasant societies and economies. For only if the promotion of improved technologies is accompanied by substantial progress in creating the social organization to accommodate this technology can any real, self-sustaining development occur.

The dependence of economic activities on noneconomic or on noneconomically specialized structures of social relationships, however, is not total and exclusive, even in traditional agricultural societies. A number of sociological and socioanthropological studies have provided evidence that many peasant societies have created various informal organizations specifically to carry out certain productive agricultural activities. This refers, for instance, to patterns of relationships among cultivators when the establishment of such patterns is favored by territorial linkage and common need, as in the case of water users' societies not based on family ties, whose members act in a more or less coordinated way to create and preserve an irrigation system. Also significant is the expansion of various sorts of informal rural cooperatives in many developing countries. Yet these still account for only a limited fraction of the rural producers in the LDCs.

There are, certainly, hundreds of other forms of unconventional organizations and cooperation for productive purposes that remain unknown or unstudied. The insufficient interest in—if not the direct neglect of—economic organization and activities in traditional ethnography ac-

counts in part for this information gap. The social analysis of forces pressing for modernity (see Chapter 6) and of modernization mechanisms should therefore pay adequate attention to the potential of, and the need for, developing and multiplying such organizations.

II. The Development Potential of Traditional Peasant Economic Organizations

Social development is essentially a continuous process through which humanity has invented new forms of social organization. Various groups have developed their organizations at different speeds, thus achieving different degrees of productive capabilities and cultural complexity, and have reached corresponding levels of historical progress.

From the statement that organizational underdevelopment is one of the major constraints on the modernization of traditional peasant economies, at least two other propositions may follow and should be explored:

1. The traditional, spontaneously created forms of organization for economic activities have had potential for development. Today, this potential may be either exhausted or insufficient to ensure subsistence and growth within a more competitive and exploitative socioeconomic environment; or, it may simply be underutilized (and therefore may still be a resource for development),
2. The patient construction of new forms of organization geared to better fulfill productive economic functions is a crucial, indispensable component of modernization.

A brief look at actual forms of traditional economic organization is necessary. In addition to the family- and kinship-based forms of economic organization, which are the most widespread, a multiplicity of informal groupings and voluntary associations can be identified in all cultures: herders' groups, mutual aid work groups, rotating credit and saving groups, water users' societies, dancing societies (which are, to a large extent, vehicles for labor exchange and group self-help), neighborhood associations, and so on. These may comprise kinship networks as well, but not necessarily so; sometimes they consist only of neighbors or friends. How widespread are these organizations, and are they still viable in our era of "modernization"? Have they fully used their potential, or can they still be a support vehicle for the further development of productive agricultural activities?

Group Organization for Managing Labor. Countless informal groupings of farmers have developed around specific work tasks and are linked to various stages of the agricultural production cycle. Among these, the mutual

aid groups for labor sharing are certainly the most widespread informal organizations. They have relatively stable structures and operate under customarily validated sets of rules, even if their specific memberships vary from one season to another. Farmers throughout the world have spontaneously realized that group work is more productive than individual work. The large variety of forms of patterned labor exchanges through group association should not obscure the similarity of most of their ground rules. For instance, research in just one country, Liberia, has uncovered nineteen distinct traditional patterns of shared labor (Siebel and Massing 1976). These patterns, despite differences in their size, in their permanent or temporary character, in their reciprocal and nonreciprocal obligations, and so on, follow in essence the same basic principles of group organization for pooling and managing labor resources.

Although the potential for such groups is virtually limitless, their informal nature (and the consequences of this informality and loose structure) is itself a tremendous intrinsic limitation. This informal cooperation in pooling, sharing, and managing labor resources lacks the attributes that a strong organization, adequately structured and specialized, could supply to enhance the effectiveness of these resources. These limitations in turn affect the size and durability of such informal associations. The latter are relatively small and are usually called into being by an occasional work task, rather than being organized for performing all or most agricultural activities at hand. Often, membership may involve just one joint action before the group ceases to exist. There are situations in which the boundaries of a mutual aid group may be quite well defined and the group may elicit a lifelong commitment among members (as in the case of certain "secret" dancing societies in Sukumaland, for instance), thus empirically suggesting the potential for more stability and effectiveness.

Group Organization for Managing Water. Historically, where joint irrigation has occurred, traditional water users' associations have tended to evolve. This is a significant form of farmers' organization for production-related activities, one that is not derived from, dependent on, or coincidental with family and kinship structures. The irrigation system as a physical means of agricultural production is thus reinforced and backed up by an adequate form of group organization of those who are using the physical infrastructure.

The incidence of these water users' societies is worldwide. An inventory of such water-related social organizations (Radosevich 1977) and numerous studies (Geertz 1973; Freeman and Lowdermilk 1976; Reidinger 1974; Hunt and Hunt 1976; Coward 1976; Coward and Levine 1978; and others) have shown surprising similarity in such organizations created in totally different cultures, particularly in Indonesia, Thailand, Pakistan, the Philippines, Sri

Lanka, and in Mexico, Ecuador, and other Latin American countries.

Participation in water-users' spontaneous organizations is conditioned by the physical layout of the irrigation network. I refer here to small units, specifically, to the smallest collectivities of irrigators. They are usually based on a hydraulic principle (the cluster of farmers along a lateral canal that branches off from the main canal and carries water to the vicinity of individual fields). Membership varies according to the size of the lateral canals and is dependent on the average size of the holding area. This usually represents somewhere between 20–50 cultivators, although they may contain as many as 150 farmers cultivating an irrigated area of some 120–150 hectares. Their internal arrangements and informal regulations vary from culture to culture as well as within cultures; nevertheless, their functions coincide to a large extent. For instance, four distinct types of water users' organizations have been identified in Java alone (Pasandaran 1977).

The primary function of these organizations is the management of water, especially the equitable allocation of water among members, and the maintenance of the canals. The organization mobilizes the cooperation of its members in various types of construction work: They rebuild backup canal banks eroded under the pressure of water, undertake rehabilitation work against siltation, carry out maintenance work for damages done by vegetation and animals, and so on.

To a significantly higher degree than the labor exchange groups described earlier, the water users' associations define a set of distinct roles that have a direct bearing on the specific tasks involved in creating and operating an irrigation system: construction, maintenance, water allocation and management, and conflict resolution. The degree of group cohesion is critical for the persistence of an association and of the physical infrastructure for which the group is responsible; otherwise canals may fall into disrepair, silt over, and so on. There are, of course, conflicts among group members (particularly in times of water shortage); hence, mechanisms for conflict resolution are also critical to the continuing viability of the organization. A leadership structure is institutionalized. The traditional "water master" is the key to the effective management of these groups. Coward (1976; Coward and Levine 1978) found that an essential condition for the cohesiveness of such groups is the accountability of the water master to the membership—he must have their trust in order for the group to function.

The obvious question is whether these spontaneously created water management organizations, which have convincingly proven their potential and validity, are being recognized by development bureaucracies and involved in development programs. The proliferation of bureaucratic engineering agencies in charge of national irrigation systems should not

eliminate the role of farmers' organizations for water self-management. Only seldom, however, are there attempts to absorb these traditional water users' associations into national irrigation systems.

There are many substantial opportunities to systematically use the potential of such grass roots organizations in development and rehabilitation projects in many LDCs. Yet, a thorough study of a large number of irrigation development and rehabilitation projects in many LDCs, projects sponsored by national governments or by international and bilateral agencies, has convinced me that it is very rare that such a deliberate approach is taken. Social scientists may find here a propitious area for which they could provide, instead of the ritual exhortations for more use of social science in development, specific advice and social engineering support with respect to strengthening and formalizing the grass roots organizations, thus enhancing their potential and using it in the context of formal irrigation policies and projects.

Group Organization for Managing Savings. Development experts are accustomed to thinking of modern banks as one of the most complex and formalized economic organizations, fulfilling multiple functions for individuals and for highly diversified macro-economies. Yet, surprising as it may sound, in certain traditional economies there exist certain informal, loosely structured groups that have been organized in order to fulfill—obviously on a micro-scale and in a simple way—some typical banking functions: collecting resources, promoting savings, and handing out credits to members. These are the grass roots “rotating credit societies” created by the participants themselves, which involve the pooling of minimal surpluses into a kitty to which each member in turn has access (Geertz 1962; Ardener 1964).

During the last fifteen to twenty years, many sociological and rural anthropological reports have produced a mass of field information on such organizations. Recently, a worldwide synthesis undertaken by Bouman (1977 and 1979) of the available field data concluded that indigenous rotating credit and savings associations (RoCSAs) have been identified in more than forty LDCs. The striking similarity in some of the basic functions performed by these grass roots “peasant banks”—although they were established independently in many different cultures—is extremely significant. It suggests that they are similar cultural and organizational responses to similar economic needs. Of course, the specific forms these groups take are diverse, varying from country to country and, indeed, from group to group. Siebel and Massing (1976) have identified sixteen different forms of RoCSAs in Liberia alone. In Nigeria the women's rotating savings and credit groups described recently (Okonjo 1979) appear to be functionally and financially more sophisticated than similar groups described ten to fifteen years ago.

Group cohesion in RoCSAs tends to be rather strong, despite their informal character; they can operate only because their members trust each other's credit-worthiness. A certain degree of stability and permanence is built into RoCSAs by the mechanism of rotation itself; each member has to wait and benefits in turn. RoCSAs may be single-cycle groups, which disband after one full circuit (a single cycle may last from several months to a period of years, depending upon the size of membership), or they may run several cycles of renewal. They are able to mobilize small savings as no other organization can. Pooling these small savings, they create an investment pool to be used successively by the members for consumption or productive purposes. Sometimes, the RoCSAs purchase for their members items of common use, such as corn mills.

In the preceding discussion I have reviewed only a small segment of the spectrum of social organization for economic activities in traditional peasant societies. It thus appears that the organizational underdevelopment of peasant economies is not simply synonymous with the absence of production-related organizations that do not coincide with other forms of social organization. There exists a multitude of indigenous, more or less informal, production-related organizations all over Africa and Asia, they are often of ancient origin. The organizational underdevelopment syndrome refers rather to the attributes and the qualitative aspect of the existing organizations; their low degree of cohesiveness, formality, and structuralization; their insufficient coverage and interlinkages; and insufficient adaptation and change with the coming of a market economy.

I would say, to conclude, that there are three interrelated dimensions of the chronic organizational underdevelopment in peasant economies:

1. The predominance of the family as a nonspecialized, basically noneconomic organization for economic activities.
2. The insufficient spread and coverage of specialized organizations like those described in this section. Such economic organizations do exist in a variety of forms, but compared to the ocean of small holders, their coverage appears limited and they are not mutually interconnected in a system of linkages, exchange, and support.
3. The qualitative weakness in their internal structures, the low degree of role differentiation and complementarity, and the informality of their arrangements, all of which diminish their economic effectiveness and capability for autonomous modernization

III. Rural Development Projects and Peasants' Organizations

Confronted with these organizational obstacles to modernization, many

policymakers or development practitioners tend to develop either one of two basic sets of attitudes. The first consists of ignoring or underestimating the development function and potential of grass roots, production-oriented peasant organizations. This is the well-known attitude of certain national development agencies that perceive indigenous organizations and culture as a constraint on modernization, as a remnant of old times, and a nuisance to be eliminated, in order to really "modernize."

The second consists of idealizing the traditional organizations and culture and ignoring the historical necessity of changing them too; this is tantamount to not understanding the essence of organizational forms as a cultural adaptive mechanism to change and as a sociocultural form for absorbing and utilizing modernized technologies.

I believe that neither one of these two positions can guide, either in practical or in theoretical terms, an effective development policy. The issue is, first, a conceptual one, and it concerns not only development technicians or government bureaucrats, but also the stand many social scientists take vis-à-vis the question of traditional and modern organizations. I believe that this perspective could and should be reversed: Instead of regarding traditional organizations as a constraint, could they not be utilized as a resource for development? A sound modernization policy should make the best use of all available resources, including available social organizations, when they are amenable to developmental activities. On the other hand, the need to strengthen, change, and develop these organizations themselves should not be overlooked.

A forceful metaphor that supports the concept of using the potential of traditional, grass roots peasant organizations for promoting modernized production technologies was suggested by Siebel and Massing (1976):

As vehicles for development, these traditional organizations have been slow-moving because they have been handpushed. The motor of technological innovation has not yet been built into them. This motor originated outside the Third World and eventually spread very rapidly throughout the northern hemisphere. Institutions in which the motor of technological advancement is built or assembled—i.e., complex organizations, particularly factories—have been founded all over the world. But in the southern hemisphere the introduction of the motor of development through Western institutions, often has failed because of an alleged shortage or absence of vehicles, that is, institutional settings, in which the motor could be installed. . . . The vehicles, and their drivers, are there, but they have not been discovered. . . . The vehicles are traditional organizations, among them traditional cooperatives and other groups with economic goals. Ignorance of these organizations explains, at least in part, why so few deliberate attempts have been made to implant modern

production and marketing techniques into indigenous organizations. Instead of placing the motor of technological innovations into these vehicles—the traditional organizations—and letting them “take off,” both motor and vehicles have been imported.

This allegory may be pushing the issue a little bit too far; it is not possible to simply implant modern means of production into unchanged traditional organizational forms. But the emphasis on the need not to ignore but rather to use such organizations is valid. As Colletta (1975) wrote, “All too often development has confronted culture as a bulwark of conservatism, infrequently looking towards its potential use for positive change. Anthropologists have been quick to document the confrontation between development and culture . . . [instead of] leading the creative discovery of how long established cultural pathways of interaction, established roles, institutions and value incentive systems might be employed as levers for positive change.”

There is evidence that some rural development programs in Third World countries attempt deliberately to rely on traditional forms of production-related peasant organizations. Other programs sometimes do so more or less unwittingly. The results of these approaches are not clear-cut and unequivocal, but there are significant cases in which the existing development potential has been thus uncovered and mobilized. To sociologists and social scientists, however, the possibility for building upon the existing grass roots organizations is more often a merely theoretical issue. Too seldom is it approached empirically, on the basis of current practices and lessons of actual experience. There is a need to analyze the existing evidence and to define the premises and the limits of the deliberate use of traditional organizations, as well as to determine the circumstances under which a structured policy relying on that approach can be evolved and implemented. A large field of exploration and development-relevant research lies open here for social scientists.

In order to assess what the actual “state of the art” is and what lessons may be derived from current practices of development projects, I initiated an analysis of the available store of experience with regard to informal peasants’ groups in rural development projects financially assisted by the World Bank. In a first phase of this analysis, a review of rural development projects was carried out. The “universe” studies consisted of all World Bank-supported rural development projects started over a period of four fiscal years (1973–1977). A total of 164 projects was identified in eighty countries and their “appraisal reports” were reviewed.¹ From this initial number, all projects were to be selected in which the appraisal report

1. considered patterns (existing within the project area) of traditional

- cooperation based on labor exchange, on group management of water, or on savings and credit;
2. indicated that group action in the form of community "self-help" would be encouraged by the project; *or*
 3. indicated that farmers' groups related to productive or marketing activities or various other types of "pre-coops" would be established during project implementation.

After the identification of projects with such elements, a more penetrating analysis was carried out, through the review of documents collected in the project file, particularly supervisory reports on project implementation, and direct and informal interviews with World Bank staff members, primarily operational staff. About fifty project staff were interviewed about their actual experience, views, difficulties, and so on, related to the selected projects and to other instances in which farmers' organizations have been involved.

The findings of this review, although tentative and subject to refinements from the analysis, which is still ongoing, have been quite significant in terms of the general state of the art. They indicated, among other things, the following:

1. The design and preparation of most rural development projects is not guided by a preexisting, explicit, and structured policy and methodology for identifying traditional, or for establishing new forms of, peasants' organizations or for incorporating them into the mechanisms of planned and financially supported development.
2. Nevertheless, an important proportion of rural development projects suggests the creation (or strengthening) of a variety of quasi-formal groups for small farmers. More than 40 percent of the 164 reviewed projects being implemented in thirty-seven different countries were found to contain, in one form or another,² the elements listed above. This is a surprisingly high proportion in light of the absence of a conceptualized orientation towards the involvement of farmers' groups and informal organizations.
3. The main reason for the presence of such project provisions, in the absence of a formal policy, was the intuitive perception or the empirical conviction of the individual staff³ involved in the design or appraisal of projects that the development process needs to rely upon and promote the structured self-organization of the small producers for their own interests.
4. A heavy constraint limiting this trend is the absence of a practical methodology for carrying it out, of a social technology for building

farmers' groups, for identifying and effectively supporting (i.e., financially and technically) existing traditional organizations. National governments and national technical agencies are not geared toward such an orientation, and individual "development experts" from an outside international agency cannot change that situation by themselves; moreover, in many cases these experts are not equipped with systematic expertise about this particular side of the development effort.

5. Provisions relating to farmers' organizations, even when incorporated in project design and appraisal, generally allow these organizations only a rather secondary function in the overall project effort. In other words, most (but not all) projects reviewed in the survey appeared to have a development mechanism not centered around the self-organization of the producers for attaining their own self-sustained growth, even when the projects took a relatively open-minded stand on the potential of farmers' organizations.
6. The follow-up on the implementation of the provisions related to creating, promoting, activating, reorganizing, and strengthening these organizations is often hampered by the lack of adequately skilled staff (such as social extensionists, sociologists, anthropologists, or managers and administrators). This lack of personnel exists primarily at the project level, but also within the governmental or international agencies involved. Positive or negative experiences in that respect are seldom systematically analyzed and fed forward into the planning and design process.

Among various rural development projects particularly rich in lessons about the relationship between financially induced development and farmers' organizations and participation is the PIDER project in Mexico. The provisions in this project regarding, for instance, the development of about 800 livestock units under existing *Ejido* organizations or groups have been successful only insofar as the social organizational aspects have been properly dealt with; but when only the infrastructure of these livestock units has been constructed, without adequate group arrangements regarding division of responsibilities, organization, group ownership, benefit allocation, and so on, the livestock units have failed, no matter how large the investments in physical infrastructure were (Cernea 1979). When the participation of prospective beneficiaries in decision making for investment selection was elicited through an experimentally evolved methodology, the results have been considerably different.

The survey and analysis of past and current rural development projects, although still in progress, has yielded significant suggestions for both opera-

tional activities and social research and practical work. It appears that elaborating the social methodology and technologies for organization building should be regarded as a very high priority for social scientists involved in the study and support of the rural development processes.

IV. Issues in Organization Building

Informal peasant organizations are not, of course, the only answer, nor are they the only concern with respect to improving the effectiveness of rural development policies. Nevertheless, this chapter has attempted to call attention to the great potential and high urgency of that particular component. To correct the organizational underdevelopment of peasant communities, which was posited at the beginning of the chapter, requires the development of strong formal operations as well, including formalized cooperative organizations, various forms of peasant unions, and other action-oriented organizations. Recent studies suggest an increasing recognition of this factor and present an extremely interesting array of empirical findings (van Heck 1979; Hollnsteiner et al. 1978; Alexander 1979).

In the final analysis, the difference between informal and formal peasant organizations is largely a matter of the degree of organizational complexity and of the social awareness and social ability of the prospective members to organize themselves in order to achieve definite production (and other) goals. The degree of organizational complexity should be regarded as an essential variable in an organization-building strategy, as peasant societies may or may not be ready to implement a certain organizational model. Failure in development may result as well from promoting an inappropriate (i.e., a too complex) organizational model as from neglecting social organization altogether. One of the most dramatic attempts in recent history to build new forms of peasant organizations for production activities was the creation of agricultural cooperatives in a few East European countries and of communes in mainland China. Romania was a case in point. Starting in the late 1940s, the drive for cooperativization in Romania was specifically intended to replace the family as the basic traditional organizational pattern for farming with a more formal and larger, enterprise-type, state-controllable organization, the agricultural production cooperative. In only thirteen years, from 1949 to 1962, more than 3 million peasant families were shifted from family farms into cooperatives (Cernea 1974). If we closely examine the statistical data as presented in Table 5.1, these thirteen years can be clearly broken into three phases, which were in fact a succession of organizational models.

The first phase lasted from 1949 to 1953. During this phase the predominant model, which was centrally promoted, was a complex agricultural

TABLE 5.1 Organization Building in the Process of Agricultural Collectivization in Romania

Year	Organizational Model	Units	Number of Families Encompassed	% of Total Arable Land in Country
1949	Complex Cooperatives I	56	4,000	0.1
	Simple Associations	0	0	0
1951	Complex Cooperatives I	1,089	75,400	3.2
	Simple Associations	0	0	0
1953	Complex Cooperatives I	1,997	169,000	unknown
	Simple Associations	2,026	102,000	unknown
1954	Complex Cooperatives I	2,070	178,000	unknown
	Simple Associations	2,833	139,000	unknown
1955	Complex Cooperatives I	2,152	183,200	9.5
	Simple Associations	4,471	206,300	4.7
1957	Complex Cooperatives I	2,755	375,100	16.6
	Simple Associations	11,853	1,078,200	23.4
1959	Complex Cooperatives II	3,745	842,900	32.3
	Simple Associations	11,565	1,775,400	36.7
1960	Complex Cooperatives II	4,857	1,416,600	50.3
	Simple Associations	8,828	1,567,200	30.7
1961	Complex Cooperatives II	6,424	2,050,981	70.2
	Simple Associations	6,677	1,080,533	22.4
1962	Complex Cooperatives II	5,398	3,294,800	91.0
	Simple Associations	1,317	241,800	1.8
1965	Complex Cooperatives II	4,680	3,409,100	94.1
	Simple Associations	120	56,800	0.1

organization (Complex Cooperative I), with common ownership of land, joint work teams under appointed leadership, enforced working schedules, and rigid payment systems. The peasants were not at all prepared to accept this model; despite various forms of economic pressure and outright administrative coercion this rigid organizational pattern was for all practical purposes rejected by the farmers.

During the second phase, from 1954 to 1959, the predominant organizational model promoted for peasant production activities was a much simpler

agricultural association, in which farmers were permitted to maintain individual property and cattle, each family worked mostly on its own land, only a few rented agricultural machines were used in common, and some marketing was done by the association. Coexisting with the traditional structure (the individual family household as a production unit), this single organizational model was much more acceptable to the peasants; it caught on fast, under significantly less pressure, and surpassed the spread of Complex Cooperative I in terms of numbers of units, total numbers of families joining, and percentage of the total arable area of country. (See trends for 1954-1959 in Table 5.1.)

The third phase, from 1960 to 1962, was one during which, once again, a complex organizational model, which could be called Complex Cooperative II, was imposed by force, politically and administratively, and became predominant in the countryside. Basically, the pattern of the first phase was repeated, but this time it was revised and made more flexible and was accompanied by more economic incentives. It was thus made more acceptable and understandable to the peasants, who had also gone through the experience of the simpler associations of the previous years. Complex Cooperatives II, as can be seen from Table 5.1, gradually surpassed the simple associations in membership and land area controlled and became the organizational model accounting for more than 90 percent of peasant agriculture in Romania.

Interestingly enough, however, this tremendous process of organization building did not succeed in wiping out completely the function of the peasant family as a production unit (Cernea 1975). The small family plot allowed for the private use of, and management by, the cooperative farm members is run, in some respects, much like the prior private peasant farms, only more intensively and at higher productivity levels. This is also revealing for the survival capabilities and the unused developmental potential of traditional organizational forms. Altogether, the recent experience of agricultural development in centrally planned economies is pregnant with lessons, both negative and positive, about organizational modernization of peasant societies.

The degree of subjective readiness of a peasant society for one or another type of formal organization is thus an essential variable to be assessed under each specific set of cultural, technological, economic, and political circumstances. There are also other important issues, related as well to organization building for modernization and development purposes, that social scientists cannot fully address because of their insufficient involvement in operational development efforts and the lack of empirical research. These may appear to be challenging research and operational questions for further debate. For instance:

- Is it feasible to create linkage systems between the modern, formal, bureaucratic administrative and regulatory agencies that rapidly develop in Third World countries, and traditional, informal, soft, grass roots forms of group organization for economic activities?
- What strategies could be used to strengthen the spontaneous and traditional organizations that are still alive and to plug them into structured and planned development programs?
- What should be the proper mix of economic and legal government support to such grass roots organizations?
- What is the trade-off, under specified circumstances, between efforts for creating new, modern, formal economic organizations and efforts for using existing ones, thus benefiting from their legitimacy and minimizing the social disruption involved in promoting change?
- What should be the social technology for transferring financial resources into the software of the modernization processes—the institutional structures, the “honeycombs” needed to support expanded productive activities—as opposed to investing only in infrastructural and technological hardware?

Before I conclude, let me make one last comment on how much the concern with organization-building issues is (or is not) present in government modernization policies in developing countries. I talked recently to an economist who had just completed an in-depth study of the agricultural sectors of two developing countries. He told me that in order to increase resource mobilization, the two governments have used almost all the conventional economic remedies: They have attempted to raise various agricultural levies; they have expanded the commercial banking and credit network; they have subsidized certain inputs (e.g., fertilizers) so as to encourage their usage; they have invested in road infrastructure; and so on. But in spite of all these efforts, the agricultural economy has remained sluggish and obstinately refuses to develop at a steady rate. The only thing the governments have not paid attention to, my colleague commented sadly, was institution building in rural areas. They did not at all perceive the urgency of providing the peasants with more adequate social institutional structures for increased economic effectiveness, so that the farmers themselves could achieve a self-sustaining and durable growth.

Notes

1. Robert Sanders, summer intern for a period of three months, contributed to the first phase of this review, which was coordinated by Ben Thoolen and me, his

assistance is gratefully acknowledged.

2. About 20 projects provided for water users' associations; 14 projects supported the creation of organized credit groups, primarily as a group guarantee against default; several projects promoted herders' groups or various group grazing units (associations), more than 20 projects supported various forms of pre-cooperative groups (single purpose or multipurpose), about 30 projects counted on the promotion of community labor and self-help for building and maintenance of productive and supportive infrastructure; and so on.

3. The so-called development community (consisting of professionals with various technical and economic skills involved in development activities in LDCs and in international and national organizations) is by no means homogeneous in that respect; its members hold a variety of opinions about the mechanisms of development and take practical positions that are often widely divergent (operationally and politically). A systematic sociological or socioanthropological study of this community (or communities) would certainly produce highly relevant information for a better understanding of the praxis of development.

References

- Alexander, K. C. 1979. "Some Aspects of Peasant Organizations in South India." *Rural Development Participation Review* 1,1.
- Ardener, Shirley 1964 "The Comparative Study of Rotating Credit Associations." *Journal of the Royal Anthropological Institute* 94, 2.
- Bouman, F.J.A. 1977. "Indigenous Savings and Credit Societies in the Third-World—Any Message?" World Bank Seminar Paper. (Mimeo.)
- . 1979. "The RoCSA: Financial Technology of an Informal Savings and Credit Institution in Developing Economies." Wageningen (September). (Mimeo.)
- Cernea, Michael. 1974. "Sociologia Cooperativelor Agricole de Productie" [The sociology of the agricultural production cooperative] P. 109 in *Editura Academiei*. Bucharest
- . 1975. "The Large-Scale Formal Organization and the Family Primary Group." *Journal of Marriage and the Family* 37 (November) 927-936.
- . 1979. "Measuring Project Impact: Monitoring and Evaluation in the PIDER Rural Development Project, Mexico." World Bank Staff Working Paper No. 332, Washington, D.C. (June)
- Colletta, N. J. 1975 "The Use of Indigenous Culture as a Medium for Development: The Indonesian Case." *Prisma* 1,2 (November): 61-62.
- Coward, Walter 1976. "Indigenous Irrigation Institutions and Irrigation Development in Southeast Asia: Current Knowledge and Needed Research." Paper prepared for Symposium on Farm Water Management, Tokyo (September 7-11). (Mimeo.)
- Coward, Walter, and Gilbert Levine 1978 "The Analysis of Local Social Organization for Irrigation Project Preparation Studies: An Exploration of Possibilities." Paper prepared for World Bank Sociological Workshop.

- Firth, Raymond. 1951 *Elements of Social Organization*. London: Watts.
- Freeman, David, and M. Lowdermilk. 1976 "Community and Irrigation in the Pakistan Punjab: Physical and Sociological Dimensions of the Water Management Problem." Paper presented at the annual meeting of the Association for Asian Studies, Toronto.
- Geertz, Clifford. 1962 "The Rotation Credit Association: A 'Middle Rung' in Development." *Economic Development and Cultural Change* 10, 3
- _____. 1973. "The Wet and the Dry: Traditional Irrigation in Bali and Morocco " *Human Ecology* 1:23-39.
- Hollnsteiner, M. B., M. Bagadin, Jr., and Associates. 1978 "Development from the Bottom Up. Mobilizing the Rural Poor for Self-Development " A country report on the Philippines submitted to PAO, Manila.
- Hunt, Robert C., and Eva Hunt. 1976 "Canal Irrigation and Local Social Organization " *Current Anthropology* 17, 3:389-412
- Nash, Flemming. 1967 "The Organization of Economic Life " P. 5 in George Dalton, ed., *Tribal and Peasant Economies*. New York: Natural History Press.
- Nash, June, and Nicholas Hopkins. 1976 *Popular Participation and Social Change*. Paris: Mouton.
- Okonjo, Kamene. 1979 "Rural Women's Credit Systems: A Nigerian Example " In S. Zeidenstein, ed., *Learning About Rural Women, Studies in Family Planning* 10, 11-12
- Pasandaran, L. 1977 "Group Management of Irrigation Systems in Indonesia " Paper prepared for Agricultural Development Council Seminar, Singapore, August 23-24. (Mimeo)
- Radosevich, George, assisted by Miguel Solanes and Dennis Strickley. 1977 *Improving Agricultural Water Use: Organizational Alternatives*. Fort Collins, Colorado (Mimeo)
- Reidinger, Richard B. 1974. "Institutional Rationing of Canal Water in Northern India: Conflict Between Traditional Patterns and Modern Needs " *Economic Development and Cultural Change* 23, 1:79-104.
- Siebel, H. D., and Andreas Massing. 1976 *Traditional Organizations and Economic Development*. New York: Praeger Publishers.
- van Heck, Bernard. 1979 "Participation of the Poor in Rural Organizations " A consolidated report on the studies in selected countries of Asia, the Near East, and Africa, Food and Agriculture Organization, Rome.

Michael Cernea is senior sociologist in the Agriculture and Rural Development Department of the World Bank in Washington, D.C., and a member of the Rumanian Academy of Social and Political Sciences. Before joining the staff of the World Bank, Dr. Cernea served as chairman of the Department of Sociology in the Institute of Philosophy and as professor of sociology and rural sociology at the Nicolae Balcescu Agricultural University in Bucharest, Rumania. Dr. Cernea received his Ph.D. in Bucharest in 1962 and in 1970-71 was a fellow at the Center for Advanced Studies in the Behavioral Sciences, in Stanford, California. He is the author of a large number of scholarly books and essays published in Rumanian, English, French, German, and Russian, mostly in the areas of family sociology, the sociology of agriculture, the sociology of development, economic psychology, evaluation research, and community studies. Western readers will particularly appreciate his informative studies about social science and research in his native country. Among them are "Status and Prospects of Sociology in Rumania," written with Ioan Matei for Jerzy Wiatr (ed.), *The State of Sociology in Eastern Europe Today* (1971), "Sociology in Rumania: Traditions and Contemporary Preoccupations" in *Sociological Abstracts*, Vol. 4, 1970, and several World Bank publications on development issues and evaluation research, including *Measuring Project Impact: Evaluation of the PIDER Program in Mexico* (1979) and *Land Tenure Systems and Social Implications of Forestry Development Programs* (1981).

World Bank
Headquarters:
1818 H Street, N.W.
Washington, D.C. 20433, U.S.A.



Telephone: (202) 477-1234
Telex: RCA 248423 WORLDBK
WUI 64145 WORLDBANK
Cable address: INTBAFRAD
WASHINGTONDC

European Office:
66, avenue d'Iéna
75116 Paris, France

Telephone: 723.54.21
Telex: 842-620628

Tokyo Office:
Kokusai Building
1-1, Marunouchi 3-chome
Chiyoda-ku, Tokyo 100, Japan

Telephone: 214-5001
Telex: 781-26838

The full range of World Bank publications, both free and for sale, is described in the *World Bank Catalog of Publications*, and of the continuing research program of the World Bank, in *World Bank Research Program: Abstracts of Current Studies*. The most recent edition of each is available without charge from:

PUBLICATIONS UNIT
THE WORLD BANK
1818 H STREET, N W
WASHINGTON, D C 20433
U S A

ISSN 0253-2131