Resisting reforms. A Resource-based perspective of collective action in the
distribution of agricultural input and primary health services in the Couffo region,
Benin
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2- A RESOURCE-BASED PERSPECTIVE ON THE DISTRIBUTION OF AGRICULTURAL INPUT AND PRIMARY HEALTH SERVICES

In Chapter 1, it was stated that the Resource-based (R-B) perspective of firms is relevant to capture the distribution features of agricultural input and primary health services. The rationale for this perspective being advocated for village communities and their competition for the distribution of services will be pursued in the present chapter. Recall that the R-B perspective is best defined following these three dimensions: strategy, structure, and core capabilities. The distribution of agricultural and health services will then be assessed accordingly.

Resource control and access carry much weight in the scope and the scale of village communities participating in the distribution of agricultural and health services in Benin. Although resources, as production factors, are the basis of any economic analysis, there are still uncovered topics such as those concerning organisational, informational, and relational dimensions of resources. Most theoretical researches inquiring into these dimensions of resources have, however, been confined to the sociologist and anthropologist fields of thought. The distinction between tangible and intangible resources has been obscured in the development economics literature. Very little attention has also been paid to strategic resources that determine to a great extent the nature of interactions between various socio-economic actors. More importantly, resources and local participation have not been interrelated, drawing mainly from the interaction between both formal top-down and local bottom-up organisations. Strikingly though, a large bulk of the literature in the business and industrial organisation disciplines has emphasised the resource-orientation of firms as the locus for their differentiation and diversification. Why do certain firms excel while others perform so badly? And, why do firms differ? It is a tentative goal of this chapter and more generally of this study to translate the resource-based perspective on those questions into the development economics literature, focusing on village communities and their participation in the distribution of agricultural and health services.

Accordingly, the present chapter is organised into five sections. The first section will discuss the resource-based perspective on the strategy for the distribution of agricultural and health services. The second section will deal with the R-B perspective on the structure for the distribution of both services. The third section will outline the R-B perspective on the core capabilities for the distribution of agricultural and health services. The fourth and last section will derive the conceptual framework for the present research, and the last section will discuss the assumptions, followed by the concluding remarks.

2.1 A resource-based perspective on the strategy for the distribution of agriculture and health services

The present section is concerned with a theoretical discussion of the resource-based perspective and the translation of such a perspective in the development economics literature, focusing on the distribution of agricultural and health services. In this respect, the emphasis will be on resource control and access, and on the determination of the set of basic long-term development goals and objectives and the subsequent courses of action and allocation of resources necessary for achieving these goals. As has been stated in the first chapter, this is equivalent to the definition of a strategy.
To this end, the first section is organised into two sub-sections, one dealing with an overview of the R-B perspective and the other with resource control and access for the distribution of agricultural and health services.

2.1.1 Overview of the resource-based perspective
According to Foss (1997), the resource-based (R-B) perspective derives from two generalisations:
- there are systematic differences across firms in the extent to which they control resources that are necessary for implementing strategies; and,
- these differences are relatively stable (p. 4).
These two generalisations are combined with two fundamental assumptions in order to give the basic structure of the R-B perspective.
- differences in firms' resource endowments cause performance differences; and,
- firms seek to increase (if not necessarily maximize) their economic performance. (Ibid. p. 4)

A major implication for the problems under study is that firms, village communities alike, may secure a strong performance by acquiring or otherwise creating certain endowments of resources. The creation, maintenance and renewal of competitive advantage in terms of the resource side of firms [are very relevant to the distribution of agricultural input and primary health services] (Ibid. p. 4 ; [ ] emphasis added).

There is, however, an interest in combining the R-B perspective with the Institutional Economics (IE) perspective. Recall that the institutional economics' perspective stresses the role of rules, norms and values in the understanding of how and why actors interact. The rationale for this combination will be pursued by addressing the controversies surrounding the definition of resources, and then describe the process through which it contributes to competitive performance. It should also be acknowledged that theoretical contributions from alternative perspectives, notably, the resource-advantage (R-A) approach, would be pursued below.

Definition of resources
The word Resource stands for any of the possessions or qualities of a person, an organisation, or a country. A resource seems to be something that is ready for use, which can be drawn upon in order to accomplish something. However, as the following section shows, resources may not always be readily available for use.

There are contrasted views of resources, from the neo-classical to the resource-based perspective, that derive from the principles guiding their mobilisation and access. Neo-classical economists believe that resources are easily mobilised through the price mechanism (Simon 1991, Stiglitz 1991). The emphasis then is on the existing resources, which could be purchased at market places. The institutionalists and later the resource-based theorists, on the other hand, define resources as tangible and intangible factors that enable an enterprise or an organisation to produce efficiently or effectively for a certain market segment (Hunt, 1997). Unlike the neo-classical economists, they mainly relate resources to the capability of a given organisation to put them to use. Consequently, the notion resource must not stand only for a marketable factor ready for use but also for tangible as well as intangible factors that could be created.

A refined and highly appealing institutionalist definition of resources is given by DeGregori (1987) who rejected the idea that resources are natural and given. On the contrary, he demonstrated that resources are created. Contrasting the institutional and resource-based approaches with the idea of scarcity, which some conceive to be the fundamental organising principle of economics (1987, p. 1259), DeGregory argued that the liberating idea of technology and resource creation is the human potential that is there, if we are aware of it and if we frame our policies accordingly (1987, p. 1260). Certainly, this theoretical stance not only challenges
the traditional view on resources in the business and the industrial organisation theories but also reveals shortcomings about how development has been thought through.

From the resource-based perspective, there are other valuable resources in the production sector apart from the traditional inputs such as capital, labour and land. Prahalad and Hamel (1997) stressed core competencies as the intangible asset that ensures a competitive advantage of the firm. From the management point of view, Nelson (1997) and Teece et al. (1997) claimed that firms differ because of the discrepancy in their core capabilities. Mahoney and Pandian (1997) appealed to knowledge as a decisive asset in a competitive environment. Resource-based theorists consider knowledge, competencies and capabilities as key assets of the firm. However, there may be different rationales behind the concept of [knowledge] when it is seen as different from resources. [Knowledge] may capture the distinction between stocks, for example, resources, and flow, that is, the services that may be obtained from resources. Another rationale is that some theorists feel that it is desirable to make distinctions between assets based on their ability to contribute to competitive advantage (Foss 1997, pp. 8-9; [] emphasis added).

The resource-advantage theorists, on the other hand, consider knowledge rather than competencies and capabilities as the most likely candidates for bringing a sustained competitive advantage (Hunt 1997; Hunt and Morgan 1997). Recall that this line of thought derives mainly from the marketing discipline, where knowledge of the market is the most prominent asset to ensure performance. This is very relevant to the problems under study, as the missing knowledge of the real needs of the beneficiaries appears to be a predicament for the distribution of agricultural and health services.

Following Kogut and Zander (1997), there is no difference between knowledge of the firm and its combinative capabilities. Therefore, the concept of resource used here is much broader than the traditional inputs. It is then instructive to derive that resource-based theorists use alternatively knowledge, competencies and capabilities to indicate the same resource. Whether apparent differences may be necessary, these address gradations of knowledge (Lamboooy 1997, 1998). For instance, knowledge that is produced or accumulated through learning processes is pure knowledge. Competencies are achieved when knowledge isput to use. Capability, on the other hand, is the combination of pure knowledge and competencies at the organisational level. All three concepts of knowledge are very relevant to the problems under study.

How is superior performance or a competitive advantage acquired by firms?
The process of competition within an industry requires that firms identify their strategy in relation to their goals. If the goal of a firm is to be an internationally known leading one, it may set its strategy as a price leader within a certain segment of the market. It may alternatively set its strategy as a quality leader within the segment. The stated course of action measures its competitive ability according to the resources available to it.

Hunt (1997) defined the resource-advantage approach as a process theory of competitive firm behavior that stresses the importance of market segments and resources. (p. 60) In addition, both firms and resources are claimed as being the heritable, durable units of selection, and competition among firms is claimed to be the selection process that results in the survival of the 'locally fitter', not the 'universally fittest' (pp. 66-67). More importantly, both firms and resources have a complete and never-ending evolution, including changes in their composition (p. 66). This has, indeed, bearings on the choice of the units of selection, the selection process and the results of selection or superior performance. These three points will be addressed below.

Units of selection
The units of selection and of analysis encompass all actors dependent on the same resources. Following Pfeffer, this perspective proceeds from two underlying assumptions: (1) that
organizations and people in them are interdependent with other organizations and with other individuals, and (2) that as a consequence of this interdependence - this social relationship - we are much better served in our attempts to understand either individual or organizational behavior by investigating the effects and constraints of social context (1995, p. 72).

The units of selection are characterised by a high degree of heterogeneity. Otherwise, selection or competition fades away. The implication is that both firms and industries stand for competition, as they are heterogeneous with respect to resources.

Selection process
Hunt (1997) defined a causal selection process involving a struggle for existence, the so-called competition. Firms survive, prosper, and grow when they have resource assortments that enable them to occupy positions of competitive advantage. On the other hand, they suffer, shrink, and eventually [decay] when they continually occupy positions of competitive disadvantage (p. 68; [ ] emphasis added).

The selection process illustrates the competition among firms or industries struggling for market shares in the same niches. The implication is that competition only prevails when access to a certain performance is exclusive. The concept of excludability is essential since access of one firm limits access of other firms (cf. Kessides 1993).

Results of selection, survival of the fitter instead of the fittest
Hunt (1997) put forward some arguments to justify that competition among firms or industries leads to the survival of the fitter instead of the fittest. The R-A approach adopts the concept of fitter, which matches with competition and disequilibrium. The concept fitter suggests one emerging firm at a given time and another emerging firm at another time, the latter not necessarily different from the former.

The survival of the fitter and not the fittest more likely depicts the competition process as observed among firms and within industries. The rise and fall of firms or industries illustrates their competitive advantages in resource and their success or failure to upgrade such positions.

2.1.2 A resource-based perspective on the distribution of agricultural and health services
In this sub-section, an attempt is made to coalesce both the resource-based and the development economics perspectives, drawing from the literature. Recall that this study adheres to the concepts and assumptions valid in both the R-B and the institutional economics (IE) perspectives in order to understand the distribution of agricultural input and primary health services subsequent to the policy reforms in Benin. A brief summary of the theories and indications of possible drawbacks will be presented below.

Bridging the gap between the R-B perspective and the distribution of services
The interest of combining both the R-B and the IE perspectives does not just lie in that one reinforces the other in explaining the competitive advantage of firms but, more importantly, the institutional economics perspective bridges the gap between competitive advantage and the characteristics of some given resources over time, for instance, organisational, informational, and relational resources.

The contribution of the institutional economics theory to the goal of translating the R-B perspective to the development economics literature stems from that it focuses on [resources], goods and services, individuals, institutional arrangements, and how these interrelate to lead to some behaviour and not to others. (Wunsch 1991, p. 435; [ ] emphasis added)

Institutional arrangements refer to the play of the game (Williamson 1990). Although institutional arrangements can be approximately equated to the governance in a broader
production sector, these rather take specific meanings in the exchange context, including such ex ante activities as screening partners, drafting and negotiating contracts, and such ex post activities as monitoring and enforcing agreements.

Accordingly, the institutionalist perspective prescribes some analytical steps among which the most relevant is: what characteristics of given [resources], goods or services (and their production processes) create incentives and disincentives for the production, use, abuse, maintenance, financing, etc. of those [resources], goods or services? (Wunsch 1991, p. 436 [ ] emphasis added)

Therefore, performance of the reforms addressing the distribution of agricultural input and primary health services may probably be derived from both perspectives, that is, better services in one locality may be explained by better resource endowments. More specifically, improved distribution of agricultural input and primary health services will correlate with better organisational, informational, and relational resources.

A resource-based perspective on the distribution of agricultural input and primary health services
The organisational issues of the distribution of agricultural input and primary health services fit well in those tackled by the resource-based perspective of firms. However, due to a lack of theoretical models underlying the R-B perspective at this stage, the resource-advantage approach of Hunt (1997), Hunt and Morgan (1997; 1995) is used to provide the theoretical underpinnings for the model of the distribution of agricultural input and primary health services.

The resource-advantage approach of firms
In the framework proposed by Hunt (1997), there is an analogy between the resource-advantage theory of firms and development economics that stresses the prominence of market segments and resources. As a matter of facts, Hunt (1997) claimed that:

*Competition among firms is an ongoing process and consists of the struggle among them for a comparative advantage in resources that will yield a marketplace position of competitive advantage and, thereby, superior financial performance.* (p.60)

The two assumptions relative to competition and performance are very relevant to both agricultural input and primary health services. In the Couffo region, villages with substantial organisational resources such as high participation in farmers’ organisations (the GVs) are better off with respect to the distribution of agricultural input and primary health services than villages without such resources (see Box 2.1). Although this may not be a strict-jacket, organisation-based competitiveness is increasingly influencing the distribution of both services.

The second assumption related to superior financial performance is presently at odds with development goals. In fact, from the 1950s to the 1960s, growth was assumed to be the ultimate goal of development. Hence, superior financial performance was accordingly associated. However, the 1970s marked a new era in development economics, with more concerns about poverty and unemployment (Seers 1979; 1977). From such a perspective, various schools of thought assign different goals to development.

In general, development theorists refer to subsistence as the ultimate goal of rural social organisations (Blaike 1996, 1994; Friedmann 1992a&b, 1980). The focus is then on alleviating poverty through the production of subsistence goods. As soon as poverty is concerned, people’s vulnerability is questioned, and the definition of long-term goals for rural social organisations diverges following at least two perspectives. Blaike (1994) and De Haan (2000) explored people’s long-term goals, focusing on the perspective of access to resources. Accordingly, they defined the optimum livelihood as the ultimate goal. From an organisational perspective, on the other hand, F and K Benda-Beckmann (1994) stressed
social security as the ultimate safety net for vulnerable groups. In the field of agricultural input services, the definition of a goal is related to the relative contribution from the sector of inputs to overall rural development goals.

**Box 2.1: Tracing competition and performance of villages in the distribution of agricultural input and primary health services through organisational resources**

It was alleged that inter-linkages exist between the agricultural input service and the primary health service. The events listed below are illustrative of such linkages as well as of the competitive environment in which village communities have access to services. For instance, formal requirements are fooled down in favour of lobbying abilities of village communities.

Recall the formal requirements for a village to host a formal primary health service (PHS): *hosting PHS at the capital centre of commune* - *not hosting PHS within a radius of 5 km* - *availability of fresh water for health practices and social amenities such as a school and other infrastructure for community educational purposes*, etc. (OMS-BRA 1993)

Given those requirements, here is the story of three villages with different degrees of health services.

In the sub-prefecture of Aplahoué, village Alagbavé is well known for being one with the most successful farmers' organisation. The farmers' organisation (GV) of Alagbavé is the greatest with respect to membership, per GV-member purchases of agricultural inputs, per GV-member cotton output, functional literacy rate, involvement in the reform process, and the like. It is also one of the villages most visited by officials in the Couffo region, because of grassroots initiatives. Alagbavé is 12 km away from Aplahoué, and 5 km north of Dékpo, the commune centre.

In 1988, the village of Alagbavé successfully built its health facilities and then recruited health workers. In the wake of the reforms, this village health post of Alagbavé was erected as formal primary health service (PHS) at the expense of Dékpo, the commune centre.

Gbowimè is a village of the sub-prefecture of Klouékannè, located 3 km away from Lanta, the commune centre. In 1991, one local leader was awarded a national prize in agriculture. The latter and his followers successfully erected a local rural bank with far-reaching and spillover effects in the Couffo region. The headquarters of the bank were established in the village Gbowimè, and branches disseminated in other sub-prefectures of the Couffo region. This bank contracted north-south aid agreements with a French non-governmental organisation (NGO), whose contribution helped to establish a co-operative type of an experimental health insurance scheme and a pseudo-hospital under the supervision of one medical doctor. Given that a medical health attendant generally supervises the formal PHS, the centre in the village Gbowimè is one level ahead of a PHS.

In 1996, when Gbowimè erected this health centre, Lanta, the commune centre, was still not hosting a formal PHS.

Village Houédogli is a commune centre of the sub-prefecture of Toviklin. It is located 3 km away from the village Houégamey, a commune centre of the sub-prefecture of Djakotomey. Recall that the latter village had its health centre during the 1960s. This health centre has been assigned the characteristics of a formal PHS since the 1980s.

Houédogli was characterised by a great impetus for cotton production and co-operative efforts during the cotton boom of the 1980s. The village then earned sufficient collective revenues to build its own health facilities in 1984. This health outlet was erected as a formal PHS in the wake of the reforms, in spite of a formal PHS located only 3 km away in Houégamey.

The rationale for making use of the resource-based perspective not only stems from the competitive nature and the assignment of an ultimate goal, but it also derives from the
heterogeneity of factors that this perspective claims to be a fundamental characteristic of firms. Firms, village communities alike, are never homogeneous in their resource endowments to start with, seldom are they homogenous in their performance goals. Heterogeneity of resources, goals, and performance is increasingly accepted, as each village is a unique case on its own. Heterogeneity is a common feature between the R-B perspective and the actor-oriented approach.

**The actor-oriented sociological approach to development**

As an illustration, Norman Long's actor-oriented sociological approach to development intervention stressed the heterogeneous nature of the rural scene in general, and villages in particular (cf. Long 1989, 1994; Long and van der Ploeg 1989; Engberg-Pedersen 1997). According to Long (1989; 1994), heterogeneity derives from several elements that are characteristic: the actors themselves, their interests, interactions, experiences, knowledge, concerns, interpretations, meanings and ways of dealing with development issues and situations, and development outcomes. Accordingly, he claimed that contested and inconclusive development processes derive from the complexity of such an arena.

The actor-oriented approach holds a competitive view on resource control and access, pioneering then the application of theories of competitive firms to rural development. The so-called competition, which has been absent in development literature, appears to be relevant to the process of transformation and changes witnessed in the Third World to date. Drawing from such a perspective, the author found that state-sponsored and donor projects, international as well as local NGOs, self-help efforts, and other development projects are objects of competitive venture among social actors. Such a view will certainly enlighten the puzzle about differential responses and outcomes to intervention, and henceforth unequal development. However, an attempt to explain why people respond differentially to development activities through the combination of heterogeneity, agency theory, competition and structure, dismisses rather than confirms the scarcity concept linked up with resources. This disagreement between the resource-based theory and the actor-oriented approach only reflects the outdated interpretation of development as a resource allocation issue. Implicit in the actor-oriented approach, however, is the infiniteness of alternatives offered to social actors with regard to resource control and access. Although critical about the structurally driven development intervention as mentioned above, Long (1989, 1994) and Long and van der Ploeg (1989) admitted that locally generated organisational, strategic and interpretative processes affect the regional and the national context, and vice-versa.

**The importance of resource control and access for the distribution of agricultural input and primary health services**

In the present sub-section, concepts of rights, property rights, and institutions extensively discussed in the Institutional Economics literature will be connected to resource control and access for the distribution of agricultural input and primary health services. This is relevant for the subsequent discussions on both the existing social differentiation in the Couffo region and the distribution of both services.

As has become clear earlier, resource is defined in relation to users or groups of users. In most developing countries, including the republic of Benin, a large majority of rural dwellers perform farm-related activities for their livelihood. Therefore, the set of resources they possess and manage through their daily activities and with the technologies at their disposal depend largely on both market and non-market relations. So do the sets of goals pursued by them. As far as market relations are concerned, they strive to achieve wealth-accumulating goals. Regarding non-market relations as such, non-material goals are achieved, for instance, social status.
Rights, for instance, specify who may use, derive income from that use, and transfer any economically valuable goods or services (Wallis 1989, p. 99). Three characteristics are very relevant to the rights to a good:
- Rights exist as soon as some attributes of the good may be defined;
- Rights are specified once goods or services are allocated to some people; and,
- Rights are assigned to some people, which are coined Property rights.

Property rights are known as institutional mechanisms for internalising external effects. Therefore, the existence of property rights may reduce conflicts and facilitate co-operation, in both cases resulting in a reduction of administrative, information and market exchange costs. In this way, along with technology and other traditional constraints, institutional constraints enter into the decision process of individuals. In the presence of those costs, different systems of property rights yield solutions of differing efficiency.

Economic institutions are, however, not the same as property rights. For instance, property rights change as soon as an exchange takes place, though institutions are held constant. Economic institutions distribute the property rights of resources over groups or individuals (Coase 1993). Resource control and access, on the other hand, take different meanings in practice. In fact, ownership and user-rights hardly match. The literature suggests that private ownership has efficiency advantages in competitive conditions (Vickers and Yarrow 1991). However, private ownership may only induce efficiency in resource allocation, whatever the market conditions. There are numerous cases where efficiency must be combined with effectiveness. Effectiveness here is viewed as the extent to which a target goal is attained, while efficiency only addresses the minimum cost per unit. The literature provides some sector-specific hints on efficiency and effectiveness goals with respect to ownership types (Stiglitz 1991; Vickers and Yarrow 1991; Simon 1991). If there is a consensus in the pursuit of efficiency under private ownership, it is not clear that goal effectiveness be achieved without enforcement mechanisms. In agriculture, reference is made to Berg's warning about the uncertainty surrounding the operation of the private sector (World Bank 1981). This is also corroborated in Cromwell (1996) and Carney (1998). In the health sector, on the other hand, privatisation often leads to uncertainty in the provision of services, while the quality has fallen down quite significantly (Cassels 1995; Azefor and Bradley 1996; Svendsen 1996).

In the development economics literature, resource scarcity has consistently been blamed for causing endemic poverty in backward rural areas. In addition, resource allocation has been charged for not providing equal conditions between regions and within the same region (cf. Blakie et al 1994; Friedmann 1992a, 1992b). From the resource-advantage perspective, however, a rare resource needs not be scarce, and an organisational form is created rather than allocated (Hunt, 1997). These concerns are very relevant to development economics and, more importantly, to rural development. Both institutionalists and resource-based theorists introduce insightful empirical economic aspects to support their arguments. Although these are convincing, they have hardly provided the framework to span the breadth between capitalist firms and rural communities in the developing countries. Of even greater significance is the failure yet to provide analytical tools in order to articulate resource characteristics in their wider sense with public policy in the domains of rural development.

**Competing units for the distribution of agricultural input and primary health services**

What social unit is attuned for the distribution of agricultural input and primary health services from both a government intervention and the rural people's point of views? Following various schools of thought, the answers will vary. Recall that, from the neo-classical point of view, individuals embody both consumption and production characteristics. The resource-based theorists, on the other hand, relate a resource to the capability of a given organisation to put it to
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use (DeGregori 1987). Although there are still unclarities about the conditions whereby individuals may not perform as social organisations do, I contend here that the social unit of interest is the village community.

Although a village community, as a social organisation, hardly matches with the territorial unit delineated as village, it appears relevant for an inquiry into the distribution of both services according to the intervention perspective. Like firms, village communities are subordinated to the market mechanisms. The policy of retrenchment in the government sector notwithstanding, certain villages are pressing for new agricultural extension officers, and others are seeking new community health workers from the public sector. The processes involving government provision of new field extension officers, new village health workers, and so on are very selective. More specifically, these apply beyond the formal requirements in terms of rules, norms, and standards (cf. Box 2.1). It follows that village communities pursue superior agricultural and health performance within a competitive environment.

Competition, however, is viewed in the overall context as the relative capabilities of the communities, given the prevailing conditions, to mobilise both local and external resources in order to achieve certain superior performance for its members, for example, superior survival strategies such as subsistence and food surpluses, superior health status, and marginally higher living standards. Yet, most African village communities are neither egalitarian, nor are they characterised by perfect competition (cf. Engberg-Pedersen et al. 1996c). This is to assert that competition may or may not prevail across village communities, and even within communities, for development services in general and for agricultural input and health services in particular.

The household is nested in the village community in the hierarchy of social organisation. Biaou (1997) referred to household as a compound of several decision-making units. This perspective derives from the plural enterprise units that compose the production system at the household level. At least three enterprise units are of interest. First of all, there is the enterprise unit of a household, within which the household-head is the major decision-making centre. Then, there is the enterprise unit of each wife, which also includes her daughters. And, lastly, there is the enterprise unit of the individual, where young sons and dependents are relatively autonomous with respect to certain economic activities. Therefore, there is a bias to easily coalescing these decision units into one, that of household-head. Such a perspective limits the assessments of the demand for socio-economic services within households. The decision to purchase services may be either internal or external to the decentralised decision-making units, depending on their relative degree of autonomy within the whole household system.

The relevance of this debate to the present study stems from a complete reliance on the perception of household-heads regarding the distribution of agricultural input and primary health services. Thus, conclusions derived from such an approximation must be hedged with caveats. This reliance on household-heads must not obscure the fact that households are arenas of conflicts between individuals, gender and generational groups (Bierschenk et Olivier de Sardan 1998). From a government perspective, neither agricultural input services nor primary health services are household-oriented. In order to substantiate such a generalisation, empirical evidence that rural people organise themselves locally, but at a level superior to the household, will be provided later on.

Why are village communities the units of selection?
The answer to this question will help bridge the gap between firms and village communities. In the first chapter, it was pointed out that Cremer et al. (1994), Picot and Wolf (1994) and Willis (1968), among others, critically explored the existing analogy between firms and village communities. Porter (1990), on the other hand, brought to the fore the competitive advantage of nations as home bases for successful international firms. He asked the traditional question: why
does a nation become the home base for successful international competitors in an industry? (p. 1) In his view, this question is relevant to a firm that must understand what it is about its home nation that is most crucial in determining its ability, or inability, to create and sustain competitive advantage in international terms! (p. 2) Then, he claimed that the same question will prove to be a decisive one for national economic prosperity as well. (p. 2) Although he was addressing the economic environment that a nation might create to enhance the competitiveness of home-based firms, i.e., institutions and policies, his approach is equally relevant to a much smaller territory of the size of a village. More importantly, his contribution to the debate on the relevant environment for a nation to locate firms with international competitive advantages is transferable to the village level, focusing on the distribution of agricultural input and primary health services.

Having appraised the choice of village communities from another perspective, viz. that of a territorial and social unit with the ability to create and sustain competitive advantage in the distribution of services, I argue that village communities are the smallest territorial, social, and administrative units that function as corporate groups of interests. The public sector is represented in villages by its administrative, social, and economic services. The private sector is operating village-level businesses and even services. The existing local organisations are involved in various sectors of rural development. This is to emphasise that village communities consist of very heterogeneous social units with equally heterogeneous interests. Whereas the rule for the choice of units of analysis implies simplification and generalisation, care will be taken to avoid such short-sighted views of village communities.

It is also of interest to argue that the village is the smallest territorial level at which several divergent interests of various social groups converge. From a historical perspective, there have been cases of villages completely wiped out because of competitive disadvantages in certain resources. The cases of villages in Benin devastated by the river blindness, for instance (Heywood 1991). The depletion of land resources is another example of decay (Brouwers 1993; van den Pol 1996). Finally, the migration of labour and even child-labour from the rural areas to the main cities of the developing countries is reported to halt the development process within villages (cf. Bangura 1994; Jamal 1993). In some cases, however, migration may be subsequent to village decay provoked by unfavourable government intervention or natural calamity.

Being then the units of selection within the processes of distribution of agricultural input and primary health services, village communities are considered to be the appropriate units of analysis in the present study.

"Competition among village communities for the distribution of agricultural input and primary health services"

Under this heading, we will mainly address the course of action that influences the selection processes. Hunt (1997) called our attention to Hodgson (1993) and Mirowski (1983), who claimed that internal as well as external factors affect the selection process by altering the units of selection. Three important internal factors threaten the selection process. The first internal factor concerns the failure to invest in resource development, e.g. agricultural inputs and health care. The second factor entails the dissipation of resources (high infant or adult mortality, land and water depletion, among other things). The third and last factor applies to the failure to adjust to new environment, the failure to diversify in response to stringent policy in the cotton sector (surfeit of cotton, more demand for curative care at the PHS, among other things).

Regarding the external factors that affect the units of selection, these cover changes of tastes and preferences induced by the development of parallel channels for agricultural input and primary health services, the changing policy environment with the exclusion of field extension staff from the input market and the introduction of the cost-recovery scheme in the
health sector. Overall internal and external factors affect the level of development of the village communities in such a way that allowing for bankruptcy or even decay is a fair choice.

The total population of a village community evolves following natural events, birth and death, as well as socio-economic factors, labour migration, and resettlement, for instance. Because of people moving into as well as moving out of the village boundaries, it is unlikely that total population figures reflect development performance from the community point of view. Large village communities may show tight social ties while small communities may show loose social ties, irrespective of the level of development. A tentative evaluation of a village’s socio-economic performance could be approximated by the structural composition of its basic units, the so-called households. Yet, average village-level household size obscures the high discrepancies between young and old, rich and poor, migrant and non-migrant households, etc. Although household size might contribute to the analysis of superior performance, people’s perceptions appear more relevant and insightful.

Land and labour indicators, such as farm size and land productivity, household size and agricultural workers, respectively, are very relevant to characterise competition among village communities. However, it is unlikely that precise information is found on those resources. Indeed, land resource evolution is very dynamic in the Couffo region. According to Biaou (1996), the land market is evolving. But, the author stresses the prohibitive aspects of the difficulties in gathering information regarding land-ownership and the effective control of operational holdings. Similar difficulties hold for undertaking land-productivity investigations given the existing cropping systems. As to population and labour indicators, on the other hand, their use for analytical purposes will be qualified below.

**Fitter village communities with respect to the distribution of agricultural input and primary health services**

It should be stressed from the outset that the selection process as it applies to firms, is unlikely to apply with respect to village communities. Villages are only exceptionally wiped out. They rather lag behind, as Porter (1990) claimed for the nations.

In order to discuss the results of competition among village communities, focusing only on village-level government policies and institutions that do or do not favour a competitive environment for collective action to take shape will do little justice to internal factors of the recipient villages. This is why a special emphasis will be on resource control and access and its implications for the adoption of modern agricultural input and primary health services.

Land-resource control and access is relevant to village communities competing for the distribution of agricultural input and primary health services. Land-resource endowment may be explained by the descent-group system of land tenure (McCall 1995). However, empirical evidence shows that access to land resources may still be achieved through kin alliance, marriage or even market relations. It is instructive to note that Den Ouden (1989) and, later, Agossa et al. (1997) found no strict link between wealth and land property in the Couffo region. Their findings corroborate the inferences that the accumulation process is through borrowing and renting land in the first place, followed by purchasing land with, as a primary condition, the control of and access to the labour force.

Labour-resource control and access derives from one’s ability to keep a hard-working family labour force (Den Ouden 1989). A steady increase of total population and household sizes only may not be sufficient to qualify a village as competitive, but rather people’s competencies to manage the subsequent labour resource. Although policy measures under the structural adjustment programmes aimed at halting rural-urban migration, these were not backed by the necessary management skills.
If the endowment with resources of the land-type potentially confers to certain village communities a competitive advantage over their counterparts, competition outcomes will essentially depend on the strategy of local actors. For instance, land resources do influence people's participation in the distribution of agricultural input and primary health services. So do labour resources. However, the availability of these resources does not necessarily imply the participation of the beneficiaries in the distribution processes in real terms. More importantly, participation may not cohere with the effective utilisation of services.

2.2 A resource-based perspective on the structure for the distribution of agricultural and health services

The present section is concerned with the structure of the distribution of agricultural input and primary health services, drawing from a resource-based perspective. Structure entails various types of organisations, namely hierarchy, market or hybrid types. Why is organisation useful and necessary for this study? Recall that the principle of organising is to transform a system in which conflicts are permanent into a co-operative system. Co-operation supposes the participation of all actors on equal footing in order to achieve a common goal. Before the reforms, the distribution of agricultural input and primary health services failed to live up to expectations. The nature of the failure was underlined in the first chapter. The approach used for the distribution of services was mainly top-down. The government sector used to identify, formulate and implement projects involving the distribution of agricultural input and primary health services, and beneficiaries were expected to adopt these projects. It was especially shown that these 'give' and 'take' processes lapsed because of the financial bankruptcy in the government sector during the 1980s. Therefore, the government was forced into a policy of retrenchment that stimulated the participation of other actors, private sector and beneficiaries included. The only framework within which this type of collective action for the distribution of services can take shape, is through organisation.

It should be stressed, however, that an organisation is not a sweeping framework that transforms a system in which conflicts are permanent into a co-operative system. Seldom is organisation sufficient to ensure co-operation among various actors. There is a need to support it with adequate institutions. Still, organisations need not be taken as institutions, and vice-versa. Institutions mainly characterise the organisational type whether an organisation is a hierarchy, a market, or a hybrid. Until recently, the development debate has revolved around state or hierarchy versus market, overshadowing the hybrid type. This debate will be touched on and the underlying arguments summed up in this section.

A resource-based perspective on collective action between the public, private and local organisations will be undertaken. The rationale is to document organisational drawbacks that might disturb the functioning of collective action and highlight some tentative solutions.

In order to achieve such objectives, three sub-sections are organised below. The first one is concerned with the concepts of organisation and institution. The second sub-section will discuss an organisational dilemma, while the last will deal with collective action in the distribution of agricultural input and primary health services.

2.2.1 Organisation and institution

The concepts of organisation and institution are alternatively used, although they address quite different but related issues.
What is an organisation?

Organising suggests the co-ordination of numerous actors of potentially divergent interests under the conditions of environmental uncertainty and instability (Levitt and March 1995, p. 11). This derives from common knowledge of two systems, conflict and co-operative systems. In the former, individuals have objectives that are jointly incompatible. A co-operative system, on the other hand, is one in which individuals work on a consensual basis to achieve collective objectives. The issue of organising is then assimilated to that of transforming a conflict system into a co-operative system. This suggests that individuals come to organisation with preferences that are in conflict, but where that incentives may induce them to co-operate. Therefore, one pervasive issue is that of finding a set of incentives whereby self-interested actors are encouraged to act co-operatively.

The consideration of preferences as exogenous and fixed attributes subverts the transformation issues referred to earlier. One traditional approach to organisation then considers preferences as important premises, but not as mechanisms of organising. Although such a conceptualisation is genuine, it seems compelling to go beyond it and to include a significant attention to the transformation of preferences. The possible interrelations between adapting to preferences and shaping them must not be omitted.

The subsequent processes preside over the creation of various types of organisation. According to Williamson (1994), there are three types of organisations: hierarchy, market and hybrid. When actors are brought together in the same structure in order to pursue a common goal, this type of organisation is denoted as hierarchy. Examples of hierarchy are in the public and private domains. Bureaucracy, for instance, is a hierarchy in its own right. In the private domain, a firm is very dynamic type of hierarchy. Although theories of firms are relevant to the study, an extensive account of their organisational aspects is not to the point here.

Organisation parallels the market if conflicts are so intense that it seems very costly to bring actors together. Actors are not always inclined to organise, because of ignorance or because they think that private returns will underrate collective returns. It should be noted that the market was said to be an attribute of the advanced societies. However, opinions among scholars studying organisations and markets have evolved. Simon (1991), among others, rejected the proposition that a pure market ever exists, even in the advanced societies. In his view, there is also no pure hierarchy. The traditional social organisations in the developing countries are neither of the hierarchy-type, nor are they of the market-type. They have a bit of both. This hybrid type shares the characteristics of both hierarchy and market. For instance, self-help and participatory groups are spontaneous types of hybrid organisations, set up explicitly to overcome social dilemmas. In the same vein, in the so-called backward societies, there are still several ways of organising that substitute for the modern market and firm. This study sets out to contribute to the theoretical understanding of the differences between various types of organisations.

A typical example of hierarchy is the firm. It was stated earlier that a detailed description of the firm is not to the point in this study. By contrast, an extensive presentation of the public bureaucracy will be pursued below. Bureaucracy is also an example of hierarchy, representing the decentralised body of the government sector. As such, it is subject to the limitations discussed earlier. Public-sector bureaucracy in particular is subject to several other limitations. One limitation of interest is that most civil servants come in with their preferences. Equally important is the potential transformation that individual preferences undergo. But still, some initial preferences will necessarily transcend the transformation process. Another limitation concerns the tendency to divorce means and ends, overemphasising one or the other (Selznick 1997). This supposes some concerns about resource allocation in the public-sector organisation, though Simon (1991) contended that efficiency in organisation is a management concern. An
additional limitation is that civil servants are culturally bound to false reporting (Chambers 1992). Bureaucrats may undermine the reforms from within and at the same time overrate goal achievements. This is referred to as the principal-agent problem. A perverse aspect of the agency problem is what Tirole (1986) coined as collusion in hierarchical relationships. This suggests that two or more levels of a hierarchy collude to deviate the institutional goal from originally set directions. As an illustration to the debate on bureaucracy, Hirschmann (1999) documented three dimensions, which are object, subject and medium of development. A detailed description of this line of thought is provided in annex B, section 1.

Bureaucracy and firms constitute the first edge of organisation, the so-called hierarchy. The other edge is the market, which organises through spontaneous exchanges and other interactions among strategic actors. Why is the market advocated? At least three perspectives are presented below. In the view of classical and neo-classical economists, there is the belief that the market guarantees efficiency. Anthropologists, on the other hand, are concerned about the social costs of the transition from the public bureaucracy to the market. More importantly, the ensuing economic and political inequalities are so great that such a choice warrants caution. With respect to the Marxist school of thought, the market entails a great deal of imperfections subsequent to the power that monopolists are granted by their political allies. These three perspectives of the market appear incompatible from the outset, though Ensminger (1996) claimed they might be reconciled. It is instructive that differences of perspective can be worked out within an organisation that allows for either hierarchy, or market.

Understanding organisations supposes the unravelling of two processes, a logical and a non-logical one. The former kind of process is rationality-based and should not be opposed to the latter kind, which involves intelligence. It should be pointed out that both processes are exhibited by organisations and individuals, hence reflect on organisational behaviour.

There are three observations regarding the behavioural patterns in organisations. The first one is that organisations function according to routines, rejecting consequentiation or intention and adopting appropriateness or legitimacy instead. The second is that routines are path-dependent, preferring the interpretation of the past to the anticipation of the future. The third is that organisational outcomes are oriented to targets, implying only successes or failures rather than gradations of either. Within such a framework, organisations may learn by encoding target-driven inferences from history into routines.

The concept 'routines' encompasses the forms, rules, procedures, roles, strategies, technologies, etc. around which organisations are constructed and through which they operate (Nelson 1997; Winter 1987). This concept equally encompasses the structure of beliefs, paradigms, codes, culture, knowledge, etc., that support, refine and challenge the formal routines (Pfeffer 1995; Scott 1995). As such, organisations correspond with or are taken as institutions, theme which will be expanded below.

How may routines and beliefs change? The fact that routines lead to some structural behaviour, which also opposes new routines, suggests an on-going dialectic process with open-ended outcomes. Concomitantly, two alternative paths for organisations to follow are worth mentioning (Scott 1995). The first one rests on trial-and-error experimentation, the second one on organisational search. Whereas the former path is more relevant to local organisations, the latter applies to a significant degree to the formal organisations. These conceptual paths very much portray the evolution of formal and local organisations in charge of the agricultural input and primary health services in Benin. This study will provide an extensive illustration of the underlying processes, in line with farmers' organisations, the groupement villageois (GVs), and the local health management committees (LHMCs).
2.2.2 Institutions
Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights) (North 1991, p. 97).

There are, however, two perspectives of institutions that state how institutions can be best understood. From a behavioural perspective, institutions are considered [as] complexes of norms of behaviour that persist over time, by serving collectively valued purposes (cf. Uphoff 1986: p. 9). This perspective also corresponds to that of Ostrom (1986). And from a rules perspective, institutions are as the rules of a society or of organisations that facilitate co-ordination among people by helping them form expectations which each person can reasonably hold in dealing with others (Ruttan and Hayami 1984, p. 204). The two perspectives entail, however, different levels and sequences of analysis.

With respect to the levels of analysis, institutions differ from simple contractual arrangements between two parties, individuals or firms to more general conventions within corporate groups, community or industries. Contractual arrangements concern the allocation of the rights to a specific good to someone or to a group (cf. Wallis 1989). A rules perspective better encapsulates the mechanisms involved in simple contractual arrangements, while a behavioural perspective is more applicable to the groups or industries. Regarding the sequence of analysis, rules and behavioural norms may be considered as moving respectively from the simple to the complex at a point in time. These may change over time, depending on the sequence of analysis. For instance, if a rules perspective is valid between two firms, a behavioural perspective will be considered for the whole industry. Similarly, if a behavioural perspective is assumed for a firm, there are likely to be contractual arrangements between two or more units of the same firm. There appears to be a mutual causal relationship between both rules and behavioural regularities.

Regarding resource control and access, Wallis (1989) draws our attention to the fact that economic institutions are mainly concerned with the allocation of existing rights to resources to groups or individuals, or with the creation or destruction of these rights. Of course, the allocation of rights follows subsequent norms of behaviour within organisations. But at the same time, actors may exchange these rights on the basis of bilateral rules that facilitate co-ordination.

Because both rules and behavioural perspectives imply a hierarchy of constraints that structure the interactions of actors, two issues may be derived accordingly. One issue is that institutions may be exogenous, that is, non-negotiable institutional arrangements at one level of analysis, or endogenous, that is, negotiable contractual arrangements at another level. Institutional arrangements here refer to different distributions of the rights to make decisions, for instance, the production decision, and then cover the definition of the goods and the specification of rights (cf. Wallis 1989). Hoffman (1989) and Wallis (1989) contended that all institutions are relative, and that standing at the top of the hierarchy is not enough for one’s rights to prevail over every one else’s. This is to assert that a top-down approach to institution is unlikely to achieve desired results. People standing at the bottom can seriously undermine the course of action, and, hence, the expected performance. This is to imply that a great deal of perversion may follow the adding-up of two such hierarchies, as is the case for the distribution of agricultural input and primary health services in the Couffo region.

A second issue derives from the difficulty in identifying the costs and benefits facing people with the authority to alter institutional arrangements (Wallis 1989, p. 102). Of course, their choice-set is not observable. However, as in the case of the distribution of agricultural input and health services, civil servants resist the reforms. In fact, services lapse in the aftermath of the reforms. This theme will be discussed with respect to extension and health personnel.

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The two-level perspectives described above also spawn some flaws in the way in which intervention policies are conveyed at local level. For instance, for at least four decades, government policy interventions have been characterised by a behavioural perspective. The adoption of the structural adjustment programmes hardly changes such a perspective. What really change are the channels through which intervention is conveyed to the beneficiaries. The strategy that consists of influencing group behaviour through individuals and by top-down communication methods has been discarded, in favour of structural methods emphasising the influence of groups on individual behaviour.

It should be acknowledged that the *all or nothing* choice of both rules and behavioural perspectives exposes some policy weaknesses. It is unlikely that the definition of behavioural norms will necessarily trigger appropriate rules at the local level. That is why the reforms of the distribution of agricultural input and primary health services suffer from appropriate rules that must guide various actors or groups of actors in their dealing with one another. This is not to assert that the definition of rules will result in uniform contractual arrangements. Dissonance may occur, but this may be legally sanctioned. Otherwise, all members of the organisation are jointly accountable for the institutional goal, but no one is accountable to others for this goal. Therefore, it is not just necessary to emphasise the organisational dimension of the distribution of agricultural input and primary health services, but it is sufficient to insist on the behavioural and rules perspectives.

### 2.2.3 Organisational dilemma

Having discussed the concepts of organisation and institution, respectively, the present subsection will focus on the apparently difficult choice between two types of organisations, hierarchy and the market, both equally undesirable. Then, we will continue with the proposition that local organisations are of the hybrid type. We will further address issues related to the institutional contradictions arising from the superposition of formal and local organisations.

#### Hierarchy versus market

In recent years, the debate *State versus Market* or simply *Hierarchy versus Market* has led to the hope that significant progress might be achieved in the development practices. Formerly, market failures were thought to result from *structural rigidities*, due to lack of responsiveness to price signals. Worse, the principles guiding its functioning were said to not satisfactorily reconcile problems of equity and efficiency. It was therefore concluded that government should take a leading role in the allocation of investment, as well as control the functioning of the economic mechanisms, and otherwise intervene to compensate for market failures. Unfortunately, experiences from most of the developing countries, including those of sub-Saharan Africa (SSA), are revealing government failures, at least to some extent.

More recently, the macro environment in SSA has changed with a call for democracy and decentralisation. More importantly, these processes have been compounded with the implementation of Structural Adjustment Programmes (SAP) following market lines. An account of the impact of the SAP is provided in annex A, section 2. The pressure for market liberalisation was based on the belief that economic growth and, henceforth, change can best be achieved by increasing competition in product and factor markets through opening them up to the private sector. This belief has led to a drastic reduction of the role of the state in economic activity in general, and, given the dominance of the agricultural sector in most African economies, in agricultural produce marketing and input supply in particular (cf. Smith and Thompson 1991; Thompson 1991). It has also applied to the social sector in general, and to the distribution of primary health services in particular (Azefor and Bradley 1996; OMS-BRA 1993). In any case, however, government frequently retain some rights of control, in the form
A resource-based perspective on the distribution of agricultural input and primary health services

of regulation, where monopoly power and other market failures are present (Chitou 1995; Heald 1990; Vikers and Yarrow 1991).

Indeed, a decline in the distribution of social services started well before the structural adjustment programmes and has persisted throughout in most African countries (Engberg-Pedersen et al. 1996a, 1996b). The development process has probably been more extensively and heavily state-controlled in Africa than elsewhere, explaining much about the small size of the private sector as well as about the size of the public sector. The reduction of the size and character of the public sector derives from the arguments put forward by some neo-liberals, that these are mainly determined by the rent-seeking behaviour of the local elite. In particular, as the state capacity declined, local groups began supplementing social services through self-help organisations, local development associations and so on. Yet, even at this stage the need for institutional development has come back into focus, and this arises from two types of concern (Hirschmann 1993, p. 116). The first relates to the lack of effectiveness of development projects and programmes, being government or market-led, and the recognition that a lack of locally supported organisations has been an important cause of failure. This concern parallels the decentralisation debate, not administrative decentralisation as such, but field management of certain activities. It is claimed that government officials resist decentralisation because of the uncertainty surrounding the operation of the decentralised units (Cremer et al. 1994; Degnbol 1997; Yacouba 1997; Wunsch 1991). Stiglitz (1991), on the other hand, stressed the point that centralised and decentralised systems differ in their ability to acquire and respond to new information. The latter consideration is one among other justifications for government not completely receding from both agricultural and health services.

The second concern emerges from attention to sustainability. Sustainability is used here not only in the sense that policies hold up over time, but more significantly, that changes result in a sensible direction (cf. Durston 1989). However, this cannot happen on any widespread scale until organisations, procedures, incentive systems and attitudes are established that leave a system in place with the capacity to analyse, formulate, implement and evaluate its own economic policies. Undoubtedly, the concerns of involving beneficiaries' organisations in the development process are up to date. So are concerns of decentralisation or field management of activities by local organisations buttressed with appropriate knowledge.

During the 1980s, the development debate revolved around state and market organisations, obscuring the development orientation of most local organisations. The latter are neither complete hierarchies, nor markets. As will be shown below, local organisations are of the hybrid type. In order to substantiate the significant role of these organisations in the development process, an extensive survey is pursued below.

Hybrid organisations: self-help labour party and saving-credit groups

Hybrid types of organisations usually encompass hierarchical as well as market relations (Williamson 1993, 1975). The emphasis on either hierarchy or market has long obscured the development debate from uncovering the great development potentials that the existing grassroots organisations entail. It should be stated from the outset that this form of cooperation among actors might be called collective action (CA). In order to substantiate that hybrid organisations are the third way of organising the distribution of agricultural input and health services, an extensive account of the potentials of grassroots organisations will be presented below.

Grassroots organisations can be viewed as forms of exchanges, which transcend, or combine with, the solidarity associated with kinship or household units (Lemarchand 1989, p. 43). They entail part of the strategies designed to reduce risks and maximise either subsistence or marketable surpluses. Variants of those organisations will be presented.
The first and commonly observed kind of organisation, also coined labour party or self-help group, comprises a large range of variants regarding the articulation of their institutional goals. At the core of labour co-operation subsists invariably the anticipation of mutual benefits (Ibid.). First of all, it functions as a labour market from which members may draw additional labour input. Second, it also involves a hierarchy of arrangements whereby members join together to perform a series of agricultural tasks for beneficiaries, each member in turn. Ploughing, terracing, clearing and weeding are, among other tasks, subject to such co-operative agreements.

Regarding variants of the labour-party group, differentiation may concern the tasks to be performed, because of the social status of the participants. Women and teenagers are not allowed to participate in forest clearing, for instance. Differentiation may also be a matter of a social group concerned. Young persons may co-operate to undertake one specific task on the farms of their parents-in-law, land clearing or weeding, for instance. Differentiation may further entail spatially related aspects, ethnicity, and the absence or presence of certain agricultural tasks.

In general, labour co-operation in agriculture is designated as ‘Efnbɔɔ’ or ‘Sɔgbe’ within the ‘Aja’ settlements in the Couffo region. In addition, ‘René-gbe’, ‘Tadéglà’ and ‘Glezɔɔn’ are locality-specific nicknames for the same scheme within the ‘Fon’ ethnic group.

Labour co-operation covers all tasks related to agricultural field operations and agricultural product processing, hence embracing all backward- and forward-linkages within the rural cottage industry. Such co-operative arrangements are mainly common among women in villages with a high specialisation in agro-processing. Women get together to boost their own production of raw materials for agricultural processing. More exceptionally, they get together to purchase agricultural products from the male members of the households or from the market. Therefore, the co-operative effort of the people in general and women in particular is also geographically delineated. Villagers located in land-abundant zones such as the Lònky Savannah are more involved in labour co-operation for field works than those from the Plateau zone. Conversely, villagers in the latter zone are more co-operative for agricultural processing than those of the former.

Both supply and demand requirements for agro-processed goods seem to go with population thresholds, leading to the comparative organisational advantage of residents in densely populated areas over their counterparts from villages with more sparsely distributed populations. On the supply side, co-operation in fields other than agricultural tasks is more likely in the presence of slack labour. The demand-side aspect is also accounted for, since agro-processing implies satisfying some demand-driven intermediate or end products. Three variants of the scheme concerned are found in the Couffo region and denote the extent of people’s loyalty for collective action (cf. Annex B, section 3).

The second commonly observed organisation, the rotating credit or Saving-credit group, is a more generalised type of co-operative arrangements. Two categories of this type might be of interest, the first one essentially based on financial resources and the second on material resources. For either type, members view their organisation as the market from which they draw financial or material resources. Alternatively, by devising sets of quasi-permanent rules and enforcement mechanisms within their organisation, members ensure that hierarchical relationships transcend conflicts that prevent spontaneous exchanges. Several variants of this type are found in the Couffo region (see Annexe B, section 3).

Institutional contradiction following skewed reforms
It was found earlier that, following the debate hierarchy versus market of the 1980s, a third type of organisation, blending potentials of the market and those of hierarchy, may overcome both
market and government failures. It was also documented that hybrid organisations exist in rural regions in general and in the Couffo region in particular. However, most intervention projects fail to integrate the existence of those self-help and local organisations, and new formal organisations are created. An attempt to document the institutional contradiction that follows the side-by-side existence of formal and local organisations will be pursued below.

The reforms underway in the developing countries have ever relied on local organisations. However, seldom are policy reforms targeted toward them as relevant development organisations. So far as new organisations are created, the local ones are disregarded. The question remains whether the original local organisations are being replaced or quietly integrated during the reform process, or, if resilient enough, whether they are resisting the process, then undermining the claims made on development.  

More recently, a body of literature has substantiated that the local institutions are undermining the reform process (Lachenmann 1994). The reasons offered so far are twofold. First, the institutional contradictions which can arise when village communities and projects interact. Lachenmann uncovered similar bias, which he identified as elementary political articulation. Second, the institutional differentials within and among village communities which stem from different intervention scales and institutional intensities.

Sahn and Sarris (1994) documented three aspects of institutional contradictions. The first one is concerned with the need to keep a central control on resources. The second aspect appears to be politically driven, the urban bias of most national development processes. The third aspect, the adoption of wrong institutional models, seems to be driven by donors, who have been instrumental in most interventions. (p. 287)

These aspects are very relevant to the agricultural input and primary health services. The creation of new formal organisations in both sectors follows the logic of a central control. The implementation of central directives and even reporting urges the adoption of specific characteristics. For instance, only one farmers’ organisation per village, one local health management committee per commune, the adoption of group charter in the agricultural input service and legal contract between the village concerned and the Ministry of Health (MOH), and the need for the formal enrolment of farmers’ organisations, etc.

The urban bias of institutional contradiction also derives from the financial, legal, and material support that is available to urban-based organisations as compared to their counterparts in the rural areas. This study provides an illustration of urban-based local health committees that are more successful than those located in remote rural areas. Similarly, farmers’ organisations located in remote villages have difficult physical access to urban-based agricultural input sale points.

Hoffman (1989) and Wallis (1989) claimed a legalistic view of institutional contradiction. According to them, people standing at different levels within the hierarchy of an institutional structure, and given that the latter entails non-negotiable institutional arrangements at one level and negotiable contractual arrangements at other levels, may be a source of contradiction. More importantly, the side-by-side existence of two legal systems, the national formal system and the traditional customary one, as in the case of the Couffo region, is a source of institutional contradiction.

Although institutional contradictions seem to be more likely in the decision-making process for common resource management, as depicted in Steinich (1996) and Sahn and Sarris (1994), these pitfalls are also relevant to other sectors of rural development, for instance, the distribution of agricultural input and primary health services. The nature of the contradiction also entails the level at which formal organisations articulate with local counterparts, the interface. Interface is defined as the levels at which intervention organisations articulate with local
counterparts. The choice of interface between those two types of organisations may be subject to contradictions.

2.2.4 Collective action for the distribution of agricultural input and primary health services
The question whether collective action, good management alike, has aspects of a public good is relevant to this study (Stiglitz 1991). As an organisational form to address the framework within which actors get together to pursue common goals, a historical perspective is taken below.

It has been reported in the literature that individual farmers or households adapt or select what they deem useful in the development package. This behaviour, however, is likely only in the case where no provision is made to entrust the level of intervention with purposely devised policy instruments (cf. Mogedal et al. 1995, p. 366). Otherwise, compliance or retreat is the only alternative. In order to substantiate whether individuals, households or communities comply with or resist certain development interventions, the nature of the goods or services and the transactions involved prove to be insightful. Equally promising is the concurrent interest in the level of intervention, the underlying knowledge, and the strategies by which both development agents and rural people work out their differences within organisations. There is increasingly a consensus that rural people should decide upon their needs and the means by which these may be satisfied. However, doubt persists as to the degree of laissez-faire. To date, most development theorists, not the least among those having recommended the shielding of rural localities against market perversion, accord perfectly on the certainty of market invasion. Market integration may not only require a demand-side response from entrants, but they are also bound to abide by the global standards encroaching upon their supply response. This is where the role of the government or the state, as the collective interest holder, comes to the fore in the market integration process (Friedmann 1992a p.46-48; Blaikie et al. 1996).

During the late 1970s and the early 1980s, most of the sub-Saharan African countries were struck by economic crises, which led to a drastic drop of the social overheads. In order to keep pace with the increasing demand in both economic and social sectors, many countries have initiated collective action (CA). Therefore, the organisational aspects of rural development have gained momentum during the last fifteen years, in support of government and donors' efforts (Jacob and Lavigne Delville 1994). From the producers' co-operatives to the service co-operatives (marketing of cotton, agricultural inputs, extension, etc.), the rural areas have been characterised by a dynamic organisational movement. In addition to economic services, these organisations have invested a great deal in social services (education, health, culture, etc.).

Recall that many shortfalls prevent those organisations from living up to expectations. The most relevant shortfall is their multi-functional nature, which has been reported to impede overall performance (Idem.). Lachenmann (1994) also found that the multitude of demands for contributions and competition among several sector-oriented intervention structures had led to three absurd situations. First, the contribution costs rose very high in terms of time and resources, causing a total disarray among villagers. Second, the bias toward household-heads made the schemes discriminatory. Third, the resource mobilisation potentials, which have certainly relied on social ties and kinship, discarding then non kins, new settlers and other ethnic groups, have taken their toll in frustrating participation. Therefore, a number of shortfalls, such as the excessive dependence on external resources, or attempts to reinforce and perpetuate patriarchal modes of organisation as well as a patron-client type of leadership, have been reported to seriously undermine the organisational credibility. As discussed earlier, however, these features are not necessarily negative for the organisational prospects of rural development.

In order to encompass such an ambivalence, Long (1995) presents alternatives based on changing organisational patterns, building on the so-called shortfalls. One pattern which is of interest, occurs when external intervention accepts to take a second or even a third place, while...
building upon existing community groups. A second pattern consists of building successive task groups, and defining an ending point for involvement. Another pattern concerns special interest groups. A further elaborated pattern of interest deals with coalitions of community groups. A final pattern is the leader-centred group which is created around credible individuals or groups of villagers. The most important claim is that patterns must adjust in such a way as to lower the overall costs of participation.

2.3 Core capabilities for the distribution of agricultural and health services

In the first section, it was found that the neo-classical view of resources is outdated because of the missing perception of some relevant factors affecting either resource use or their creation. The resource-based and institutionalist perspectives, grounded on empirical evidence, attest that not only tangible resources of the land and labour types matter, but also the necessary knowledge and skills to manage and keep up with one's performance. In the same vein, experiences in Asian countries suggest that the conversion of potential resources like land and labour requires both capital and organisational inputs (cf. Ahmad 1981; Lee 1981). The neo-classical theory has overemphasised the former input, leading to the neglect of the latter. This neglect also stems from the fact that land, labour-time and capital resources lend themselves more easily to measurement and analysis than does organisation.

Organisation involves intangible resources such as organisational, informational, and relational capabilities. These attributes are specific assets contributing to the competitive advantages of one firm over another, of one industry over another, of one community over another. However, these are entrusted to the leadership or the management of the firm, the industry or the community.

The analogy between firms and village communities has been substantiated so far. In firms, managers are increasingly relying on floor workers for decision-making with respect to performance in resource control and access. Managers and floor workers share knowledge of markets and the institutional environment within which the firm has to operate (cf. Williamson 1990). More importantly, a special focus is on those households with lower purchasing power, the poor, inasmuch as they represent the large majority. These interactions between managers and floor workers, however, may not preclude enhanced leadership.

If, taken as a whole, the distribution of agricultural input and primary health services has improved in the presence of people's participation in Benin, this is not always a necessary condition. There are some activities within these two sectors that can profit from participation, while other activities are better served by public or private initiatives (hierarchy or market). This is also a justification for collective action.

The struggle of people to combine modernism and tradition in their quest for development may be illustrated by the resource-based perspective of firms. For instance, resource control and access at the village level has become a leverage mechanism for the funding of collective projects in the face of government failure. However, if not supported by appropriate property rights, such a mechanism will probably fail to deliver the expected outcome. In the case of land resources, the modern property-right mechanisms are not applicable and may require profound land reforms, otherwise. Conversely, the existing traditional property regime has delivered little modern services. Therefore, a combination of both types of property regime may improve the existing distribution of services. This suggests considering both hierarchical and market mechanisms with respect to resource control and access. If tangible resources are more prone to market transactions, intangible factors such as knowledge, competencies and capabilities are better distributed through hierarchical authorities. The idea is that private returns will be lower.
than collective returns. This is one justification why the private sector may not be willing to invest in certain intangible resources that automatically fall within the public domain.

With regard to organisation representing the most important component of people's participation, kinship and social organisation represent vital assets or resources, with the potential to consolidate community identity and action. Although these attributes have been acknowledged in the literature, most development interventions have dealt with them as social friction. The rationale is twofold. First, the territorial unit commonly designated as the intervention level hardly encompasses the existing social networks, let alone group preferences and interests. For instance, social organisations usually outstrip local territorial boundaries. These are more organised in layers than territorially delineated social units (F. and K. Benda-Beckmann 1994). Similarly, as more than one ethnic group cohabit within the same territorial unit, so do heterogeneous preferences and interest groups. Second, conflicts arise within formal organisations because of the impairment of the roles performed. For instance, the roles of production and resource control and access, formerly carried out by the elders of most rural communities, are increasingly hollowed out. Logically, from these two perspectives, the rigid nature of formal organisations precludes flexibility in membership eligibility. For instance, age-group and gender-related conflicts do persist. Decisions to commute for land-availability reasons are impaired (Mc Call 1995). However, this is not to ascertain that people do not adapt organisations to fit their proper context. The resource-based perspective inspires such a combination of tangible and intangible resources that enable an organisation to produce services for a certain market segment. The choice of a hierarchical, market or hybrid type of organisational form is subsequently derived.

Regarding other components of participation, leadership, management, needs assessment and poverty focus, the central concerns are power and knowledge based. More importantly, concerns are raised as to how these factors may be used in the course of people's participation. Because power entails different meanings, its use as a coercive means in the hand of community leaders suggests a kaleidoscopic pattern of development-oriented organisations following heterogeneous needs and preferences (Long 1995). Consequently, effective leadership may result in any positive negotiation that provides the village with external resources for the distribution of services. However, it also appears that lobbying for technical and material assistance is necessary, but not sufficient to ensure a sustained distribution of those services. The necessity to obtain people's adherence to the collective goals, and the establishment of horizontal and vertical relations with other communities and even external structures, require an institutional leadership.

There is a controversy that long-term and short-term decisions concerning the distribution of agricultural input and primary health services are presently hollowed out from the local to higher territorial levels. Accordingly, performance in these two sectors is very sensitive to such an impairment of management functions or power relations. However, a decentralised type of management will only take shape if a devolution type of power is assumed. Power that political decision-makers and their allies in the public-sector bureaucracy are still resisting to relinquish.

Needs assessment addresses the expansion of services delivered to people in quantitative terms as well as the subsequent increase in quality. Recall that this may succeed a prior delivery of services of a certain quality and in a certain volume. Power relations then stand on the side of the beneficiaries. Alternatively, needs assessment may precede a delivery of services, and then address the promotion of new goods and services. In the latter case, however, power relations lie with the supplier. In both instances, information dissemination and relational capabilities matter.

Power relations are likely to be anti-ethical to the poverty focus in the field of the distribution of services. However, sometimes poverty does not matter and people do not avail themselves of services because of their ignorance. Then, the solution lies with information and
knowledge dissemination. But if poverty matters, power relations are to be handled with care. Recall that poverty follows lower social positions, which suggests the quasi absence of resource control and access. Because of equity concerns, participation of the poor is incompatible with market relations. Participation of the poor is also incompatible with planning as soon as bureaucrats may not subordinate their work to democratic politics. Recall, however, that market and planning are not only two faces of the same coin. There are other forms of co-ordination between the demand for and the supply of services, for instance, collective action.

Needs assessment may be examined from both the demand and the supply side, and following the perspective of collective action. From the demand side, a good knowledge of what clients expect is the first and most critical step in the distribution of quality services (de Jager and du Plooy 2000). The size or the volume of the demand follows automatically. From the supply side, the possibilities of any organisation to deliver services hinge on the nature of the technology within its reach, the efficiency with which it operates given the managerial ability of its leaders, the resources available to it, and the risk and uncertainty involved with this sort of services. It follows, therefore, that needs assessment may reveal a certain inability of a given organisation to respond, inasmuch as the beneficiaries and the group of individuals in charge of the needs assessment are socially and organisationally distinct. Which may certainly not be the case if the perspective of participation or collective action is fully grasped by various actors.

There is quite a challenge to bridge the knowledge-gap between the beneficiaries, unaware of the technological advance, and the leaders impressed by the asymmetry of information. How to reconcile people’s participation with the critical task for management to create an organisation capable of infusing products with irresistible functionality or creating products that beneficiaries need but have not yet even thought of? This is a crucial question to deal with in the case of the distribution of poverty-focused services. Recall that the option of basic needs may apply for the primary health services. But, this is not necessarily the case for the agricultural input services.

Knowledge and organisational capabilities are the attributes of managers, or the entrepreneur type of community leaders. This is, however, not to allege that members of an organisation or community do not act on the basis of appropriate knowledge and organisational capabilities. Managers or leaders hold some specific knowledge that makes their position strategic within a given organisation. Knowledge construction and use in the development process illustrate the antagonist view between development practitioners, represented by Kaya (1989), who acknowledge the Group Organiser or Facilitator among intervention staff, and development theorists, represented by Bailey (1976), who conversely invoke leaders among community members (cf. annex B, section 4). In addition, this differential view of leadership has a bearing on most conflicts involving the rather clear delineation between organisational management and knowledge management.

Leaders are said to resort to dictatorship tactics when they feel insecure. One important source of insecurity is when one is not sure of what he/she is supposed to do or whether he/she is doing it in the right way. It follows that leadership requires a clear vision of what the institutional goal of the organisation is all about and a subsequent knowledge of the course of action. Although better means for choosing leaders are increasingly advocated and pursued (e.g. democratic election), people’s reliance on one or the other essentially depicts the degree of competition and fluidity within the system. The distribution of both services may be improved if local leaders have a better knowledge of agricultural input and primary health care, and not otherwise.

There is a bias to coalescing organisational management and knowledge management. In fact, both types are distinct, though at a certain point they are intertwined. This confusion is easily transferable to other fields, for instance, the distribution of agricultural input and primary health services. The administration of farmers’ organisations, the GVs, and of local health
management committees (LHMCs) as governance structures, ex ante and ex post conflict resolution, appeals to organisational management. The distribution of agricultural input services to farmers in need and the distribution of primary health services to the rural population derive fundamentally from knowledge management. As Barney (1997) claimed for firms, knowledge and organisational capabilities are such specific assets that appeal to the strategic management of the distribution of services. It was found that trends towards hollowing out long-range decisions are real in both agricultural and health services. The fact that only the public-sector bureaucrats can claim knowledge in both service fields, owing to past monopoly, justifies attempts from them to hollow out strategic decisions as collateral for their institutional survival.

Using the resource-based perspective, competitiveness will be considered as the relative capabilities of the rural village communities that derive from the heterogeneous distribution of factors influencing people’s participation. However, this is not to prescribe a random mode of distribution, nor is such a distribution believed settled in advance. On the contrary, the resource-based perspective stresses that groups of external actors and rural communities are capable of altering the initial set of factors according to the prevailing circumstances and, more importantly, according to people’s motives. Consequently, the distribution of services will be far less an equilibrating process, as extensively expounded by the egalitarian theorists, but should rather be considered as a desequilibrating one (Mahoney and Pandian 1997).

2.4 Conceptual framework

In the last three sections, we discussed extensively the three dimensions of the resource-based perspective: strategy, structure and core capabilities. From earlier presentations, it is possible to derive two research orientations below.

The first one is actor-oriented and ascribes the attributes related to strategy and core capabilities to actors. It should be stressed from the outset that actors are not individuals, but groups of individuals with a special status within the processes of the distribution of agricultural input and primary health services. More importantly, actors are characterised by a high degree of heterogeneity, like in firms. For instance, a village community comprises an infinite number of organisations operating within various sectors of development. The heterogeneity attribute therefore prompts to the definition of a specific structural orientation.

The second orientation addresses the structure, namely the organisation, which may be a hierarchy, a market, or a hybrid. Collective Action turns out to be the typical structure that may reconcile the high degree of heterogeneity ascribed to actors operating within the processes of the distribution.

2.4.1 Actor-oriented framework

Recall that the distribution of agricultural input and primary health services to the poor and unaware people is the main issue to be tackled through an appropriate definition of strategy and an equally appropriate design of structure by the relevant actors, given the core capabilities within their reach. Drawing from the problems in the distribution of both services exposed in the first chapter, poverty is characterised here by the gap between effectiveness in resource allocation on the one hand, and knowledge and organisational capabilities on the other. It was said in the first chapter that effectiveness derives from the opportunity cost of the services, that is, the provision cost and people’s utilisation. Effectiveness addresses the goal approach to development.

Knowledge capabilities relate to the lack of the dissemination of knowledge that hampers the efficiency in resource allocation. Efficiency addresses the cost approach to production,
suggestions the least cost per unit of output. *Organisational capabilities*, on the other hand, address the management of the production processes and of the relations among various actors.

Recall also that policy reforms aim at the right mix of public, private and local organisations for the distribution of agricultural input and primary health services. Table 2.1 below gives an overview of a matrix crossing strategy, structure and core capabilities of the R-B perspective with the regime of the distribution of both services. On the vertical line are strategy, structure and core capabilities. The horizontal line represents logically *collective action* (CA), which entails the partial contribution of the public, private and local organisations. This table provides a framework to analyse the role of each actor before and after the reforms.

More importantly, the expected organisational changes run from the formal top-down approach initially in use within the public sector to a mix of bottom-up and formal approaches. What does an organisational perspective, implying changes of values and norms as well as of the set of rules, require? Such changes may presumably derive from evolutionary processes. Given the large scale of organisational costs and the free-riding issue, *collective action* based on the ‘Institutional Economics’ (IE) perspective is advocated. Some related visions are also developed in the ‘New Institutional Economics’ (NIE) theory, but these are not to the point in the present study. Consequently, the combination of the IE perspective with the R-B perspective offers an insightful conceptualisation of collective action in the distribution of agricultural input and primary health services.

<table>
<thead>
<tr>
<th><strong>Table 2.1</strong>: Actor-oriented strategy, structure and core capabilities for the distribution of agriculture and health services (Public, Private and Local organisation)</th>
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<tbody>
<tr>
<td><strong>Resource-based perspective</strong></td>
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<tr>
<td>--------------------------------</td>
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<tr>
<td><strong>Public sector</strong></td>
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<tr>
<td><strong>Private sector</strong></td>
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<tr>
<td><strong>Local organisations</strong></td>
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*Source: Adapted from the resource-based and institutional economics perspective.*
2.4.2 Framework for collective action (CA)

Collective action will be conceptualised using the model below (see figure 2.1). Figure 2.1 brings together the public, private and local organisations with their respective strategy, structure and core capabilities in one aggregate set of strategy, structure and core capabilities.

The main characteristic of this aggregate is that it is expected to mitigate the strategy, structure and core capabilities of all three groups of actors. More importantly, it is expected to blend both hierarchy and market features in its exchange mechanisms.

The model in figure 2.1 sketches the different components of the post-reform institutional settings pertaining to the distribution of both agricultural input and primary health services. The bottom rectangle stands for village characteristics while the top rectangle represents those of the intervening agencies. On the sides are rectangles for resource control and access (on the left) and output performance (on the right). It should be pointed out here that resource control and access and output are considered as performance characteristics. The large rectangle encompassing all four small rectangles is the black box within which mediation is settled for resource control and access, the so-called institutional environment. The ellipse in the central position of the box contains various modes of adjusting resources to output performance; this is where lies collective action, the so-called institutional arrangement. The dotted horizontal line is the blurred zone between the public sector at the top and village characteristics at the bottom. The private firms do not appear since their relative role in the system is indiscernible from that of the public sector. Double arrows for reciprocity purposes illustrate the interaction between various entities. Each type of interaction is assigned a number, which ranges from 1 to 6.

![Figure 2.1: Collective action in the distribution of agricultural input and primary health services in the Couffo region, Benin (1996/97)](image-url)
It is this heterogeneous set of actors that the formal farmers’ organisations (the GVs) and the local health management committees (LHMCs) are to co-ordinate in order to improve the performance of the distribution of agricultural input and primary health services, respectively.

The resource-based theory is useful to sketch collective action under the prevailing conditions, while the institutional economics perspective will shed light on the administrative, information, and exchange-related costs faced by various actors within such a process. In agricultural and health sectors, the prevailing distribution effects are said to be prohibitive to the development of full-fledged markets. Distribution effects include, among other things, equity concerns that relate not only to the spatial dispersion but also to the thinness of the demand. This is not just because poor people live in scattered locations, but it also derives from their low purchasing power. In addition, poor people may not fully appraise the usefulness of certain services, unless these are provided to them in combination with adequate promotional information. More importantly, where market failure is pervasive, getting institutions right is an alternative to adjusting prices.

Government interventions in both the agricultural and the health sector are biased to some extent. In the agricultural sector, farmers’ organisations, which claim to embrace all agricultural activities, really only address the distribution issues of agricultural inputs destined to cotton production. This is to assert that these organisations hardly take care of activities other than the distribution of inputs and the primary collection of cotton output. At a very sporadic rate, however, farmers’ organisations have been involved in the primary collection of maize produce on behalf of the national office in charge of food security (ONASA/GTZ 1999), and in the donor-sponsored cultivation of improved varieties of maize equally for food security purposes (CARDER Mono 1997b). Apart from these unusual activities, farmers’ organisations are expected to curb down opportunism resulting from individual concerns for the intensification of the overall cropping system. Farmers in general divert the agricultural inputs obtained with group collateral to uses other than cotton production. The absence in the model of resources and income streams other than those related to cotton and membership in farmers’ organisations then derives from those considerations. The model also supposes some joint influences among village communities. These influences are relatively favourable or unfavourable to the distribution of agricultural input services.

In the health sector, the LHMCs mainly address the cost-recovery issues pertaining to the distribution of primary health services. This is to assert that these committees hardly take care of promotional activities such as community health education and out-post visits (MSP/CE 1999). Occasionally, however, committee members have been involved in the preventive-care activities like vaccination. Apart from these unusual activities, the LHMCs are expected to curb down opportunism resulting from individual concerns for health care. These committees are at the heart of the definition of wealth at the local level and the subsequent typology of the residents in wealthier, average and poor groups. This explains the rationale why policy documents urge an equitable composition of these committees with respect to various categories of community members and gender sensitivity (IMF 1998). The absence in the model of performance indicators other than those related to the attendance at the PHS then derives from those considerations. The model also supposes some intra-community and locality-based influences. These influences are relatively favourable or unfavourable to the distribution of the primary health services.

2.4.3 Definition of variables
It should be stressed from the outset that the private sector is absent from the collective scheme at the village level. This is not to ascertain that there is no private distribution of agricultural and health services, but such a distribution is taking place underground.
The first variable concerns the village and its attributes with respect to strategy, structure and core capabilities. At the village level, only data on the structural characteristics have been collected. Data related to the strategy and core capabilities in each sector are more homogenous than the structural ones. Accordingly, they are left out in the quantitative analysis, although they will be touched on in the qualitative discussion.

The second variable is related to the government policy in the sectors concerned. This mainly demonstrates the difficulty to set new rules, norms and values. The disregard of either the public-sector personnel or the rural beneficiaries in those rules, norms and values certainly leads to administrative, information and exchange-related costs. The rigidity of public-sector organisations is an integral part of such settings. From the IE perspective, the difficulties involved with the distribution of agricultural input and primary health services are illustrated by the subsequent costs. We must stress that the goal is not to measure costs, but rather to indicate how each type of interaction generates more or less friction. Administrative, information and exchange-related costs are peculiar to resources considered as flows, that is, the services that may be obtained from those resources. In the study area, actors do not fully abide by the rules because of their opportunistic behaviour, although their full co-operation in collective action is postulated to cut down costs. For instance, information costs escalated after the reforms in the agricultural sector and the creation of the local health management committees (LHMCs) in the health sector.

The third variable concerns the arena for collective action, what Williamson (1990, 1994) called institutional arrangements. These cover all organisational types, including various actors for dealing with the distribution of services. They also reflect more or less the combined structural characteristics of the co-ordination mechanisms between resources on the one hand, and output on the other hand. This is to assert that, for collective-action purposes, this variable represents a mix of strategies, structures and core capabilities of the public and local organisations engaged at the village level. It also reflects people’s perception of spatial, organisational, and cost dimensions of the distribution of services, introduced through the reforms.

The fourth variable concerns output performance, which is to meet the need of people. Such a variable has spatial, organisational and cost dimensions. By output, it is thought of as the per capita raw cotton production and the per capita attendance at the local PHS in each village. The distributive aspect of output is geared to decide upon who gets what. In the agricultural sector, a sizeable part of the revenue from cotton production is used for collective purposes. In the health sector, the LHMCs influence to a great extent the coverage, through the cost-recovery scheme. Although the distributive aspects are not explicit in the model, it is expected that inferences may be drawn from data analysis.

The fifth variable concerns tangible and intangible resources used in the distribution processes. Given the perspective of collective action, resource control and access in the distribution processes also contributes to performance. That is why resource use, GV-membership and the like are all considered as performance characteristics.

2.5 Research hypotheses and concluding comments

This chapter pays a great deal of attention to the role of collective action in the distribution of agricultural input and primary health services. Recall that the distribution of both services fit in the resource-based perspective. This is a justification of strategy, structure and core capabilities, as extensively discussed in the resource-based literature, being applied to the distribution of services irrespective of the actors in charge. In addition, the reforms entail a great deal of institutional changes that integrate two important actors, the private sector and local
organisations. The liberalisation has not only led to privatisation, but also to collective action. Consequently, the problems under study are conceptually framed to accommodate three and even more groups of actors coming from different organisational backgrounds.

In this last section, we will return to the major research questions. We will state how the conceptual framework will be used to tackle these questions in the Couffo region in Benin. Recall that the main objective of this study is to critically assess the co-ordination of the distribution of agricultural input and primary health services; and derive the division of responsibilities between the public, private and local organisations. In order to achieve such an endeavour, we base our conceptual framework on the resource-based perspective and collective action. The strengths and weaknesses of these two approaches to tackle the distribution of agricultural and health services in the Couffo region have been discussed earlier.

The four research questions to be addressed in this study are:

i) What are the strategy, structure and core capabilities of the public-sector organisations involved in the distribution of agricultural input and primary health services?

ii) What are the strategy, structure and core capabilities of the private organisations involved in the distribution of agricultural input and primary health services?

iii) What are the strategy, structure and core capabilities of the local organisations involved in the distribution of agricultural input and primary health services?

iv) What mix of the strategies, structures and core capabilities of the public, private, and local organisations involved in collective action may make the distribution of agricultural input and primary health services more effective?

2.5.1 Research question 1

To answer the first question, we try to find out with respect to strategy:

• The public-sector organisations involved in the services concerned;

• Their long-term goals;

• Their course of action; and

• The resource-allocation processes within those organisations.

All three components of strategy are evaluated before and after the reforms in both agricultural and health services. In particular:

• A delineation line is drawn between the stated strategy expounded in the policy documents and empirical facts;

• Actors' perception of the reforms underway; and

• Actors' evaluation of the processes.

The literature suggests that civil servants are culturally bound to false reporting (Chambers 1992). It is then suspected that a gap exists between the evaluation of reforms as presented in formal reports on the one hand, and civil servants' own perceptions of the goals and courses of action on the other. The literature also suggests that the public-sector organisations are unlikely to achieve efficiency due to the insensitivity to the costs of over-producing, or of producing irrelevant goods (Dunsire et al. 1988). While the government was forced into a policy of retrenchment, inefficiency in the mode of resource allocation is rather expected in the public-sector organisations. A special emphasis will be on staff salaries and the imbalances in the distribution of staff between rural and urban areas, and the subsequent implication for resource allocation and performance in the distribution of those services. The literature further suggests that pre-determined goals and objectives are value-laden and that objectives and goals must embrace a wider definition of accountability and performance in terms of what the beneficiary village community deem important (Goddard and Powell 1994, p. 474). The literature finally
Chapter 2

warns against the tendency to divorce means and ends, overemphasising one or the other, in the public-sector administration (Selznick 1997).

Next, the structure of the public-sector organisations is evaluated, focusing on:
• Their hierarchical nature; and
• Their inflexibility to changes.

The literature suggests that the learning process is handicapped within organisations undergoing changes following the organisational search approach (Levitt and March 1995). Because of their inflexibility to adapt to changes, public organisations hardly evolve toward improved goals, courses of action and resource allocation. It is expected then that a number of biases exist toward former goals, courses of action and resource allocation, even after the reforms.

Last, the core capabilities of the public-sector organisations are evaluated on the basis of:
• Knowledge capability; and
• Organisation capability, or competencies.

The literature suggests that knowledge and competencies are strategic assets (Winter 1987). This is to assert that the public-sector organisations, which detain these asset, will hardly relinquish them in favour of the private sector, let alone the beneficiary rural people.

The expected relations are formulated in the following hypotheses:

i) Civil servants do resist reforms that take away their privileges; and the more they resist, the more they falsify formal reports to hide facts from the decision-makers.

ii) The policy of retrenchment in the public sector is deceiving; the more government appears to implement such a policy, the more the service costs grow.

iii) As a result of the combination of i) the more civil servants falsify formal reports, and ii) the more service costs grow, the more services lapse.

iv) The more public-sector organisations evolve through an organisational search approach, the less likely it is that learning is returned into the organisations to adjust the new goals, courses of action and resource allocation.

2.5.2 Research question 2

A similar line of reasoning to that presented for the public sector holds for the private sector. We then endeavour to find out:
• The private-sector firms involved in the services concerned;
• Their long-term goals;
• Their courses of action; and
• The resource-allocation processes within those firms.

All three components of strategy are evaluated before and after the reforms in both agricultural and health services. In particular:
• A delineation line is to be drawn between stated strategy expounded in the contractual documents of firms and empirical facts;
• Actors' perceptions of the reforms underway; and
• Actors' evaluation of the distribution processes.

However, a special emphasis will be on:
• The role assigned to private firms within the distribution processes; and
• The characteristics specific to private firms.
In the World Bank' report, Berg (1981) warned against the uncertainty about the operation of the private sector. This is also corroborated by studies of Cromwell (1996) and Carney (1998) for the agricultural sector. In the health sector, on the other hand, the liberalisation often leads to uncertainty in the provision, concomitantly with a significant decline in the quality of these services (Cassels 1995, Azefor and Bradley 1996, Svendsen 1996). This is to assert that the private firms are operating in the segment of the market wherein they maximise their profit, irrespective of the rules and norms prescribed.

The literature suggests that the firm is much more sensitive to the demand than to the prescriptions (Dunsire et al. 1988, p. 371). This is to assert that the private firms will be inflexible with respect to the expressed demand in domains where greater flexibility is required. The manipulation of such an attitude of private firms, by civil servants seeking their own interests, may lead to a strong economic justification for government to step in and provide services where market failure is anticipated. As a matter of fact, the public sector may tighten even more the regulatory system. The literature suggests that regulation might even re-instate the problems of public officials acting in their own interest that privatisation was intended to sidestep (Vickers and Yarrow 1991, p. 114).

Next, the structure of those private firms is evaluated, focusing on:

- Their spatial coverage; and
- Their investment structure.

From a defensive perspective, the private firms will then operate some strategic adjustments to the concessions made by the regulatory organisations. If the regulator cannot fully commit not to behave opportunistically, the literature suggests that it can give rise to problems of under-investment (Vickers and Yarrow 1991).

Last, the core capabilities of the private firms are evaluated on the basis of:

- Knowledge capability; and
- Organisation capability, or competencies.

The literature suggests that knowledge production and dissemination fall in the public domain (Lamboooy 1997, 1998). This is to assert that the private firms are unwilling to provide such services because, in their view, private returns will underrate collective returns. With respect to organisational management, the literature suggests that firms have market-sensing functions or sets of activities, which dominate over production management (Dunsire et al. 1988, p. 371).

The expected relations are formulated in the following hypotheses:

v) The private sector will engage in a new segment of the distribution of services if, and only if, expected profits are interesting.

vi) If the market does not secure higher profits, the private sector will tend to specialise in the segment with the highest margins, leaving out the segments with the lowest profits.

vii) As long as private firms participate in the distribution processes, they will develop learning toward market-sensing functions.

2.5.3 Research question 3

Regarding the local organisations, an identical line of reasoning will be developed as in subsections 2.5.1 and 2.5.2. With respect to strategy, we try to find out:

- The local organisations involved in the services concerned;
- Their long-term goals;
- Their courses of action; and
• The resource-allocation processes within these organisations.

All three components of strategy are evaluated before and after the reforms in both agricultural and health services. However, because local actors may bear the costs and get the benefits of the distribution of services, the emphasis will be on their perceptions of the distribution of both services.

The local organisations initially have their strategy, structure and core capabilities. What matters here is the extent to which the distribution process under the reforms succeeds to hollow out their decision-making with respect to their goal, courses of action and resource allocation. It is then relevant to evaluate:

- People’s resistance to such top-down processes; and
- Their acquiescence for the bottom-up processes.

Sociologists have diagnosed the un-packaging of the intervention projects (Daane and Mongbo 1991; Mongbo 1995, 1994; Long 1994, 1989). This is to assert that rural people will take what they deem important, which may not necessarily be what the intervening organisations deem important (Mogedal et al. 1995).

Next, the structure of those local organisations is evaluated, focusing on:

- Their structural characteristics; and
- Their flexibility to changes.

Because of their flexibility to adapt to changes, local organisations evolve toward improved goals, courses of action and resource allocation. The literature documents a number of grassroots organisations adapting their structure to accommodate new goals, courses of action and resource allocation (Lemarchand 1989; van den Brink and Chavas 1997; Vodouhê 1996).

Last, the core capabilities of the local organisations are evaluated on the basis of:

- Knowledge capability; and
- Organisation capability, or competencies.

The reluctance of the village communities to participate in the distribution of agricultural and health services notwithstanding, there is a somewhat significant level of appropriation of what they deem important, and an equally significant level of flexibility to adapt to new goals, courses of action and resource allocation. The literature suggests that such a learning process corresponds to the trial-and-error type that certainly leads people to structurally adjust to the reforms (Levitt and March 1995).

The expected relations are formulated in the following hypotheses:

viii) For rural people, the intervention packages are divisible, and they tend to assume so from the start. And the more restrictions are on the use of the whole packages, the less likely it is that rural people will take them as a whole.

ix) People’s participation in newly devised organisations sharpens their learning ability to adapt their grassroots organisations to new goals, courses of action and resource allocation.

2.5.4 Research question 4

The fourth and last question will address collective action. It addresses issues related to the mix of the public, private and local organisations that makes collective action more effective. We then try to find out with respect to strategy:

- All the organisations involved in the services concerned;
- The mix of their long-term goals that makes collective action more effective;
A resource-based perspective on the distribution of agricultural input and primary health services

- The mix of their courses of action that makes collective action more effective; and
- The mix of their resource allocation processes that makes collective action more effective.

Collective action will be evaluated mainly from the perspective of people's participation. The latter entails not only membership in local organisations, but also the purchases of or attendance to services. In order to stress the heterogeneity of village communities with respect to collective action, per capita ratios of membership, per capita purchases of or attendance to services will be calculated.

Regarding the other actors, public and private firms, their contributions to the process will be evaluated at various territorial levels, and the main hypotheses in relation to the participation of each group of actors will be derived accordingly. The literature indicates that governments frequently retain some rights of control, in the form of regulation, where monopoly power and other market failures are present (Chitou 1995; Heald 1990; Vikers and Yarrow 1991). Governments hardly trust the private sector in its dealing with sensitive issues such as full coverage in health care and agricultural input services. The literature suggests loyalty and identification with organisational goals as motives to attain performance (Simon 1991, Stiglitz 1991).

Next, the mix of the structure of public, private and local organisations that makes collective action more effective is evaluated, focusing on:
- The position of public, private and local organisations within the distribution process; and
- The characteristics of the demand for and supply of services.

The literature also indicates governments' reluctance to decentralise, because of the lack of trust that people can manage the way governments do (Degnbol 1997; Yacouba 1997; Cremer et al. 1994; Wunsch 1991). Or, unless there is a devolution type of management of certain field activities by people at the village level, the public sector can hardly provide those services.

Last, the mix of the core capabilities of the public, private and local organisations that makes collective action more effective is evaluated on the basis of:
- Knowledge capability; and
- Organisation capability, or competencies.

The literature suggests knowledge as an important input in the production process (Kogut and Zander 1997, Richardson 1997). It also suggests that the production and transfer of knowledge is a key element for successful economic development (Lamboooy 1997). It is observed that the conditions for knowledge transfer or dissemination are better in some locations than in others. However, the spatial explanation of how the variables and relations of knowledge transfer work is still lacking. The literature finally suggests numerous areas in which the government sector is strongly advocated, notably, knowledge production and dissemination (Balikie 1996; Lamboooy 1998, 1997; World Development Report 1999).

The expected relations are formulated in the following hypotheses:

- The more the public-sector organisations resist the reforms through alleged malpractice of the private sector and stringent regulations, the more the latter will operate on the defensive.
- The more the government will manage on the ground, the less likely it is that decentralisation reforms are implemented in the distribution of agricultural input and health services.
- The more the government pretends to concentrate on promotional activities, the less likely it is that knowledge is disseminated to enhance the distribution of both services.
People who identify with organisational goals structurally adjust to the reforms, but at their own pace.

The model defined in this chapter is not perfect. The first limitation concerns its interpretation of government interventions that partially illustrate the dynamics of rural development within the village communities of the Couffo region. It is obvious that people do not draw all their resources from cotton. More importantly, there are better-off farm people who do not even grow cotton. This model is then confined to analyse the distribution of agricultural input and primary health services in relation to the beneficiaries. The second limitation is the consideration of each category of actors as a homogeneous group to whom any deviant behaviour is attached. Indeed, a perverse salient behaviour may not be characteristic of the group as a whole, but may indicate how the leadership came about. The third limitation derives from that the R-B and IE perspectives used in this study are so wanting in quantitative analysis.

This chapter has provided a theoretical background to translate the resource-based perspective of firms into the context of development economics. The next chapters will provide an empirical background for applying the model derived from such a theorisation.

NOTES

1 Development refers to the social and economic welfare of the people, and accommodates Seers' (1979, 1977) view: *the extent to which poverty and unemployment decline compared with an initial stage*.

2 Blaikie et al. (1994) supported similar views. In addition, they believed that a better explanation for the differential impact of hazards on various communities and different groups within a community could be derived from social systems.

3 Blakely (1994) and Syrett (1995) provide an extensive coverage of regional and local development essentially guided by the resource allocation processes. More importantly, the most prolific development theorists, among whom Blaikie et al. (1994) and Friedmann (1992a, 1992b), among others, are still puzzled about the allocation of scarce resources in the development process.

4 Bagch (1981) and Lee (1981) provided substantive case studies for the Asian countries and for the way in which these difficulties hamper sensible regional planning.

5 Good overview texts on market failure in developing countries include World Bank (1983a), Srinivasan (1985), Krueger (1990), Datta-Chaudhuri (1990), Bardhan (1990) and Gore (1991a).


7 The emphasis on people's resistance to intervention must not foreshadow that resistance from within the bureaucratic, government-sponsored services is neglected. This resistance is somehow
triggered by either the loss of privileges or the inability and ignorance to perform new functions (Degnbol 1997). Bierschenk et Olivier de Sardan (1998) claimed that new and old institutions co-exist, leading to conflictual rules and claims of legitimacy.

8 The latter could be taken within the wider context of vested interests in reference to government intervention. In this respect, the so-called urban bias is an illustrative case.

9 Institutional environment is concerned with the rules of the game (Williamson 1990). However, not only the government sets rules, people at the village level set their own rules. For instance, self-help and labour party groups set their rules of functioning.