BUILDING SOCIAL CAPITAL IN RURAL COMMUNITIES
(where it doesn't exist)

Theoretical and Policy Implications of Peasant Empowerment in Chiquimula, Guatemala

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FIGURE 1.

Area de influencia del PROZACHI
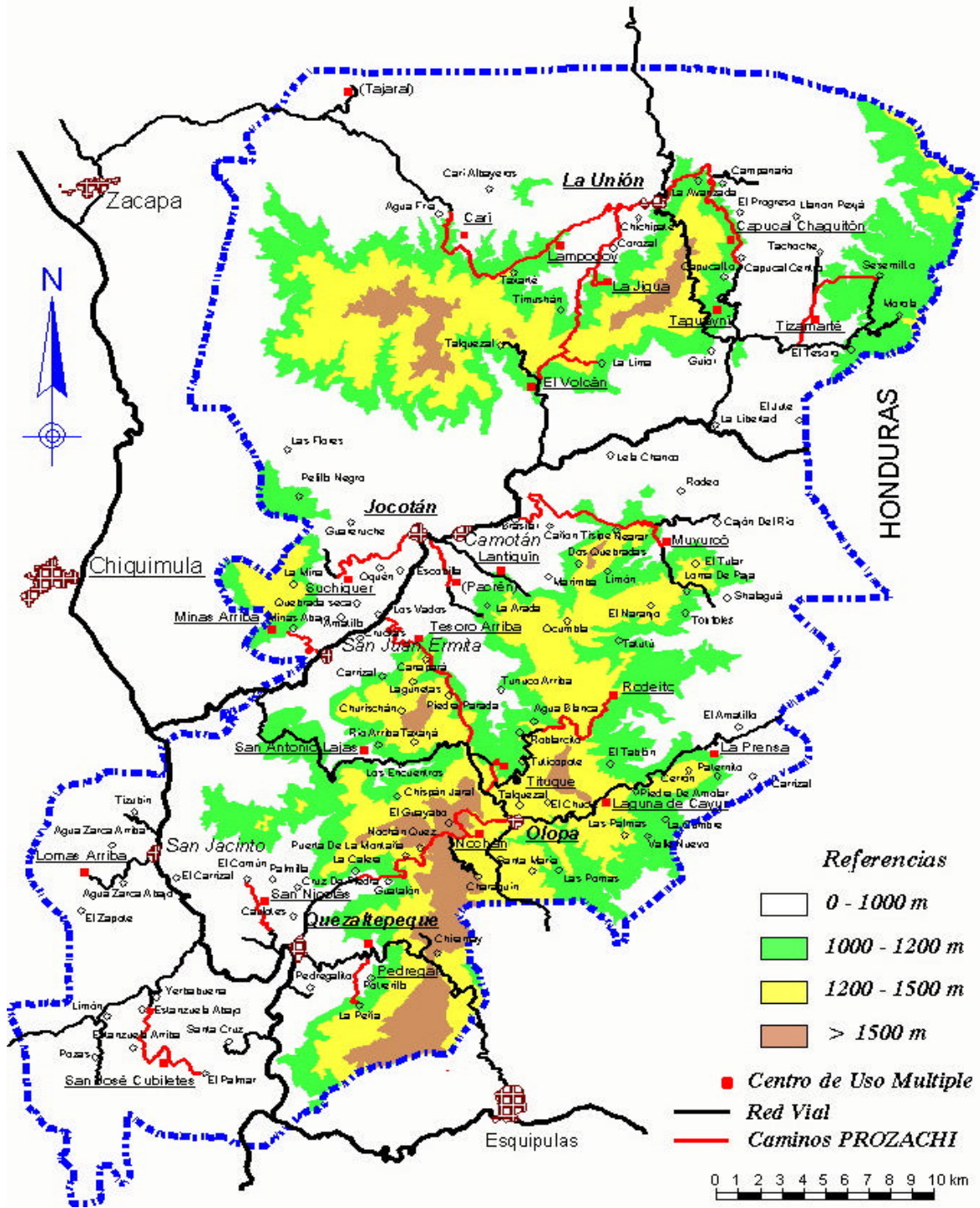
I. SOCIAL CAPITAL: AN EMERGENT PARADIGM[1]

The concept of "social capital" promises to be a valuable analytical tool for understanding the determinants of success and failure in projects designed to empower the rural poor -in the case analyzed here, peasant communities in eastern Guatemala. The concept enjoys current vogue in development theory debates and in international development institutions, since it appears to illuminate key problems in both poverty reduction and the promotion of democratic institutions. The emergent body of social capital theory enriches and illuminates the decades-old search for effective policies of grass-roots participation, community development and empowerment (Putnam 1993b), at a time when profound changes in the role of the State in development, manifested in the externalization of public services and the decentralization of resource allocation, are producing both opportunities and threats to democratization and community participation in the struggle to overcome poverty at the local level in rural Latin America.

The current debate on social capital theory is marked, however, by considerable disagreement on basic theory and not a little conceptual confusion. The discussion of recent events in Chiquimula presented here provides examples that suggest a starting point for reducing some of that conceptual confusion around a point that is crucial, if the promise of furthering the empowerment of the rural poor in Latin America and elsewhere is to be fulfilled: the question of how, when -and *if*- social capital can be intentionally built where it does not already exist.

A. FOUNDATIONAL DEFINITIONS.

Social capital is comprised of formal and informal systems of norms, institutions and organizations that promote trust and cooperation in communities and also in wider society. It is "capital" because it is a resource that helps to accelerate the accumulation of well-being, and "social" because it is not the exclusive property of individuals but is possessed by social groups and can be a characteristic of entire social systems.

Although the theory of social capital draws heavily on the neoinstitutional economics of North, Coase and others, and on the sociological formulations of Bourdieu and Coleman, its best-known exponent today is Robert Putnam, who has also elaborated most completely the theoretical structure and the empirical evidence for social capital (1993a, 1993b, 1995, 1996). Most of these writers agree on five features of social capital:

1. In economic exchange, the existence of trust based on shared norms and familiarity, together with stable relationships based on reciprocity, reduce "transaction costs" that arise when dealing with strangers in unregulated economic environments.
2. Similar benefits accrue from social capital (norms, institutions and organizations) in the civic sphere: trust and shared identity facilitate both the constitution of social actors and the emergence of honest, effective government ("strong society, strong government").
3. Social capital is strengthened each time it is activated. Virtuous circles are activated as positive experiences of trust in economic matters and success in common cause lead to greater trust and greater civic commitment.

4. Social capital is historically determined, and the starting point of the virtuous circle (or vicious circle, in social groups where betrayal and selfishness also reinforce themselves) may be hundreds of years in the past ("history matters"). The particular path out of various possible paths initiated by a particular community is repeated by social interactions over generations and the tendency toward cooperation and civic participation, or against it, is intensified in either of these two directions ("path dependence").
5. Social capital is transferable from one sphere of social life to another: the expectations of trust and the social skills of teamwork developed and learned together with neighbors and kin in cultural and religious organizations, for example, are re-applied in other contexts, such as productive cooperatives or community councils.

Social capital is built on the basic cultural norms of identity, trust and reciprocity and on customary behavior associated with these cultural elements, such as networks of reciprocity. The norms and networks of reciprocity, however do not always and in themselves constitute forms of social capital. In Putnam's definition, family ties are a "primitive" substitute for true social capital (Putnam 1993a); while for North the "simple forms of contracting and exchange" are the basic raw material (North 1990), or, we may say, "precursors" of the more complex institutions of social capital.

Other forms of reciprocity such as authoritarian clientelism or exploitative mafia-type criminal organizations (Portes and Landolt 1996; Putzel 1997), in this view, are not social capital in a strict sense because they do not benefit the majority but prevent overall growth of the economy and democratic civil society. Social capital refers, rather, to an institutional "public good" in the form of certain kinds of formal and informal rules and organizations that are of benefit to all members of a group or society: firms and the cost-reducing confiability in relations among economic agents, and patterns of democratic behavior in a strong civic society. Social capital appears on the scene when cooperative, participative institutions and organizations emerge from these precursors on a community-wide or society-wide scale, thus constituting either economic "public goods" or contribute to "the public good" of civil society as a whole[2].

Rather than constituting a coherent theoretical framework, the literature on social capital is still a paradigm in formation, and the foundational writers have come under considerable attack for their self-contradictions and for being intellectually "sloppy" (Putzel 1997). The usefulness of the concept itself, the theoretical underpinnings of its purported contribution to the common economic good, and its value for the development of democratic society have all been called into question[3].

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[2] This relatively narrow definition is not always followed by the foundational authors themselves. However, it offers the advantage of distinguishing complex social capital from its primitive precursors and their "acivic" distortions, thus avoiding conceptual confusion about a "dark side" (Putzel 1997) or a "down side" (Portes and Landolt 1996) of social capital: if it doesn't benefit a wider social collective, it isn't social capital. The distinction is analytically useful because it helps identify social capital in specific situations and directs attention to the possibilities of transforming other social resources (kinship, personal networks, difuse reciprocity, shared identity, even authoritarian clientelism) into social capital -that is, the issues most relevant for public policy.

[3] This paper does not attempt to deal with all of the issues in dispute regarding the economic and civic promises of social capital. There is sufficient empirical evidence and theoretical argument for giving those promises serious consideration; but the reflexion that follows deals with just one such issue, the basic one of constructability of social capital for **civic participation**. The contribution of social capital to productivity and **overcoming poverty directly** is a topic of equal importance, but is only dealt with tangentially here.

Empirical research is necessary to test conflicting hypotheses and generate better ones. This paper attempts to make one such contribution, based on observations in an ongoing project of peasant community development in a national context of incipient redemocratization and reform. But the existing body of hypotheses, despite its incompletion, is a more powerful tool than has previously existed, and already helps to understand the processes that surrounded efforts to build social capital in Chiquimula. Moreover, as Portes and Landolt have argued, the intrinsic potential usefulness of this conceptual tool far outweighs the costs of wading through the current confusion; in fact, "it deserves better" (Portes and Landolt 1996)[4].

B. DOUBTS ABOUT THE CONSTRUCTABILITY OF SOCIAL CAPITAL

For the theory of social capital to have any practical usefulness to policy-makers, it must be clear that it can be built. At the moment, a large shadow of doubt exists about the feasibility of intentionally creating social capital in groups where it does not already exist. Concretely these doubts mean that, "The problem with which Putnam leaves his readers is that of the constructability of social capital in circumstances -like those of southern Italy- where it has been missing historically…those societies which have been burdened historically with ineffective and inefficient institutions may not easily switch to another path…(Harriss and De Renzio 1997).

Some skeptics go further: "No one has come up with a reliable formula to produce social solidarity and trust in communities lacking them"(Portes and Landolt 1996). This question must be resolved if development agencies are to commit resources and energies to promoting social capital formation in those numerous communities (and larger social systems) where persistent poverty and weak democratic civil society are -presumably- linked to the absence of the underlying norms and the operative institutions of social capital.

North and Putnam are ambivalent and very cautious in their arguments for constructability - and their critics seize upon these vacillations. North compares Anglo-Saxon democracy and its institutions of individual rights and economic exchange with the heritage of Spanish centralized authoritarian clientelism, vertical dependence and exploitation in Latin America. He concludes that ¨where norms and networks of civic engagement are lacking the outlook for collective action appears bleak " (North 1990).

Putnam argues more strongly for public investment in social capital, urging that: "Wise policy can encourage social capital formation, and social capital itself enhances the effectiveness of government action...an effort needs to be made to theorize the possibilities of investing in and constructing social capital." But Putnam also constantly underlines the differences in well-being between northern and southern Italy, which he attributes to "nearly a millennium" of contrasting cultural path dependencies. Though Putnam is faintly optimistic in his general conclusions, based on his empirical measurement of growing regional civic in both north and south Italy, he finally decides that "where institution building is concerned, time is measured in decades," while changing norms of reciprocity and values of civic engagement "probably moves even more slowly" (Putnam 1993a, p184).

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[4] The various topics and types of social interaction that are referred to in this paper and included under the label "social capital" are, of course, not new to either anthropologists or grass-roots development specialists. The whole subject of reciprocity has been dealt with in much greater depth by the former, and the dynamics of social organizations and the empowerment of the poor, by the latter. The social capital literature has managed to bring these topics to the attention of main-stream development economists, and more important, makes major contributions to the effort to develop a "unified theory" of these socio-cultural aspects of poverty reduction and strengthening of democratic civil society.

The tenor of his detailed analysis contradicts even this lukewarm argument for investing in social capital, since it reflects a vision of history leading all cultures to one of two social equilibria: one characterized by social capital, the other by its opposite[5]. He dedicates considerable analysis to the mechanisms by which (in the acivic south) "mutual distrust and defection, vertical dependence and exploitation... have reinforced each other in interminable vicious circles....(Putnam 1993a p181). Thus, for Putnam, "path dependence" in social capital-rich communities as well as their "acivic" counterparts means that "both 'always defect' and 'reciprocate help' are ... rules that have evolved in particular communities, and having so evolved, are stable." The result, in the case of acivic communities, is that "some destinations you simply cannot get to from here." (Putnam 1993a).

The view from Chiquimula is that these authors tend to overstate their case concerning the long-term stability of both positive and negative trends. History matters -but how much? The experience of social capital building in this eastern region of Guatemala brings to light conceptual weaknesses in the historical dependency argument, and thus make it possible to present a much stronger case for constructability -in less than "decades"-.

II. THE CONSTRUCTION OF PEASANT SOCIAL CAPITAL IN EASTERN GUATEMALA

Rural communities in Eastern and in Western Guatemala are often contrasted in terms strikingly similar to the contrasts Putnam and others make between northern and southern Italy. There is a widespread perception in Guatemala that the Mayan corporate communities in the western highlands are more "civic", more organized and more oriented toward collective decision-making and action, while the eastern lowlands are described as being "individualistic" with little participation in community organizations and much resistance to the idea of collective action.

This case study presents a relatively successful experience of building, in much less than one decade, of social capital where it was lacking. It constitutes a concrete exception to the implicit "rule" that negative path dependence makes constructing social capital, in a reasonable time, difficult or impossible in communities where it is not already in evidence.

Unlike Italy, both eastern and western peasant populations in Guatemala are still extremely poor; but within this context, the western communities can boast of more successful examples of community cooperation (including producers' cooperatives such as Cuatro Pinos in Chimaltenango or Joya Hermosa in Huehuetenango) and of collective resistance to genocide during the three decades of military repression preceding the peace accords of late 1996. In contrast, eastern Guatemala (including the Department of Chiquimula in the northeast) appears to be a case of the absence of social capital.

As we shall see, the conventional wisdom behind the explanation for the lack of social organization in eastern Guatemala is based on superficial stereotypes and a simplistic one-way causality. What is of principal concern in this paper is the evidence that the Chiquimula case provides for the real possibility for **building social capital where it does not exist**, and understanding the theoretical determinants of how and when this can be achieved.

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[5] The fundamental issue of "dual equilibria" will be discussed in greater detail in Section III of this paper.

A. THE SITUATION IN 1991: AN EMPTY INSTITUTIONAL LANDSCAPE?

The activities of the anti-poverty "Proyecto de Apoyo a los Pequeños Productores de Zacapa y Chiquimula" (PROZACHI) began in 1991, under the auspices of the International Fund for Agricultural Development (IFAD) and the Dutch Government, implemented through the Ministry of Agriculture and supervised y the United Nations Office of Project Services (UNOPS). As work in the field got under way, the situation of the 'target group': 5,000 peasant families cultivating mainly maize and beans (a minority also grows coffee) in over 130 hillside villages and hamlets ("aldeas", "villorios") was that of a social landscape largely void of significant grass-roots organizations or inter-family cooperation.

There were already, on paper, several local village committees for ''improvement", agricultural assistance or credit, but participation in them was very low and most of these organizations had been imposed by the government or oriented toward the passive reception of assistance from charitable NGO's. Social capital, in other words, appeared to be inexistent, weak, or supplanted by clientelistic dependency.

Although the original design of PROZACHI envisioned a component of beneficiary organization and participation, the initial stages of implementation followed the technocratic tradition in which most of the extension workers had been trained. The "individualistic culture" of the regional population was given as a reason for not making a concerted effort to stimulate a more active role for the beneficiaries[6]. Thus, one early Project document described target communities as "highly conservative" and found that rival charitable institutions had made self-management impossible (PROZACHI 1991). A preliminary study by FLACSO Guatemala in 1992-1993 noted the "distrust" (desconfianza) that characterized peasants in the region and their lack of familiarity with participatory events, and referred to a "model typical of the whole Oriente" in the villages of PROZACHI, characterized by authoritarian caciques linked to national political parties (FLACSO 1993). Another project in the area continued to describe Chiquimula peasant culture in 1998 as "markedly individualistic" and "lacking an associative tradition".

After the first year, however, it became apparent that PROZACHI was encountering difficulties in fulfilling project goals and reaching annual targets, particularly in terms of very low attendance at the activities promoted at the village level and of the small number of participants in group credit for agricultural inputs, which the Project saw as a key for increasing productivity in a sustainable manner, the measure of ultimate success when the project was scheduled to withdraw from the region after six or seven years of support and technology transfer. What was lacking, clearly, was an ethos and a behavioral pattern of trust, cooperation and civic activity -what is now called social capital. But doubt still remained strong over whether such a transformation was possible in the Chiquimula region or in eastern Guatemala in general.

B. BUILDING PEASANT COMMUNITY SOCIAL CAPITAL IN CHIQUIMULA:
SCALING DOWN AND SCALING UP.

Preliminary anthropological analysis carried out in 1992 stressed that "organization is in itself one of the most important forms of human capital" (Durston 1992) and suggested that the dispersed pattern of human settlement in the hillside hamlets corresponded to **local descent groups** (Wolf 1966) -that is, networks of kin and neighbors who believe they are descended from a common ancestor. In each village or hamlet the same surnames tended to be repeated in a large

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[6] Promoting peasant organization was also still largely taboo in 1991 in Guatemala.

proportion of households, and some place names corresponded to the surnames of the purported founders. In such local descent groups in rural Latin America, residence of newlyweds tends to be virilocal (near the husband's parents), and interconnected, multiplex ties[7] of reciprocity based on this recognition of close kinship lead to both horizontal and vertical trust and cooperation. It was suggested that, while only a fraction of the intended beneficiaries joined the figurehead leaders in the meetings of the local dependent clientelistic organizations, PROZACHI might be able to stimulate wider cooperation and participation by "scaling down" their operations to such basic groups of households, as the first stage of an organizational strategy.

A Guatemalan anthropologist, Hugo Zelaya, was hired to activate work in the field of "participatory planning". On the basis of the preliminary diagnosis and recommendations, a system of "Grupos Núcleo" consisting of 7 to 12 households united by close neighborhood was established, as a basis for participation in determining needs and priorities and for gaining access to services and benefits offered by PROZACHI. Project staff couples living in twenty (later expanded to 22) highland villages (that is, a total of 44 promotion workers immersed in the isolated hillside network of hamlets and villages) promoted house-to-house the benefits of participating in this exercise. By the second year almost all households in villages attended by PROZACHI had begun to participate and to express their goals and demands more actively, through these local, small, kin-based "Grupos Núcleo". Each Grupo usually selected two leaders (though these were sometimes proposed by Project staff) whose titles ("Moderator" and "Liason") reflected their roles as communicators and facilitators and emphasized accountability rather than the authority of the more traditional directive titles such as "Presidente".

Project targets were adjusted in accordance with the feedback from these and similar (credit and marketing) groups, which began to be seen by staff as largely responsible for progress toward the medium-term project objectives (better attendance at training exercises, more participation by women and placement of larger numbers of loans and other productive and standard-of-living inputs).

Over 400 such Grupos Núcleo were formed, and became the source of proposals for modifications in the annual operating plan and in the mix of services programmed by PROZACHI itself. The period of most intense growth of participation and capacity-building through the Grupos Núcleo (1993-1995) coincided with an increase in the number of households receiving credit, from 525 households in 1992 to 3676 in 1994 (PROZACHI 1996).

After two or three years of activity of the Grupos Núcleo, an advisory study (this time by a sociologist) proposed emphasizing multi-village level, all-inclusive Community Councils as a more effective way of empowerment. This campaign built upon the preceding grass-roots ground-work of these small interfamily discussion and cooperation groups but largely replaced them as the most frequent institutional instances of civic participation. This change in emphasis coincided with the beginning in central Chiquimula of the activities of the national government's Social Investment Fund (FIS), initially oriented largely to providing financial support to the construction of physical infrastructure for health, education and other social services. This new, experimental FIS project in Chiquimula also encouraged hillside peasant villages to establish community councils and assemblies, as a means to promote participatory planning and training in project formulation, and as a legal basis for gaining institutional eligibility for such benefits.

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[7] Multiplex: ties in which pariticipants in a reciprocal relationship share several dimensions of activity in social, economic recreational and religious spheres. Interconnected or polyadic ties: reciprocal relations that involve more than one pair of individuals. (Cf. Richards and Roberts 1998).

Training in organizational practices and group diagnostics and decision-making also became a central part of the PROZACHI approach to empowerment of the hillside village communities. Initially, outside NGO consultants were called in, who applied extant methodologies of grass-roots development training[8] (See IAF 1995, Torres 1998, Toledo 1994, AME/ULA 1996, Pretty et al. 1995, Cruz, 1995, RIMISP 1996 and 1998). Soon, however, the PROZACHI staff began to develop their own methods of training and practice in participatory planning, adapting existing methods and materials to local needs, and producing a series of simple pamphlets for group discussion (on topics such as planning household production needs, guides for group discussion, diagnosing community needs, forming associative micro-enterprises, etc.) as well as professional training material for the 44 field staff workers living in the hillside villages and their supervisors (See PROZACHI 1995).

The response by hillside villages to this encouragement and training was both rapid and surprisingly effective. The supervision and promotion by staff of both PROZACHI and FIS began to take a back seat to spontaneous proposals for organization, action and access, and rural community coordinating committees were soon formed at the Municipal level, still within the PROZACHI and FIS organizational proposals.

By mid-1998, when PROZACHI formally ended[9], the regional institutional landscape in terms of the hillside villages was unrecognizable in terms of what had been found in 1991 (See Tables 1 and 2). The Grupos Núcleo constituted a dense, grass-roots pattern of new local micro-participatory planning organizations. Specific interest groups (including both "public service" committees such as those promoting health services, and productive associations such as marketing groups and coffee drier micro-enterprises) increased by 28% (Table 1). Over a hundred inter-village councils and eight municipal coordinating committees of peasant representatives of hillside communities emerged where none had previously existed.

The more significant change, however, was not in the number of organizations but in their "social capital" quality. Whereas the previously existing interest group organizations were all clientelistically attached to outside Governmental or NGO "patron" organizations and had no chance to develop autonomous self-management capabilities, by 1998 a PROZACHI diagnosis for planning purposes indicated that 56% of the community-level organizations evaluated had developed at least some degree of self-management capability (See Table 2). And finally, a representative regional rural community organization had taken on a central role in functions such as road repair, establishing priorities for social service infrastructure, and negotiation of regional development planning.

TABLE 1. GROWTH OF PEASANT ORGANIZATONS IN CHIQUIMULA AT DIFFERENT TERRITORITAL LEVELS
1991-1998

TERRITORIAL LEVEL	1991	1998
LOCAL DESCENT GROUP (BARRIO, HAMLET)	0	440
SUB-COMMUNITY INTEREST GROUP	380	487
COMMUNITY (INTER-VILLAGE)	0	129
MUNICIPAL	0	8
REGIONAL	0	1

Source: PROZACHI.

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[8] In community social diagnoses, goal-oriented planning, participation in public discussion, developing leadership skills, project design and rudiments of administration and bookeeping.
[9] Transferring on-going activities to PROZACHI-2, a Dutch-Guatemalan Government project designed to consolidate the advances toward organized peasant sustainable development.

TABLE 2. ORGANIZATIONAL CONSOLIDATION OF COMMUNITIES PARTICIPATING IN PROZACHI, 1998

MICRO-REGION	N° OF VILLAGES	LEVEL OF SELF MANAGEMENT (N° of villages)		
		Incipient	Inter-mediate	Consoli-dated
JOCOTAN	49	14	17	18
OLOPA	35	18	13	4
LA UNION	19	11	3	5
QUEZALTEPEQUE	26	14	12	0
TOTAL	129	57	45	27
Percent:	100%	44%	35%	21%

Source: PROZACHI.

These achievements, admittedly, constitute rather modest successes when compared with historically sustained peasant movements in other Latin American countries, and in fact the classic problems of grassroots and peasant organizations (distancing of leadership from local bases, waning participation, etc.) are just beginning to appear in Chiquimula. Also, PROZACHI, like all large rural anti-poverty projects, had its share of problems, failures and partial successes. Even in the specific issue treated in this paper, that of promoting effective, autonomous peasant organizations, progress was gradual at best. The necessary change from technocratic, paternalistic attitudes of the majority of project staff, inherited both from their illuministic training as extension workers "transferring" knowledge one-way and from the bureaucratic heritage of career development based on accountability to administrators and party leaders rather than to "beneficiaries", proceeded slowly throughout the Project cycle. And the system of indicative planning, with its demands on staff to fulfill quantitative annual goals, constituted a permanent pressure that made authoritarian direction and tutelage of organizational development a temptation.

Still, the rapidity with which civic participation grew and "social capital" associations sprang up is surprising in the recent Guatemalan context and especially unexpected in the "uncivic" culture attributed to the Oriente. It is also one example that goes against the idea that social capital takes decades or more to build, and that such social groups tend toward an historically determined institutional equilibrium of non-cooperation. As such an example, the possible reasons (historical, theoretical and methodological) for this relative but undeniable success, deserve deeper examination.

C. ROOTS OF SOCIAL CAPITAL IN CHIQUIMULA.

Although the degree and rapidity of emergence of social capital in response to encouragement and training went far beyond the expectations of the functionaries of PROZACHI and FIS, the explanation (with the advantage of hindsight and the analytical guidance of the social capital paradigm) is fairly straightforward.

One clear root of social capital in rural Chiquimula is the local reciprocity network detected in the settlement pattern of the **local descent groups**, which were the basis for the design of the Grupos Núcleo. These Groups emerged quickly from existing norms and informal, locally bounded units of solidarity and exchange (Richards and Roberts 1998) as a preliminary form of social capital. But at least three other reasons for the rapid development of these basic building blocks and their development into more complex and wide-ranging forms of social capital can be

identified: 1. the persistence of Mayan **identity and culture**; 2. the historical **memory** of church-sponsored **cooperatives in the 1960's**, and, 3. most important, the **easing of political repression** throughout the 1990's.

1. Although the peasantry of eastern Guatemala is usually conceived of as being "ladino" (non-Indigenous), barely a generation ago social institutions based on **Ch'ortí Mayan** lineages predominated in most of hillside Chiquimula, and the language is still spoken in villages in the central part of the region. Knowledgeable sources, however, estimated the Ch'ortí population at no more than 25 000 persons in the early 1990s[10]. But in the Census of 1994, over 70 000 residents of the Departamento of Chiquimula identified themselves as Ch'ortí.

This underestimated factor may help to explain the rapid development of trust and cooperation in the villages, since ethnic identity can be a strong basis for empathy and even altruism, as self-images expand from "I" to "we". However, cooperation was not, in fact, stronger in the communities where Ch'ortí is still spoken; cultural patterns in general and traditional authority in particular have broken down considerably (Metz 1998) in this most deprived and repressed segment of all the hillside peasant population of the region. Rather, the association of trust and common cause with identity is, in this case, a matter of **multiple** identities, in which being Ch'ortí is combined in differing ways with being **peasant** ("campesino"). Some peasant communities in the Project area simply do not self-adscribe indigenous identity, and others even prefer not to be called "campesinos" but rather as "pequeños agricultores" or as members of "rural communities". But the assumption of identity is even more complex, since prejudiced townspeople refer contemptuously to all area peasants as "Indians". Increasingly, and in defiant reaction to this prejudice, residents of hillside villages who are descendants of Ch'ortí but have lost their language and most of their indigenous institutions, now identify themselves as Mayan -a process that has accelerated as a result of the consciousness-raising work of the national Maya movement (see Metz 1998). But these mixed and varied identities of the residents of hillside villages in Chiquimula are unified and defined (like all identities) in large part by opposition -in this case, in common opposition to the more privileged, dominant townspeople.

2. In the early 1960's, the Belgian Catholic Mission in Central Chiquimula built upon these cultural and social elements to develop a number of agricultural cooperatives and self-help **organizations** (for example, committees to install piped drinking water systems) in the villages later revisited by PROZACHI and FIS. Though repressed during the late 1960's (see below) these **experiences were remembered** rather than kept alive in practice by villagers, and younger villagers heard their elders recall these institutions and their successes when discussing the pro's and con's of participating in the 1990's versions. In fact, the Catholic and later the Protestant evangelical churches remained a (barely) tolerated presence offering some protection to villagers after the intensification of military repression in the late 1960's.

3. Massive military repression occurred earlier in the Oriente (reaching severe heights in the late 1960's and early 1970's), and appears to have been more successful in erasing peasant social capital than similar campaigns in the corporate indigenous communities of the Occidente. Actual guerrilla offensives are said to have been few and tentative in the Chiquimula region. In any case, the penetration of hillside peasant community networks by "vice-mayors" and "comisionados militares" selected among the villagers by the Army and by local town officials of the state authoritarian apparatus, split the community between families that were victims of repression and

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[10] This estimate corresponds roughly to the fluent Ch'ortí-speaking population, in the "core" of roughly sixteen contiguous hamlets and villages in the highlands surrounding Jocotán (Metz 1998).

those that were integral parts of the regional authoritarian clientelistic system -military, political partisan and commercial.

Beginning in the mid-1980's and throughout the 1990s, as Guatemala began the long, slow road back to democracy, **the military gradually withdrew** from active political decision-making, a process that made its most important advance with the signing of the peace accords in late 1996. The village Comisionados Militares and Patrullas de Autodefensa Civil ceased to exist as such, and the regional army base was shut down.

Thus, the building of social capital in the hillside villages in the mid-1990's was largely a matter of a protected, facilitated **re-emergence** of earlier "historically remembered" institutions and deeply rooted but closely circumscribed personal reciprocity networks. This emergence was, however, made much more difficult by the heritage of fear of outside reprisals and by rage at neighbors who had collaborated with very recent campaigns of repression, torture and political murder. This re-emergence took the form of a two simultaneous mutually reinforcing processes: the villagers gradually recovered confidence in the new discourses and practices founded on the peace accords, and this change in perception of new opportunities was reinforced by the re-iteration of cooperative action within the community, under the constant umbrella of PROZACHI, later joined by FIS.

PROZACHI supported and stimulated the construction of peasant social capital by taking advantage of this increasingly favorable broader context, in three principal manners. Probably the most important contribution was **training** to build organizational, diagnostic, communicational and planning skills, including the production of teaching materials and group exercises, consciously designed to generate and strengthen social capital. By 1995, at the request of villagers themselves, this training had been increased to over 400 organizational training "events" per year.

Another important contribution was the opportunity to **exercise social capital skills and relationships in the real context** of the Project itself, with concrete, short-term rewards for trust and cooperation in the form of credit, technical assistance and subsidized material inputs. Thirdly, PROZACHI, like FIS, provided a **cushioning or buffering** function for embryonic social capital institutions while authoritarian clientelism was still predominant, and intervened when these embryonic institutions were threatened.

III. LESSONS FROM CHIQUIMULA FOR SOCIAL CAPITAL BUILDING

This example of social capital construction in an "acivic" context does not merely constitute the exception that proves the rule: there is evidence of dozens, perhaps hundreds of successful grass-roots construction of social capital in Latin America (See, for example, Fox 1996, Bebbington 1998, Tendler 1997 and Navarro 1996). But even in this one case, a closer analysis of the process in Chiquimula suggests a need for revision of the paradigm, and these theoretical modifications have their own policy implications.

The Chiquimula experience suggests, **first**, that the cultural precursors for social capital construction may exist in all peasant communities, and can be the basis for a group learning process through iteration of positive experiences. **Secondly**, vertical reciprocity is not always bad for social capital: it permeates local "horizontal" kin groups, can be a basis for the emergence of accountable leadership and for scaling-up to the regional level, and is the foundation of synergetic complementarity between civic groups and reformist sectors in the State (See Evans 1996). **Thirdly**, and most significant theoretically, the process by which the authoritarian clientelistic system in rural Chiquimula evolved very rapidly toward "semi-clientelism", suggests a better

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conceptual alternative to Putnam's dual equilibrium model that is at the heart of the pessimistic view of constructability.

1. ***The Dilemma That Wasn't***. *The socio-cultural basis for social capital formation is not the exclusive heritage of certain groups, but exists even in peasant communities that lack fully constituted social capital.*

Trust and reciprocity in local groups that go beyond the nuclear household are associated with close kinship ties and life-long complex interactions with neighbors, and appear to be **a feature of peasant society and culture everywhere**, though distrust, selfishness and betrayal do, too. The Chiquimula hillside villages gave a striking impression of individualism, but PROZACHI found it possible to reconstruct trust and cooperation within the local descent groups. Anthropological research throughout the world indicates that these small, multiplex networks are a universal aspect of peasant culture and social institutions (often transposed to urban environments: Richards and Roberts 1998). In fact, recent theoretical argument also suggests that, beginning with hunting and gathering groups, **group cooperation, acceptance of leadership and demanding of accountability** may be central elements of all human cultures, in a process of multi-level selection in which competition is between cultural systems and institutions (Wilson 1997).

And as in the Chiquimula case, **common identity** is a universally available resource that can also foment cooperation and solidarity through expansion of perceived self-interest, and can be a basis for trust. While networks expand trust by personal extension (I trust you because she trusts you and I trust her) (Evans 1996), identity expands trust by generalization (I trust you because you are like others that I trust).

But there is a risk involved in trusting and cooperating, the risk of betrayal and resulting material loss. The pessimists on the question of the constructability of social capital (where non-cooperative norms and relations predominate) tend to over-emphasize the difficulty in overcoming this barrier. Often cited is the well-known game theory exercise of the Prisoners' Dilemma, in which the only sure strategy to avoid betrayal is to betray first. However, as more modern game theory has shown, in large part through the theoretical and empirical work of Robert Axelrod (Axelrod 1998), **the repetition of exercises requiring trust and cooperation will eventually result in success**, at least in small groups (such as peasant villages). Both North and Putnam make reference to this important evidence for breaking through negative path dependence, but tend to ignore it thereafter in their concentration on cooperation in wider social contexts (North 1990) and on the cultural determinism they see in the presence or absence of social capital (Putnam 1993a).

The frequent repetition of such exercises among village men and women (including game-playing) by PROZACHI, produced an initially slow and reluctant, but later accelerated, increase in the disposition of villagers to cooperate among themselves. This cumulative process proved to be easiest in the context of the Grupos Núcleo, since it is in local descent groups that reciprocity is strongest, and since they are less plagued by the heritage of rivalry and betrayal. "Scaling down" social capital promotion to this basic level was effective in ensuring widespread participation, since purportedly "community-level" organizations often only involved single factions, and in many cases rival factions within the community stayed away from meetings. This approach also provided a practicable way of training one or more members of almost all local descent groups in the skills the Project wished to disseminate widely. It was, however, at the "community" (inter-hamlet) level that iterative, trust-building events and exercises proved most necessary and most fruitful.

Another aspect of modern game theory is the importance it gives to communication and familiarity as a basis for both cooperation and accountability of leadership. The "Moderadores" and

"Productores de Enlace" (approximately 800 of them in the total Project area) made possible the creation of a dense, intensely used communications network in a dispersed social system in which repression had led to a high degree of isolation and communication among neighbors only a kilometer away was almost nil at the Project's beginning in the early 1990's. They also constituted a pool of locally recognized potential leaders with a smattering of learned leadership capabilities and values.

Social capital is "transferable" among social, civic and economic activities. Putnam argues that the "ties norms and trust" of social capital are "transferable from one social setting to another."(Putnam 1993b). This claim has, however been challenged by other students of social capital[11]. In Chiquimula, it appears that the social skills of dialogue, group diagnosis, negotiation in planning and of teamwork, learned or strengthened in the Grupos Núcleo (where all family members were involved), were not only applied in the intervillage councils (where women achieved a civic voice) that established priorities and responsibilities for implementation of social infrastructure projects. These skills, and the specific interpersonal ties and relationships that emerged from the participatory planning exercises, also strengthened group microenterprises (such as coffee dryers), joint marketing ventures, and credit committees for farm inputs.

It should be pointed out, in this context, that PROZACHI did not promote creative cultural activities or political movements as such. As an essentially productive effort, the project centered all organization support on concrete material benefits in the short and medium terms -whether credit, road building, improved stoves, or technical assistance with crops and livestock[12].

2. Vertical reciprocity networks can act to either strengthen or weaken civic social capital.

For North, reciprocity in general is suspect, since he associates it with acivic Spain and with rent-seeking and unequal access to public resources. For Putnam, horizontal reciprocity (reciprocal relationships among equals, such as peasant villagers) is an important building block of social capital, and continues to reinforce solidarity within and among larger organizations once these have emerged from the "primitive" networks.

For both, however, **vertical** reciprocity networks (that is, systems of diffuse, imprecise and delayed exchange that are expressed as mutual assistance based on a cultural bond, and that in the "vertical" case involve people of unequal power and are therefore "asymetric") of any kind not only do not constitute social capital, but are universally its opposite. Though they are forms of reciprocity that may be useful to individuals by providing privileged access to resources, vertical personal networks -particularly with state functionaries tend, in this view, to promote norms and behavior that weaken the principles of equality and individual rights that are said to be the basis of both free markets and democratic governance (Putzel 1997, Portes and Landolt 1996). In particular, building vertical networks between peasant communities and government agencies, the argument goes, would be to create areas of privilege that go against the checks and balances that make for

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[11] "Putnam does not…provide evidence that his soccer teams and choral societies actually accomplish this…there is [no] evidence that the skills and habits learned in such associations are 'transferable'"(Putzel 1997).

[12] As several authors have pointed out, building peasant social capital in the civic sphere is a largely futile exercise if extreme poverty is not reduced, a result that is far from guaranteed (Portes and Landolt 1996). Extreme poverty is also an obstacle to building social capital(Bebbington 1998). Clearly, both problems must be addressed simultaneously. Civic and productive social capital can only grow synergically in poor rural communities.

"strong society, strong state" (Putnam, 1993b) -that is, civil social capital would be weakened rather than strengthened.

However, the distinctions between vertical and horizontal reciprocity are not, in fact, all that clear-cut, either in the theoretical and ethnographic literature or in the real-life situations of Chiquimula. Peasant communities in Latin America are not composed of "equals", but by persons differentiated by gender, age, authority and possession of economic resources -and the four variables are closely correlated. In consequence, pure horizontal relations are rare and there are no pure horizontal networks; all peasant society networks have some element of verticality, though this may not be perceptible to the casual observer.

Male household heads, especially older ones, lead multi-household, self-centered networks of kin and neighbors, which serve both to accumulate wealth and to compete for community prestige, an equally limited and valued commodity. Thus, the potential for factionalism is intrinsic to peasant village reciprocity networks; the roots of factionalism in peasant communities are not planted by outsiders. Rather, the near universality of segmentation and factionalism in peasant communities is largely due to the fact that community segmentation emerges from the competition for prestige among male family heads.

It is therefore important to draw a distinction between the point emphasized in the preceding section (that the cultural precursors of social development, the norms and networks of reciprocity exist everywhere), on the one hand, and exaggerated notions about the ease with which social capital emerges in peasant communities, on the other. Such exaggeration is a risk implicit in North's concentration on the problem of emergence of social capital in the **wider** society (where knowledge of persons is scarce and transaction costs are high) rather than small communities (where "a dense social network of informal constraints facilitates local exchange" North 1990 p 120), or Evans's conclusion that "the key problem is not social capital at the level of local communities" (Evans 1997 p1125) but scaling up of social capital to the regional level. Though scaling up may well be the "key" problem, it is not the only one, and complacency about the need to provide capacity building and close enabling support at the local level is to be avoided.

As most anthropologists and "grass-roots development" practitioners are all too aware, most if not all peasant communities are rent by feuds among such kin-based factions, usually associated with the same local descent groups that are the basis for the first stages of cooperation. This is due in part to the very scarceness of resources that is a basic characteristic of peasant economies, such as land, over which, in Chiquimula[13] and elsewhere, machete fights and long feuds erupt with frequency. Also, the strategies of outside social actors seeking domination of peasant communities exacerbate inter-group conflict within the community, as was the case in the bitter animosity in Chiquimula between the families of Comisionados Militares and their victims.

Thus, while iterated game-playing stands a very good chance of finally resulting in trust and cooperation, this is neither automatic nor quick, particularly in communities with recent severe internal factional disputes. This factional history is one reason for the need for outside support for social capital construction, and must be kept constantly in mind in a support strategy such as the promotion of "Grupos Núcleos" In fact, one probable explanation for the rapid increase in participation through the institution of Grupos Núcleo is that each local descent group tended to have only one potential leader.

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[13] See Metz 1998.

Leadership based on vertical reciprocity can be the basis for cooperation and scaling-up. Leaders of internal community factions are the entrepreneurs of social capital, managing the human resources of their quasi-groups, to which they are in turn accountable. "Social actors", in contrast, are abstractions: as groups they may occasionally make strategic decisions jointly, but they do not usually negotiate with other social actors as collectives. Rather, their leaders and representatives do, in strategies that combine their personal objectives with those of the bases they represent. Game theory as a basis for facilitating negotiation and creating cooperation therefore also applies to supra-village relations among the leaders who represent social actors.

In Chiquimula, inter-village socialization was rare, especially during the decades of military repression. Peasant community representatives from neighboring hamlets who began meeting in PROZACHI-sponsored inter-village councils commented that they recognized each other from town markets, and often knew each others' names, but had rarely if ever spoken to each other. The later scaling-up of organization at the municipal and regional levels provided frequent opportunities for negotiation and cooperation, forged in discussions over the order in which communities were to receive support from PROZACHI and FIS for road-building, potable water, and other infrastructure projects chosen by the beneficiaries. The familiarity and trust made possible in these encounters were the basis for alliances in other spheres, among leaders from several hillside communities throughout the Chiquimula region.

It is possible to build social capital in authoritarian structural contexts. If social capital, despite the obstacles of initial distrust and competing internal factions, can be built in small communities, why don't we see more of it in peasant villages throughout Latin America? Cultural determinism and path dependence are not sufficient and satisfactory explanations of its absence. The sudden blossoming of peasant social capital in Chiquimula after 1996 suggests one important reason: social capital is often repressed, disarticulated and co-opted by authoritarian clientelistic systems, that are based on the asymmetric power distribution of military governments or mafias.

Almost all peasant communities have histories of repression, with subordinate clientelism and resurgence of social capital. There also appears to be a correlation between authoritarian control and weakened or co-opted social capital, on the one hand, and resource poor regions, on the other. Where there is almost no margin for risk; almost no resource base, and therefore almost no attraction for modernizing agents, as in eastern Guatemala, isolated villages are easy prey for domination, especially when economic vested interests combine with ideological and military repression. In the south of Italy, too, there were several attempts at organized protest by peasant communities during the last century (Putnam 1993a), showing that some social capital existed, but these efforts were repressed, lacking sufficient external support.

Clientelism in the hillside villages of Chiquimula, however, did not disappear with the military presence, but continued to operate according to principles of vertical reciprocity in both party politics through local bossism and through economic relations with landowners and town middlemen. Vertical, clientelistic reciprocity networks remained the main channel of interaction of hillside villagers with the larger society, but the nature and content of that reciprocity changed as the national political climate changed and as new potential allies appeared on the scene.

The changing relationship between peasant villagers, on the one hand, and instutional allies such as PROZACHI, FIS and the Catholic Church, on the other, led to changes in villagers' perceptions and expectations. Both the insulation from outside control and the advent of democratization left older cultural brokers exposed to the norm of accountability -and to their removal, in some communities, by group protests lead by younger rivals with cleaner records.

Vertical networks can contribute to "scaling up" of social capital, regional "thickening" of civil society and state-society synergy. Outside assistance, scaling up and good vertical networks are all requirements for building rural community social capital, so that civil society may "thicken" at the regional level (Fox 1996). Fox identifies three types of vertical relationships that support the creation of peasant social capital: reformist factions in national governments; regional or national NGO's; and international and intergovernmental agencies (Fox 1996). Alliances among these three types of actors who develop vertical support relations with the rural poor can also increase their separate impacts. All may be tolerated in authoritarian systems, or have their own institutional space as part of the system itself.

State reformists, NGO's and development agencies, it its true, often create a new type of dependency without always significant increasing autonomy (Fox 1996). Even the potential for social capital provided by **decentralization** of decision-making and of resources can mean that local caciques are strengthened by access to these resources and spaces (Galeano and Yore 1994). While the presence of authoritarian clientelism makes outside support a near necessity, such outside support is also a form of semi-clientelism

The conceptual distinction drawn by Fox between **"authoritarian clientelism"** and **"semi-clientelism"** is highly relevant for evaluating whether the construction of social capital in peasant communities also affected the civic quality of regional society in Chiquimula as a whole -that is, whether a contribution to the general public good was made. Fox characterizes authoritarian clientelism as being based on the use of repressive force, whereas semi-clientelistic vertical networks renounce the use of force and repression, using more democratic, negotiative means of persuasion (Fox 1996).

Different vertical networks have differing degrees of clientelistic content; what may appear to be subtle differences between greater and lesser evils are of vital significance in extreme contexts such as that of Chiquimula in the early 1990's, before the peace accords of late 1996. Thus, authoritarian clientelistic systems, in addition to the systematic use of violence, repress social capital in the social base and are highly exploitative, extracting material resources from the poorer sectors of society. In "semi-clientelism", dominant actors refrain from violence, promoting their own interests by providing necessary services to beneficiary communities, or gaining their allegiance as a resource in a negotiated, shared political cause. In semi-clientelism the clienteles have a degree of autonomy unimaginable in authoritarian systems; for example, they can opt out of the specific vertical reciprocal relationship and negotiate a new one with rival elite actors, without fear of violent reprisal. The support of the outside, semi-clientelistic agencies in the construction of peasant social capital in Chiquimula, therefore, constituted a significant qualitative change in the regional political system in which the hillside villages are embedded.

Outside agencies play a necessary role in sheltering autonomous local rural social actors. In Chiquimula, both PROZACHI and the Catholic church were able to build such capacities in the villages before the peace accords were signed, inside their tolerated structures, but not in regional civil society. Some older leaders in Chiquimula applied their pre-repression experience in the new settings provided by the umbrellas of PROZACHI and FIS. The first emergence of the new leadership was among catechists, many of them young, trained by the Catholic Church. Ten of these catechists participated in the national "Civil Society" dialogue that played a key role in shaping the national peace accords of 1996.

Thus, those vertical networks activated by middle-level social actors whose objectives include empowering the rural poor are not a hindrance but a necessity for the emergence of social capital at both the small community level and in micro-regions. This requires a high degree of

dedication among project personnel. As the successful participatory municipal budgeting experiences in Brazil also makes clear (Navarro 1996), **"commitment matters".**

3. Building social capital where it is not already to be found is possible in a few years of purposeful, knowledge-based action.

The experience of PROZACHI and FIS in Chiquimula suggest that there are theoretical flaws in the proposition that "Path dependence" and a tendency toward equilibrium in socio-cultural systems make building social capital where it is absent a difficult, long-term proposition. Rather, in this case, such construction did not take decades but approximately six or seven years.

The reasons for this appear to be two-fold: first, contrary to the dual equilibrium model proposed by Putnam, relatively small shocks to authoritarian clientistic structures can lead to very rapid transitions in the co-evolution of strategies of social actors. Secondly, a methodology exists that make learning of the social skills and the patterns of trust feasible even in communities characterized by distrust and exploitation, not as a by-product of projects designed for other purposes, but as a central, explicit objective.

Social structure matters: social change can reverse long-term cultural trends. All cultures offer "menus" that include contradictory alternatives, rather than being permanently rigid, functionally coherent sets of immutable "ancestral" beliefs and norms. Not only is it re-elaborated daily by its practitioners, but the repertoire includes widely differing and even contradictory norms that are incorporated into **changing** strategies as circumstances, opportunities and threats change. All cultures include contrary values such as those reflected in the Anglo-American "absence makes the heart grow fonder" **and** "out of sight, out of mind", either of which can be called to mind to reinforce contradictory explanations of how people behave -and should be treated. Most anthropologists today believe, therefore, that individuals and groups can call up radically different cultural principles and thus adapt specific norms to changes in the environment.

Villagers in Chiquimula, old and young alike, demonstrated alternative cultural repertoires that included independent, autonomous action and of leaders' accountability to the kin group and community, despite their invisibility - a "submergence" of norms that was necessary for physical survival- during repressive authoritarian clientelism. When the social environment changed, some leaders continued to exhibit "path dependence", failing to take the initiative or continuing to extort "rent" (Wolf, 1996) based on their pre-existing nexus roles in the regional authoritarian structure. The communities, however, often through younger members who recalled these principles to them, overcame the path dependence of passivity and 'dirigente" roles, either producing changes in leaders' behavior or changing the leaders themselves, once this became possible in the protected context of the Project.

Both North and Putnam recognize that there are feedback mechanisms between social and cultural subsystems. But the main thrust of both their arguments concerning social capital are culturally deterministic, ascribing exclusively cultural origins to virtuously all behavior. Putnam draws a universal conclusion from his dual Italian case study, in terms of what he calls "two social equilibria": the equilibrium of societies rich in social capital, and the equilibrium of those characterized by distrust, betrayal and authoritarianism (Putnam 1993a p 177). The essence of this model -implicitly derived from economic equilibrium theory- is that "path dependence" means constantly strengthening of these two opposing sets of norms and practices whose directions became set in the past (Putnam 1993a, p. 179).

This equilibrium view of economic and social systems has been challenged by the newest versions of the theory of **complex agent-based adaptive systems** -from ecosystems to stock markets. In this recent line of theory are two basic challenges to Putnam's and North's dual equilibria concept in complexity theory. First, as Durlauf (1997) has pointed out, path dependence continues **only until there is a new shock to the system**. Such a shock may be initially small, but if it changes the opportunity structure for different actors, resulting changes in their behavior can end up erasing old paths and forging new ones. Secondly, Kenneth Arrow (1994) argues that complexity theory has shown that economic and social institutions "emerge" not through planning or a tendency toward equilibrium, but through the **coevolution of strategies of numerous agents who interact both to compete and to cooperate**. A system may thus exhibit a temporary stable state until a critical mass of agents perceive change, prefer new strategies, find ways to implement them that fit others' strategies. These changes in strategies produce a phase transition in the system, in which very rapid institutional change produces new directions, as contrasted with the slow, unidirectional reinforcing changes that occur while path dependence obtains.

In Chiquimula, the emergence of social capital originated in both cultural messages and structural changes. On the one hand, the pro-cooperation proselytizing of PROZACHI staff struck old but familiar chords concerning good neighborliness and the imperatives of diffuse reciprocity; while the message of peace and democracy brought new ideas to the area that struck against the established relations of authoritarian clientelistic structures. As a result, leaders began to take the initiative rather than wait for orders from above, and younger persons began to reject corrupt, local authoritarian "brokers", reminding them and the community of the old rule that their first loyalty should be to their own people.

The windows of opportunity that can end path dependence in authoritarian clientelistic structures can start with any kind of change in the balance of power among national political elates. That is, the emergence of new forms of semi-clientelism is not necessarily associated exclusively with progressive reformists, since even relatively conservative reformists can find reasons to ally with local base groups. Both such reformist factions played their parts in the rapid phase transition that occurred in the mid-nineties in Chiquimula.

The transition from an authoritarian to a semi-clientelistic system in the region involved an **acceleration of social actors' reactions and adaptations of strategies**, after an initial phase of slow change and led to the emergence of new norms, behaviors and relationships that **hastened the consolidation of peasant social capital** and, in essence, constituted a new regional institutional context.

The thickening of peasant social capital at the regional level, followed a sequence of action and reaction among at least three main social actors: provincial urban elates, outside anti-poverty agencies, and the hillside communities themselves. The history of the construction of peasant social capital in Chiquimula is also, then, the history of the creation of a new social actor and at the same time the history of a transition from the norms, behaviors and relationships of a regional institution of **authoritarian clientelism** to one of **semi-clientelism**.

Such a change was possible only because hillside villages had already built (or rebuilt) their rudimentary social capital at the beginning of this process, and could therefore intervene and adapt as social actors, in reaction to the strategies of opponents and allies alike. Semi-clientelism, though a less that ideal environment for peasant social capital, tolerated its existence and allowed room for its future strengthening and accumulation.

The **co-evolution of social actors' strategies in Chiquimula** over this seven-year period can be divided into four broad stages:

1. SLOW CHANGE STATE: AUTHORITARIAN CLIENTELISM (1991-1993). In this early stage, clientelistic **political parties** and local economic elites dominated **hillside villagers** through authoritarian clientelistic systems with support from the military; the **anti-poverty agencies** limited their actions to the technocratic extension of services to passive beneficiaries in the villages, in a relatively steady state of the regional system.

2. INCIPIENT TRANSITION PHASE (1993-1996) The transition phase began when PROZACHI decided to change its strategy, promoting embryonic peasant economic organizations around small production and marketing groups, and promoting grass-roots participation in project planning through the Grupos Núcleo, within the protected environment of Project activities and with short-term material benefits to participants.

Clientelistic political parties reacted by expressing alarm through regional political caciques, but while Project personnel were sometimes changed, PROZACHI itself was able to continue its new activities because of alliances with national reformist factions. Hillside villagers slowly began cooperation among themselves and cultivated an alliance with PROZACHI, which, in turn, intensified training in organizational capabilities, at the request of villagers.

3. ACCELERATED CO-EVOLUTION OF ACTORS' STRATEGIES (1997). **Early 1997**: PROZACHI and FIS encouraged the conformation of both inter-village councils and municipal coordinating committees of rural village councils. **February-March 1997**: FIS trained and supported peasant village organizations in the presentation of project proposals for social and productive infrastructure financing. **April-June 1997**: Village organizations met to form municipal coordinating committees. Clientelistic political parties co-opted most such committees through the participation of local and national government functionaries in committee directorates. Villagers reacted by proposing that functionaries be limited to an advisory role. Political parties reacted, in turn, through the mayors, who complained to the regional (Departmental) governor that such an exclusion of officials would be illegal. Villagers reacted by boycotting municipal committee meetings. Local FIS functionaries reacted by proposing to national Government that the villager's proposal be accepted. A regional seminar was held by FIS to explain the benefits of this approach in the post-peace-accord context, with the participation of functionaries from the Governor's office and the municipalities.

EMERGENCE OF SEMI-CLIENTELISM (1997-1998). **Mid-1997**: Peasant village councils re-formed new municipal coordinating committees, relegating public officials to an advisory role. Mayors' strategies diverged: some stonewalled the innovation, others allied themselves with these new social actors, by providing space and transportation for their meetings. FIS channeled financial support directly to these autonomous councils. **Late 1997, early 1998**: One political party requested a peasant organization's support for their mayoral candidate. The organization refused because they had not participated in the candidate selection process. **Mid-1998:** Eight municipal peasant village coordinating committees joined to create a regional organization. PROZACHI sub-contracted road repair and other services to the regional peasant organization. Local village organizations took more initiative in proposing infrastructure projects and participated in school co-management schemes. A peasant leader ran successfully for a Municipal Council. The regional peasant organization requested the use of PROZACHI heavy road-building machinery. PROZACHI initiated a new phase (PROZACHI-2), incorporating local, municipal and regional peasant organizations in a co-management process aimed at achieving autonomous institutional sustainability for the organizations and enterprises created in 1991-1998.

Thus, the rapid changes in actors' strategies in the transition phase and the resulting systemic modification provide one explanation for the relative rapidity with which peasant social capital was constructed in Chiquimula. Another important factor was the **existence of methodologies for building community social capital which made it possible to achieve results intentionally.** PROZACHI and FIS staff were thus able to prepare the neophyte social actors in the hillside villages in time for the opportunities and challenges that emerged in the mid-nineties in Chiquimula this standard methodology gave **more rapid results than spontaneous emergence or betting on the unintended side effect of other kinds of public action (Putnam 1993b).**

CONCLUSIONS

Does the experience of PROZACHI and FIS show that it is possible to construct social capital where "acivic" norms and practices predominate? The answer depends in part on whether the achievements described above constitute social capital in the strict definition explicated at the beginning of this paper: institutions of trust and cooperation that constitute economic "public goods" or that contribute to the civic "public good". The first, economic, issue must await future research[14], but the answer in the second case is "yes".

First, the purposeful construction of peasant social capital achieved a (relatively) limited objective: the empowerment of hillside villagers as part of the effort to achieve a sustainable reduction of poverty. **Secondly**, this empowerment involved the constitution of a new regional social actor, incorporating into civic affairs a social sector previously excluded from public decision-making; this in itself constituted an improvement in the health of local and regional democracy in Guatemala. **Thirdly**, the thickening of peasant territorial organizations led to a rapid transition from a repressive, authoritarian structure to a semi-clientelistic system in flux, which constituted a step forward toward a strong regional civil society and opened the way for further advances in this direction.

The basic intention of this study has been to show how and why, in one empirical case, the theoretical proposition that building social capital from scratch is always a slow, nearly impossible task, **did not hold true**. The discussion of this experience has also suggested some possible revisions to social capital **theory** and some lessons for development **policy and practice** in the field of rural community empowerment:

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[14] However, preliminary evidence indicates that access to inputs and markets as well as productivity improved for many peasant families; about 200 new associative micro-enterprises, presumably with attendant transaction economies, were created in the PROZACHI framework; and market imperfections were reduced both in smallholder coffee wholesaling and in the regional rural day-labor market.

SOME HYPOTHESES ABOUT BUILDING SOCIAL CAPITAL

1. Reciprocity norms and practices exist in small groups everywhere; cooperation and accountable leadership are a part of most modern human cultures as a result of multilevel selection; iteration of trustful practices usually leads to cooperation.
2. Cultures contain contradictory repertoires; systemic change can come from culture or from social structure; removal or reduction of repression allows social capital to re-emerge; complex systems do not tend toward equilibrium but change constantly through co-evolution; path dependence lasts only until a new shock produces a transition phase.
3. Changes in national elites produce windows of opportunity for the emergence of local social capital; alliances with reformists in government open the way to social capital building.
4. Trust, cooperation, shared identity and reciprocity can be replicated among leaders to "scale up" local social capital from small communities to the regional level.
5. Methodology and techniques for building social capital now exist that make possible the construction of social capital intentionally, rather than as a side-product or spontaneous experience.

POLICY IMPLICATIONS FOR
BUILDING RURAL COMMUNITY SOCIAL CAPITAL

1. Search for submerged norms and practices of trust, reciprocity and cooperation in local descent groups in peasant cultures apparently dominated by individualism and "familism".
2. Where local community social capital does not exist, it is highly likely that it has been repressed in the recent past. Removal or weakening of authoritarian clientelism creates a favorable climate for its resurgence.
3. Carry out an "archeology of social capital, to identify previous experiences in social capital that have been repressed or discouraged, but that are preserved in the collective oral historical memory.
4. Initiate social skill building in local descent groups of no more than 10-15 households united by kinship, residence and practice of reciprocity. Be sure most such groups, not just dominant factions, are represented in community-wide exercises to develop social capital.
5. Provide repeated opportunities at the community level for familiarity and cooperation to emerge
6. Provide "cushioning" for embryonic peasant associations from regional political and economic authoritarian clientelism, while teamwork skills are honed and factionalism overcome.
7. Be alert for minor shocks to systems of authoritarian clientelism that weaken negative path dependence and open windows of opportunity for resurgence of peasant social capital.
8. Develop rapid response capacities in projects and programs to counteract moves by clientelistic actors in phase transitions and foment strategic negotiating capabilities among peasant leaders.
9. Give priority to promoting a sense of mission (supporting autonomous social capital formation) among project personnel.
10. Bring discussion of interpersonal networks that cross government-civil society boundaries into the open. Promote access of excluded communities to connections that provide information and services to which others have access. Promote societal-governmental networks that tend to empower peasant communities.
11. Ensure that civic social capital in poor communities has short-term material benefits as well as political empowerment benefits.

The cultural obstacles to social capital building in Chiquimula proved much more tractable than predicted. The analysis presented here suggests that, in this case, a regional structure of authoritarian clientelism was a much greater threat, one that was not diminished in the least by administrative decentralization. Thus, the cultural and capacity-building part of PROZACHI's strategy turned out to be surprisingly successful, but insufficient in itself for peasant community

social capital to survive and flourish in the wider economic, social and political system in which it is embedded.

Thus, an equally important function of the Project involved "buffering" and "incubating" these embryonic institutions, absorbing blows from the national and regional political system, and providing a protected environment for participatory planning with short-term material rewards for trust and cooperation. At a later, more advanced stage, scaling-up of local social capital also needed to be combined with helping these neophyte social actors to identify and correctly interpret new opportunities for occupying a place in regional civil society, with assuming the role of ally in adapting peasant organizations' strategies to reactions by rival actors, and activating vertical networks reaching into the top levels of the public sphere to initiate the regional transition from an authoritarian to a semi-clientelistic system more hospitable to the continued development of peasant social capital at the local, inter-village, municipal and regional levels.

The issues addressed in this study are of obvious relevance for the struggle to reduce poverty and social exclusion in rural Latin America (and have wider geographical relevance as well). Profound changes now under way in the region, including the redefinition of the role of the state, democratization and widening acceptance of principles of empowerment and sustainability, decentralization of resource management and (in some countries) increased international anti-poverty resources), are producing a chaotic mix of new threats **and** new windows of opportunity for peasant community social capital formation. The emerging paradigm of social capital theory, despite its confusion and controversy, helps us understand how social capital can be built in such a conjuncture, and, in this study, such an exercise in turn suggests policy guidelines for promoting participation and empowerment.

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