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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9 - SYNTHESIS OF COLLECTIVE ACTION IN THE DISTRIBUTION OF AGRICULTURAL INPUT AND PRIMARY HEALTH SERVICES

Good management, collective action alike, has aspects of a public good (Stiglitz 1991)

The main line of thought in the present chapter is to discuss how sector-specific reforms may help foster people's efforts to adapt both grassroots and formal organisations to their real needs and towards rural development goals. This suggests that implicit and explicit implications of government policy intervention will be explored in the light of the so-called role perspective. The questions explored are the following.

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?

This chapter will sum up both the agricultural and the health-care part, drawing from the mix of strategies, structures, and core capabilities of the public, private, and local organisations that make collective action in the distribution of both agricultural input and primary health services more effective. More importantly, it will address the way in which agriculture and health-care may be combined for an improved performance. To achieve such an endeavour, this chapter is organised into four sections. The first section deals with a synthesis of collective action in the agricultural and health services. The second section discusses the theoretical implications for both sectors. The third section derives some policy implications for furthering the reforms, while the last section concerns itself with the conclusion.

9.1 Collective action in the distribution of agricultural input and primary health services

This section will present a synthesis stating the results of the analysis for the reforms underway in the distribution of agricultural input and primary health services in Benin. Recall that policy reforms aim at securing a steady rural development through the improvement of the distribution of some major socio-economic services following the liberalisation in the agricultural and health sectors. In both sectors, the reforms entail the involvement of the private sector as well as community participation. This synthesis will highlight the findings and derive subsequent issues for improved performance.

9.1.1 Collective action in the distribution of agricultural input services

In the agricultural sector, the liberalisation reforms have achieved only few adjustments whereby a relatively oligopolistic private intervention is observed in the agricultural input segment. A monopoly of the farmers' organisations (the GVs) is present in both the village-level distribution of agricultural inputs and the primary collection of cotton, whereas at the regional level the public
sector monopolises the marketing of the cotton output to the world market. Geographically, the roles performed by the three groups of actors are distinct, though interactions are of crucial importance for the performance of the reforms. A critical appraisal of input, output and monetary flows points at some ill-structured mechanisms that may lead to uncertain outcomes in the long run. Equally crucial are the institutional mechanisms underlying the interactions between the three groups of actors. The features of such interactions have been tentatively captured by analyses carried out in this study. A number of critical findings can be summed up below.

Regarding the public sector, it is observed that extension services lapse in the aftermath of the drastic reduction of field extension staff. There is also evidence of large output figures for cotton. However, qualitative performance proves problematic. It follows that performance in agriculture may be competence-driven or, put more crudely, driven by agricultural knowledge.

Several weaknesses are rooted in the public-sector bureaucracy and in the ways in which development is carried out. For instance, the cotton bias and standardised farming practices apply with greater emphasis in the agricultural sector. Farmers could only get credit for agricultural inputs as long as they plant cotton. Standard packages have then been promoted irrespective of the diverse and difficult conditions of much Benin farming. In addition, any new programme, be it subsidised credit, subsidised agricultural inputs, literacy and so forth, is linked with the cotton promotion scheme. Therefore, several aspects of rural development are lagging behind because of the failure of the public sector to implement development programmes requiring sensible participation of the beneficiaries. The gender aspects have been overlooked in the process of change. Other intervening actors, NGOs, are progressively offsetting government failure. These organisations are currently active in the food-processing sector, which covers most of women-specific activities. More importantly, their impact is more perceptible outside the cotton belt, in villages with high population pressure on land resources. Regarding natural resource management, a field which illustrates the government’s failure to tackle the issue of environmental degradation caused by the expansion of cotton production, Projet de Gestion des Ressources Naturelles (PGRN) is mainly intervening in the cotton belt.

Concerning the private sector, the apparently cautious behaviour of entrepreneurs to engage in the market is partly explained by the low level of demand. The demand for agricultural inputs depends on input and output prices, credit availability, costs related to the purchase of the product, and farmers’ strategies (e.g. risk avoidance). The partial removal of subsidies on inputs, in accordance with the policies of the Structural Adjustment Programmes (SAPs), has further contracted the demand. However, special emphasis was put on the explanatory value of non-price elements, such as the absence of a properly functioning demand co-ordinating mechanism. The private firms generally supply inputs at the sub-prefecture or the district level, and it was observed that the GVs (farmers organisations) do not channel demand originating at the farm level. Although farmers have shown innovative behaviour through the establishment of traditional credit associations, the spatial fragmentation of the demand remains precarious, especially since these organisations generally lack representation at the sub-prefecture level. The existing situation (high prices and concentrated supply points) is prone to the development of the parallel channel. In fact, parallel channels for agricultural inputs do exist, and the products sold there are of rather dubious quality.

An additional reason for hesitation in the private sector is the lack of product differentiation. Differentiation is useful for market expansion, whereas its absence could explain the reluctance of the private sector. The fact that certain types of inputs are more risk-prone than others implies a
responsibility of intervening actors for environmental concerns in general and farmers' health in particular. For instance, the approval of certain pesticides by the national regulatory office includes assumptions about its field management.

A further reason for private-sector frustration hinges on the licensing procedure. This currently is carried out on a yearly basis, while the recovery of credit on agricultural inputs runs over a period of no less than 18 months. The input, output and money flows are such that rent-seeking behaviour is enhanced rather than discouraged.

With respect to local organisations, the reluctance of farmers to engage in innovations suggests that there is no demand yet for improved technologies. Farmers are more likely to take up new opportunities if the risks are limited. It is the concerted decision of the state bureaucracy, the private sector and the farmers that may facilitate access and subsequently enhance demand.

Some zones south of the study area are organisationally advanced in compensating their insufficiency in physical resources of the land type. While self-help is more reserved to cotton production in the northern part of the study area, it rather compensates the low human-land ratios in the south, focusing on labour-intensive agricultural processing activities. Alternatively, in the absence of government support, farmers are increasingly getting assistance from NGOs.

The complementary role of other sectors derives from people's commitment to invest personal and collective agricultural revenues in education, health care, and the like. The most obvious illustration is that of collective investments in the distribution of primary health services.

9.1.2 Collective action in the distribution of primary health services

In the health sector, the liberalisation entails the certification of private clinics in villages where the government has failed to provide health services. More importantly, community involvement is advocated. Full coverage has remained the ultimate goal, although cost recovery would guide resource allocation in the sector.

Regarding the public-sector organisations, the government-imposed norms regarding the location of primary health services (PHSSs) are disregarded at the implementation stage. For instance, some communal capital centres are within the range of 5 km, while a few formal health outlets are required to be outside that range. More importantly, villages other than the capital centres of the communes succeed to locate PHSSs. Following the prescribed norms, the present number of formal health outlets in the whole research area is larger than the minimum needed for a complete coverage, although many communal capital centres are still not covered. The root cause is attributed to people's participation, which has prompted the emergence of certain non-mandated villages. In the presence of other constraints, notably those relating to cost and organisation, utilisation is largely shaped by the spatial distribution of the health facilities.

Indeed, public-sector health personnel still keep the upper hand in the PHSSs, despite the reforms, and there is evidence that they are unlikely to relinquish such privileges of their own accord. As retaliation, they hardly involve village representatives in the health programmes, implicitly diverting the strategic option of preventive care to more curative health-care systems. The cost-recovery scheme is also taken advantage of to keep village representatives busy, away from the initial purpose of community education and promotional health activities.

The formal non-governmental health sector, which is composed of miscellaneous actors including the private sector, is operating on the defensive. It faces undue competition from the parallel channel, being confined to villages where the public sector fails to distribute health services. It also faces restrictive measures from the public sector, through the certification measures.
and by additional exemptions granted to the public-sector health outlets. The non-government sector is then characterised by unqualified medical practices, prompting then the delineation line with the parallel channel to be blurred.

With respect to local organisations, the health-seeking behaviour of rural people has not evolved much, despite tangible community involvement in the distribution of health services. As soon as the PHSs are granted and the local health management committees (LHMCs) created, participation is fraught with conflicts between health personnel and villagers’ representatives. Managing the committees (cost recovery and cleaning of the premises) without responsibilities for the health programmes is unlikely to improve the rural health status.

There are constraints other than conflicts, which plague the utilisation of the PHSs. Drug costs constitute the main constraint to access during the post-reform period, while both purchasing power and distance friction played major roles in curtailing the demand during the period before. Therefore, because of lower administrative and information costs, in addition to people’s social values, traditional medicine is gaining prominence in rural areas. With respect to the growing trend of resorting to the latter practices, it is suggested that the conditions under which people have to make their choice must be improved. But, for these conditions to come about, two future directions of government policy for the health sector are envisaged. The first involves a further activation of the LHMCs and the second concerns the provision of an appropriate institutional environment for an improved people’s participation in the health sector. These two policy amendments will be addressed later.

The study demonstrates among other things that the health sector is linked with other sectors, for instance, the agriculture sector. There are linkages in monetary terms, such as collective cotton revenues for investment in health facilities and purchasing power derived from personal agricultural revenues. And there are more occupation-oriented linkages between the agriculture-based lobby and that for the promotion of primary health services. There are direct linkages between agricultural occupation and specific health concerns. However, high rates of occupation in agriculture suppose long distances from the town centre and a low probability of adequate health personnel. The linkages between various sectors are not always attractive, but these are sometimes positive. In fact, sometimes they are downright negative.

9.2 Theoretical implications of the distribution of agricultural input and primary health services

The present section will discuss the main findings in the light of the theoretical perspective adopted for this study. First, the contribution of the theory of Institutional Economics (IE) to the understanding of the institutional changes taking place in the two sectors will be discussed. Second, a focus will be on collective action (CA). And, finally, a theoretical contribution from a resource-based (R-B) perspective will be discussed in the light of earlier contributions. Therefore, the following discussion will contribute to evaluate the extent to which the above-cited theoretical approaches shed light on the distribution of both services, and the underlying drawbacks with respect to the direction and scope of the changes involved. Overall theoretical inference on the mix of strategies, structures, and core capabilities of the public, private, and local organisations will be derived accordingly.
9.2.1 The theory of Institutional Economics and the policy reforms in agriculture and health care

This discussion will draw from the changing role of the formal and grassroots organisations directly or indirectly involved in the implementation of the policy reforms, in order to enlighten the contribution of Industrial Economics (IE) to the development debate. More specifically, IE seems relevant to the shift of emphasis from market and organisation as a locus, to the exchange of goods and services. Yet, in practice, people increasingly resort to alternative way of co-ordinating between the supply of and the demand for services. As claimed by Wallis (1989), the theoretical intuition of IE is simple: interested persons or groups of people seek to alter institutional arrangements (rules, norms, etc.) to maximise their own, unobserved, utility. Therefore, understanding the real-world exchange mechanisms and the underlying principles for efficiency and equity goals seems equally relevant to the public sector, as the latter apparently is responsible for initiating and implementing many of the policy reforms. The subsequent theoretical discussion will tackle some nagging issues inherent to the application of the IE approach to developing countries. In this respect, it endeavours to weigh the use of new concepts, which are very familiar in the literature on industrial organisation, within the rural development context.

Drawing from North (1995), institutions are broadly defined as means for reducing information, administrative and market-exchange costs. Given such a definition, do GVs and LHMCs entail sets of institutions? Turning to one of the most important insights of IE, institutions help explain why some inefficient modes of exchange persist (Hoffman 1989). To address this issue, the question whether or not GVs and LHMCs must be integrated with the grassroots organisations is worthwhile. Critical is also the underlying rationale of both formal organisations not achieving their institutional goals. North (1995) also concurred that institutions are formed precisely to reduce uncertainty in human exchange. How are GVs and LHMCs equipped to reduce uncertainty in the provision of agricultural input and primary health services?

To some extent, each question provides a relative meaning to whether or not GVs and LHMCs pursue goals different from those of development institutions. The answers to the last two questions will be pursued later. For now, the answer to the first question is twofold and will be expanded following the lines of agriculture and health care.

Do farmers' organisations (groupement villageois, or GVs) entail sets of institutions?

Recall that the formal farmers' organisations, the GVs, are at the heart of the agricultural policy reforms. Drawing from earlier chapters and from the literature, there are instances where the GVs increase rather than decrease the costs of information and administration.

The relationships between the GVs and the public-sector organisations CARDER and SONAPRA are beset with the so-called cotton bias. More importantly, modern agricultural knowledge and competencies are considered as strategic resources in the hands of agricultural extension officers, who have stood on the sideline after the reforms. For now, it should be noted that the extension service has lapsed in retaliation to the subsequent loss of privileges in the aftermath of the reforms. The new role of the GVs hinges on the third-party assessment of the loss or gain of privileges within the reform process.

Concerning the administrative core of the GVs and its relationships with members, there is a perverse asymmetry of information on most financial resources that accrue to villages. In default of accountability (Vodouhê 1996), financial embezzlements prevail (Mongbo 1994). The corollaries of these are the non-democratic appropriation of power, non-transparency in collective investments, and uncoordinated investment projects.
GV-members are recruited from privileged villagers, although the membership is relatively open. It was admitted earlier that the conditions for membership hardly correspond with the existing social stratification (cf. Dédéhouanou 1994a). Social inequity may prevail. For instance, women and youngsters may be members without the full rights that male adults have. The attempts of the latter to overlook the former groups are examples of the conflicts which plague the smooth running of the GV's. Nowadays, there are more internal conflicts about leadership and management visions than before the reforms.

The private sector and its relationships with other actors hardly contribute to the goals ascribed to collective action. It was argued elsewhere that the reforms are such a way that actors disengage rather than build farmer-friendly coalitions (Dédéhouanou 1999). We contended that speaking of diseconomies of the agricultural reforms is not exaggerated because of the increasing costs of administration, information and exchange imposed on various actors and on farmers in particular.

On the other hand, in a very limited context it is feasible to considering the GV's as a set of institutions. The withdrawal of the extension service from certain activities, like the distribution of agricultural inputs and the primary collection of cotton, has stimulated the effective participation of farmers in the reform process. Recall that the latter two activities are said to be prone to rent-seeking behaviour. Although most evaluations of the role transfer concluded to unprecedented financial embezzlements (CARDER Mono 1997b; MDR-DAPS/FSSPPA 1995; Mongbo 1994), achievements in terms of accompanying measures are substantial. Functional literacy, organisational skills, self-governance and the like are important milestones of the reforms. These help people achieve greater efficiency in the development sector in general and in agriculture in particular. The question whether achievements outstrip losses is up to date. There are certainly privileged members who reap the fruit of the changes, but a large number of farmers are still cut off from the management of collective resources.

_Do the local health management committees (LHMCs) entail sets of institutions?_

Recall that the cost-recovery scheme of the health-policy reforms is entrusted to the operating mechanisms of the LHMCs. Much information on the LHMCs and their contribution to ease people's access to the PHSs was supplied earlier. The following discussion will draw on that overview and on the literature.

In terms of the relationships between medical personnel and village representatives, it should be stressed that these are limited indeed. Despite government promises to supply adequate training to village representatives, the public-sector health personnel hardly call upon the latter to discuss local health programmes. As suggested earlier for the agricultural sector, medical information and knowledge are considered strategically important resources to be subject to a free flow. Otherwise, health personnel will hardly be able to keep their status as public health trustees. The cost-recovery scheme also introduces the bias towards health activities subject to user-charges. This is to assert that both preventive and promotional health activities are discarded in favour of curative health treatments.

With respect to the administrative core of the LHMCs, there are several flaws impinging upon their institutional goals. First of all, the committees operate following a routine-based health-costs recovery strategy, leading ostensibly to a subjective feeling about learning. Second, village representatives observe a complete apathy as regards health programmes. Third, there is not much possibility of financial embezzlements on the side of local representatives, though this issue cannot

228
be dismissed in the case of health personnel. Last, there are no provisional incentives for rural dwellers to participate in the LHMCs, making participation optional in the long run.

Regarding people’s response to the health reforms, it should be noted that they have become more sensitive to distance and cost constraints after. Based on such inferences, it is striking to observe that people are still indifferent as to the kind of health services available and, more importantly, that they barely change their health-seeking behaviour following the reforms.

The private sector is still in its infancy, although the growing parallel channel proves counterproductive. The private clinics hardly meet the requirements for certification, adequate equipment and qualified health personnel, as health care turns out to be not as lucrative as was initially thought. Forgery and under-qualification, wrongly or rightly ascribed to the parallel channel, become serious dangers in the health-care practices.

After considering all perverse mechanisms encroaching upon the health reforms, except for achieving nearness and multiple access modes, the cost-recovery scheme needs many improvements to live up to expectations. This sub-section will address the organisation capabilities as part of the core capabilities of collective action for furthering the distribution of services.

Do GVs and LHMCs reduce uncertainty in the provision of services (organisation capabilities)?

In the agricultural sector, the GVs provide collateral as coherent units, consistent with their productive capabilities, thus their potential to back individual farmers. The creation of a stable GV, with substantial membership and production statistics, stimulates the support of public-sector organisations, which in turn guarantee bank credits to the private entrepreneurs. In countries like Benin, where smallholder agriculture is relied on for the promotion of export crop, it is unlikely that individual property rights on land resources, for instance, will ease administrative procedures, especially the supply of agricultural credit and the collection of repayments (cf. Firmin-Sellers and Sellers 1999, Platteau 1996). As has become clear earlier in this study, group cohesion based on the GV-archetype seems to provide sufficient collateral to challenge the costs of individual land titling. In fact, the right to the crop thus constitutes a form of collateral, enabling lenders to advance credit at rates that reflect lower levels of risk (cf. Bates 1995). However, the cost side of the latter alternative needs to be fully grasped before any conclusive mode of administering credits may be envisioned. Persistent and inefficient modes of exchange have been attributed to conflicts concerning the integration of non-negotiable institutional arrangements and negotiable contractual forms (Hoffman 1989), though substantial accounts of these flaws are explained through path dependency (North 1995). We contend here that the GV-alternative is very rewarding in the short and medium run, yet its long-term effects on membership and the sustainability of cotton production remain unsteady. It was found that GV-membership is used as a cosmetic to benefit from the cotton-marketing scheme. It follows that, once the marketing of cotton will be de-linked from GV-membership, the latter will drastically drop.

In the health sector, the LHMCs are meant to perform collateral functions for poverty-focused health programmes. For instance, members of the administrative core of the LHMCs usually assist medical personnel in the decision on and the collection of user-charges. As such, they are expected to help uncover people’s ability and willingness to pay. In the first instance, they are concerned with the level of these user-charges. Then, they must decide whether or not user-charges are applicable to certain patients. This supposes that local representatives must help to design the profile of poor and non-poor within their jurisdiction. The same feature of the health service is reported in East-Africa,
though the magnitude of people's involvement varies across countries (Therkildsen and Semboja 1995). The question whether they perform this function efficiently and effectively is not at stake here, given the so-called obsession with the cost-recovery function. Drawing from interviews and group discussions in the study area, there is still much effort to spread out in the absence of accountable and motivated local leaders. An additional weakness of the system derives from the village sensitivity bestowed on the committee-membership, although the jurisdiction of the formal health outlet covers the whole commune. The feeling of being left out is so great in some villages other than the communal capital centres that striving for a locally built health post becomes a genuine endeavour. This feeling compounds with the problems of co-ordination of the distribution of health services.

Why is the integration of GVs and LHMCs with grassroots organisations pendant?

Drawing from Hoffman (1989), whose claims were discussed in the theoretical part of this study, grassroots organisations in the agricultural sector, with similar institutional goals as the GVs, are operating at such a low scale that they view the GV-organisations as non-negotiable institutional arrangements. The peculiarities here are that, from the point of view of both the self-help labour party groups and the saving and credit groups, for instance, GVs are non-negotiable organisational forms of exchange. This approach provides some additional meanings to the exit option in GVs. Nonetheless, the exit-option, consisting of rallying followers to create new GVs at the hamlet level, does not only constitute an economic claim but, more importantly, it also indicates the beginning of some politically oriented turf and secession. It was found that territoriality is a crucial criterion in GV-membership. In fact, a few large groups of farmers who usually commute for cotton production purposes have been denied the right of claiming an extra-territorial GV in their host village. The rationale derives from that any claim of having set up a GV may yield the formal recognition of and subsequent collective funds for that group of farmers. Otherwise, the latter will lose out on these collective funds, in favour of the residents of their host village. It should be stressed that such attempts are not always unsuccessful and may justify the increasingly high fragmentation of the GVs. If GV-split was used as a response to the non-negotiability of the GV-arrangement, the extent to which this undermines the effectiveness of the institutional goals is yet to be qualified. Recall also that the rates of GV-enrolment and adoption of the GV-charter are low. Yet, cotton is produced and sold, and collective rewards are generated. The reported non-transparency in the management of collective funds obviously increases tenfold owing to the poor accountability of local leaders, their poor management skills, the wasteful investments, and the thinness of collective efforts.

In the health sector, on the other hand, the so-called Kugbe group is operating at such a scale that the LHMCs may be considered as negotiable contractual forms. Drawing from Vodouhê (1996), who substantiated an extra-village territorial coverage of this organisation, it seems legitimate to expect its integration with or influence on the working of the LHMCs. However, at least two reasons may justify why this group may not live up to expectations. The first reason derives from what K. and B. Benda-Beckmann (1994) conceptualised as the social layer. Accordingly, the group may be considered following some socially delineated layers, while the LHMCs are territorially bounded. Put differently, Kugbe may represent some social identity whose claims may exceed the village borders, while the LHMCs pretend to represent the whole village community, irrespective of people's social aspiration.
Synthesis of collective action in the distribution of agricultural input and primary health services

The second reason may derive from cultural embeddedness. The failure of the clients of the local bank to successfully contract health insurance is appealing in this respect. The concept of investment in health care is still at odds with received cultural and social background. This is also corroborated by the revenue inelasticity invoked for the utilisation of health services among both the poor and the non-poor (Czesnik et al. 1992).

Limits of the theory of Institutional Economics (IE)
Sociologists are right in their criticisms with respect to the failure of the institutional approach to provide a framework for the study of grassroots organisations (F. and K. Benda-Beckmann 1994). It is also true that economists prefer to work at higher levels of the societal hierarchy. The underlying biases are based on the framework needed for microanalysis purposes. Obviously, more reliable and quantifiable data are available at higher levels of aggregation rather than at the lower levels. Soci- anthropologists then have a point when targeting the subsequent bias of the level of analysis. However, by sticking to the micro-level of analysis they give the wrong signals. In this vein, Pfeffer (1995), among others, suggested to investigate the effects and constraints of social context for a better understanding of both individual and organisational behaviour. Yet, not only sociologists are micro-oriented, institutional economics also fails to address the macro-level issues.

Organisation theory and the agricultural technology transfer process
The fact that both fieldwork and data gathering are essentially all based on interviews suggests that results may be hedged with caveats. There is a critical limit to an evaluation of existing organisations. People, be they members or outsiders, usually overestimate the probability of events to occur and to receive attention because of their occurrence and saliency (Levitt and March 1995). For instance, dissatisfaction among respondents is more widespread after the agricultural reforms than it was before. This partly derives from that policy reforms were meant to implicitly shift the financial burden from the government to the beneficiaries.

Williamson contended to: always study first-order (discrete structural) effects before examining second-order (marginalist) refinements (1995, p. 222). Such a research procedure is insightful for two main reasons. One is that the agricultural extension service was found to be ill structured from the outset, even before the reforms. Bureaucratisation was anticipated to be a major challenge, owing to the design and the degree of competency of the personnel at different layers of the hierarchy. Opposition soon came about, between a top hierarchy consisting of high-ranking and knowledgeable personnel, and a bottom layer made up of the least knowledgeable officers in charge of translating the organisational goals into hard facts.

Bureaucratisation then strengthened following the reduction of field extension personnel in the 1990s. Whereas it was expected that more qualified field personnel were needed for the agricultural extension goals to live up to expectations, the reforms turned out to drastically curtail the number of initial field extension officers. The ensuing allocative inefficiencies invoked earlier very much derive from the structural composition of the extension service, the CARDER. This rather corroborates Williamson's claim that allocative inefficiency must be a second-order concern. In order to address such inefficiency, first the whole structure of the bureau must be considered. This result, however, seriously departs from the findings of most regional studies that assign a high weight to misallocation costs. We contend that resource misallocation derives from prior neglect of the discrete structural differences that distinguish alternative modes of governance.

231
As resources are at the core of economics, the control of and access to resources lie at the heart of organisations, be they of the market, hybrid or hierarchy type. Organisations generally exhibit behavioural norms reflecting on the preferences of members. That organisations prefer certain activities to others seems unavoidable at the outset. That people collude in organisation to aimlessly drift towards opportunism is unlikely. Levitt and March (1995) contended that organisational preferences derive from cultural embeddedness. Chambers (1992) also pointed at cultural origin while addressing bureaucratic inertia encroaching upon the development process. As such, they certainly impact the speed at which changes occur at the organisational level. Therefore, changes due to such internal factors are incremental, in contrast to those instilled by external factors (Toye 1995). This theme will be turned to below.

**How does cotton bias in the agricultural technology transfer reflect on cultural embeddedness?**

The way in which the extension service, the CARDER, has evolved during the last two decades clearly explains the structuring of a certain type of organisation, the bureaucracy. Contrary to the trial-and-error experimentation type of changes akin to those found within grassroots organisations, the organisational search approach very much applies to the public-sector organisations. To what extent does this structure organisational behaviour? The quest for legitimacy and appropriateness involves matching procedures to situations, rather than calculating choices (Levitt and March 1995). The bias toward cotton-related industrial and commercial activities, at the expense of all activities-encompassing extension counselling, derives from path dependency which, in turn, has resulted itself from organisational search during the last two decades. More importantly, it was found that the process of structural changes within public-sector organisations used to be guided by government edicts rather than by autonomous adjustments purposely made by actors (cf. Hirschmann 1999). This is not, however, to assert that the possibility of collusion between members and political decision-makers is discarded. More often than not, the assembly of actors or representatives of members may give their consent before an edict is launched for implementation. Therkildsen and Semboja (1995) traced similar processes. However, unlike the processes that effectively originated from grassroots’ movement in East-Africa, those found in Benin were superimposed on the rural people. More importantly, it was found earlier that grassroots’ initiatives are usually dismissed. This is trivial, owing to that, bureaucrats and decision-makers are allies within the development process (Chambers 1992; Hirschmann 1999).

What really happens is that decision-making rests with the organisational elite and may profoundly depart from a trial-and-error scenario. The latter approach may, at best, be adapted to organisational changes with autonomous and democratically evolved development-oriented behavioural norms. Organisational changes based on edict, on the other hand, may only reflect on the preferences of the decision-makers and those of the ruling organisational elite. This is not always flawed, because there certainly are reasons why the edict perspective may be the best alternative. The edict or organisational search perspective deriving from the so-called bureaucratic culture is, however, only one side of the coin. The other side derives from that the bias toward cotton was progressively arrived at because of the resources at stake. From the agricultural input distribution to the marketing of cotton produce, the breadth of cash involved is unprecedented in comparison to that of other activities in the agriculture sector. The resulting attraction trap is certainly resource-oriented rather than culturally shaped.

Among several reasons underlying the choice for the edict mode to provoke changes in organisation, the speed and scale of the desired changes are prominent (Toye 1995). It was already
said that, due to internal factors, changes are gradual, slow and path dependent. To the contrary, external actors may impose significant and rapid changes on organisation. In this case, the government sector is inclined to do so, given the expected level of achievement in the cotton sector. This approach, however, does not account for the intrinsic resistance that may be triggered by such an intervention.

Limitations of the organisation theory for modelling the agricultural input services under the reforms
The conceptual limitation based on opportunism is applicable to the agricultural input services. In this sector, opportunism is hardly curbed down through the group charter, although tangible attempts to safeguard transactions may be illustrated. The group charter clearly prescribes the rules of the game within farmers' organisations. But, members of the administrative core, for instance, do not abide by the rules of accountability and responsiveness. More importantly, the electoral rules that may ensure a democratic involvement of the community members are selectively ignored.

Opportunism does not only occur because of human self-seeking, as Williamson (1993, p.115) claims. The institutional environment, resulting from people's structural characteristics and policy effects, may to a large extent determine opportunistic behaviour. For instance, the village arena is an ecology of organisations, which irremediably fosters people's opportunistic behaviour (Bierschek et Olivier de Sardan 1998:39). On the policy side, farmers may fail to reimburse credit on agricultural inputs because of the cotton bias. One important reason concerns the risk of not securing sufficient cotton production. Another reason of interest is the diversion of inputs to crops that the marketing service is not yet as well attuned to as it is to cotton.

It was found that, in the agricultural sector, partnerships were characterised by some remote type of interaction between various actors, leading to diseconomy of liberalisation (Dédéhouanou 1999). However, how are costs expressed in operational terms? An illustrative case is that of the failure of the private sector within the so-called liberalisation of the agricultural market. To illustrate the reluctance of the private entrepreneurs to fully participate in the process, they are not willing to build warehouses to stock inputs, nor are they willing to establish full-fledged outlets with personnel, to keep in touch with farmers or for the provision of after-sales service to farmers. In searching for the rationale underlying their reluctance, on the other hand, the thinness of the input market, the high administrative costs involved in the distribution of agricultural inputs, and the licensing procedure (which is on a yearly basis, while the recovery of credit on agricultural inputs runs over not less than eighteen months) are some explanatory factors. If the micro-effects of their reluctance may be measured in terms of costs impinging on partnership, very little effort has been given to the definition and measurement of administrative, information and exchange-related costs at the macro-level. That is why Williamson (1994) referred to the focus on much more micro-analytical features of transactions and organisation.

Organisation theory and the cost-recovery scheme in the health sector
The health-policy reforms have achieved a great deal of institutional development. New actors are participating in the health system, though controversies surround the parallel channel, traditional medicine, and self-medication. In terms of the provision of health care, the decision process apparently lies in the hands of the public sector. The mechanisms underlying the functioning of the LHMCs are no proof to the contrary. It was found that village representatives in the committees are confined to the cost-recovery aspect of the health-care system, while government health personnel
are in control of the health programmes (Azefor and Bradley 1996). More importantly, it was found that the inclination of health personnel toward user-charges is at the disadvantage of cost-free activities. Bearing in mind that the curative component of the primary health services, which requires charging costs on treatment, barely urges participation, the bias thus entails people's withdrawal, leading to a poor participation. Obviously, the preventive component, which involves participation, is assigned a low weight on the agenda of the public-sector health personnel.

It was also found that health costs increased because of the allocative inefficiency underlying the management of public-sector health personnel. In fact, 45 per cent of the present health personnel are hired on a community-financed budget, driving up user-charges (MSP/CE 1999; Yaka 1999). Hiring personnel applies with greater significance in rural than in urban areas. The question whether bureaucratic pressure groups are effective in resisting even political commitment to implement the reforms is answered affirmatively. We contend that there is collusion in hierarchical relationships. However, this view diverges from that of Tirole (1986), who attributed such collusion to monetary payments. There is here a built-in type of collusion in the health reforms. We admit that collusion is very much linked to the incentive structure. We shall return to this theme later.

Organisation theory has difficulty tracing how the process comes about and the underlying mechanisms. As inferred earlier, organisation theorists have not yet uncovered the political process that subverts equity realignment implemented by the government. The question is how the organisation theory could explain such a radical change of emphasis under the same government and, more specifically, under the same Minister of health, without inquiring into the political process. Bierschenk and Olivier de Sardan (1998:39) found that the village level in Benin is an ecology of games rather than a political unit. This necessarily impinges on the distribution of services at village level. For instance, the inequality in the distribution of health personnel, which the Minister of health claimed to correct, has deteriorated further after the rectification process.

Although the cost-recovery scheme helps to reduce the traditional urban-rural bias, the features of which are more politically driven rather than related to administrative, information, and exchange costs, the ensuing inclination towards user-charges subverts the essence of the PHSSs, i.e. the preventive and promotional activities which are generally free of charge lapse (MSP/CE 1999: 2). Regarding the latter activities as those with higher long-term performance impacts on the important health indicators such as mortality or morbidity, the subsequent bias easily explains why the cost-recovery scheme finally helps the primary health sector to achieve greater intermediate results but deceptive final results (ibid.).

In connection to the cost-recovery scheme, as for the agricultural case it should be inferred that important biases beset people's perceptions (Levitt and March 1995). They are insensitive to sample size. For instance, dissatisfaction among rural dwellers is more widespread after the health reforms than it was before. This derives from that policy reforms were meant to release the strains on the government's scarce resources. Consequently, shifting the burden from the government to the beneficiaries, though not explicit in the reforms, may be the result. Compound short and medium-term biases towards user-charges have important bearings on people's perceptions. From the interviews it also appears that the financial strains on people have worsened very much after the franc CFA devaluation in 1994. However, it was found that the bulk of the financial impact has been contained within acceptable limits, thanks to donor support. More importantly, between 1995 and 1998, the combined financial support from the government and donors has been estimated to be nearly 8 times the contribution of beneficiaries (MSP/CE 1999). It should be stressed, however, that this aggregate figure provides little information on regional equity and, more importantly, on urban-
Synthesis of collective action in the distribution of agricultural input and primary health services

rural equity. Furthermore, it does not figure out the size of the financial contribution for either health infrastructure or health services. The cost-recovery approach to health services advocated in the reforms is resisted.

How does the bias toward user-charges at the expense of promotional and preventive health activities reflect on cultural embeddedness? It was found earlier that people's physical access has improved to a great extent because of government and donor support. Insofar as nearness is ensured, it was equally inferred that health costs or user-charges have become critical. Therefore, claims that the government and donors have achieved eight times the contribution of beneficiaries may certainly be true, although people's perceptions are to the contrary. We contend that, forthright, people's perceptions may result if external contributions were sensibly applied to user-charges and sufficient incentives were allocated to promotional and preventive health activities. The organisational learning prevails in the absence of these two amendments.

What kind of learning do activities related to the cost-recovery scheme provide?

It is observed that subjective evaluations of success are insensitive to the actions taken. In this case, false evaluations result from adaptive aspirations. Setting a health-cost target following the performance of certain deprived PHSs is likely to produce false evaluation, henceforth superficial learning. Some PHSs are likely to be persistently above the target and others persistently below it. The question remains whether invariably successful organisations are innovative in their routines and, alternatively, whether unsuccessful organisations are invariably static in their routines. According to Levitt and March (1995), the propensity to innovate will increase if organisations fail to achieve targets regardless of the particular routine used. The routine-based conception of learning presumes that the lessons from experience are maintained and accumulated within routines, despite the turnover of personnel and the passage of time.

The cost-recovery scheme is such an illustrative routine that finally leads to the bias toward curative health care at the expense of promotional health activities. Recall that the scheme involves more than cash payments. It sets out to achieve improved health status through people's participation and the subsequent interaction between health professionals and other actors, among which the beneficiaries. To the contrary, this scheme increases the gap between health personnel and beneficiaries. Therefore, the PHSs become committed to a particular set of activities within the cost-recovery scheme, the choice of which is determined more by early, relatively arbitrary, actions than by information gained from the learning situations.

At the regional level, user-charges are set following the performance of the most lacking health centres. In terms of deprivation, remote villages usually lack adequate health resources, let alone health equipment and personnel. Because some critical complementary infrastructures lag behind, public-sector health personnel often defect such PHSs. As a matter of fact, the cost-recovery scheme then entails hiring health personnel and purchasing other health inputs that would otherwise not be necessary, given the sufficient endowment of some health centres. Within such a skewed institutional environment, certain PHSs are likely to be persistently successful and others persistently unsuccessful. Because of a high turnover of health personnel, the organisational memory is then based only on the local representatives, and learning under the guidance of health personnel becomes problematic.

Organisational changes based on edict, on the other hand, may only reflect on the behavioural norms of the decision-makers or those of the ruling organisational elite. The edict or organisational
search perspective deriving from the so-called bureaucratic culture is, however, only one side of the coin. The other side derives from that the bias towards activities based on user-charges was progressively arrived at because of two underlying factors. The first factor concerns inequity in health personnel management, caused by the difficulty of health authorities to achieve a fair distribution of civil servants. The second factor relates to the bureaucratic resistance to the health reforms. For the former factor, organisation theory may not be of much help, because of the political processes involved. For the latter factor, activating promotional health activities may require relinquishing knowledge capabilities to community representatives. This is unlikely, given that bureaucratic tradition encourages rather than discourages competitive forms of strategy. Similarly, activating the LHMCs would require a facilitating role for the state, to improve the conditions for co-operation and exchange between community representatives and health personnel. Such an endeavour would only be achieved through further expanding the role of the LHMCs to include the management of health programmes concomitantly with the public-sector health personnel. This theme will be further explored in the policy implications.

Limitations of the organisation theory for modelling the PHSs under the reforms
The conceptual limitation based on opportunism strongly applies to the primary health services. In this sector, opportunism is hardly curbed down through the group charters, although tangible attempts to safeguard transactions may be illustrated. The contractual terms between the village communities and the national health authorities prescribe the role of each category of members within the local health management committee. It should be stated that members of the committee opportunistically abide by these prescriptions. For instance, the public-sector health personnel deliberately fail to inform elected village representatives about health programmes. Elected village representatives, on the other hand, intentionally veto the financing of the supervisory missions from higher-level referral centres. Officials from the referral health centres value their per diems too much to strongly oppose their subordinates in the conduct of local health activities. This is where the thrust for collusion lies. The per diems here are not side payments but are formally built in the incentive system for the supervision of peripheral health services. But, the rationale derives from the linkage to the cost-recovery scheme, which certainly fuels the funds destined to such purposes. Therefore, here the collusion in hierarchical relationships is built into the reforms and does not require specific agreements between supervisors and subordinates.

These observed infringements of the safeguarding rules corroborate Williamson’s (1994; 1993) own assertion that there is no complete contract. Regarding his proposition of unified governance to curb opportunism, critics contrastingly suggest the compatibility between hierarchical organisation and opportunism. The notion of collusion in hierarchical relationships is very relevant to opportunism. The present study has provided some essential factual arguments in this respect. In the health sector, bringing together the public-sector health personnel and the elected village representatives hardly erodes the fact that each category of committee members zealously keeps their identity. Not abiding by the rules to inform village representatives on health programmes certainly derives from a corporate attitude to protect against an undue diffusion of health-care knowledge. Health cost minimisation through a veto of per-diem based supervisions from high-ranking medical staff strikingly responds to the view of lower costs for the beneficiaries to whom village representatives are accountable.

As found in the agricultural sector, the institutional environment resulting from people’s structural characteristics and policy effects may to a great extent determine opportunistic behaviour.
For instance, because of the cotton bias, some rural dwellers may fail to contribute to the provision of health facilities in the first place. Recall that only the cotton scheme leads to collective revenues at the village level. Therefore, a failure to participate in the cotton scheme may wrongly be interpreted as opportunism in the provision of health facilities.

It was said earlier that sliding into the micro-to-macro transformation is easy, but somewhat misleading (Toye 1995; Khan 1995). So is sliding into the modern-to-customary rules or ways of dealing with facts. It was also found that partnership in the health sector was skewed because of the cost-recovery scheme. Obsession with recovering health costs has necessarily led to the observed bias at the expense of promotional and preventive health activities. If the micro-effects of the cost recovery bias may be measured in terms of costs influencing a partnership, very little can be achieved to capture the macro-causes and, more importantly, the macro-to-micro transformation. For instance, the rationale behind the inclination of health personnel to defect lagging rural PHSs despite the political rhetoric to ensure equity country-wise is hardly amenable to measurement in terms of costs. Organisation theory is still beset with measurement issues and, more importantly, it is so wanting of macro-analytical techniques. This explains why collective action and the resource-based perspective are necessary complements.

Specificity in knowledge capabilities for both the agricultural and the health sector

The disappointing results achieved in both sectors stem from the reluctance of civil servants to forego past privileges because of a transfer of valuable knowledge, which would have likely made a difference. This acknowledged causality relationship contradicts much of the recent literature on traditional knowledge (Richards 1985) and the Farmer-first approach (Chambers 1989). As for the health sector, where a quantifiable progress through modern practices readily justifies the necessity of a large diffusion and adoption, producing agricultural goods for the world market requires more than traditional and local capabilities and competencies. Consequently, knowledge or knowledge transfer remains at the core of the rural development process in developing countries in general and in Benin in particular.

'In some locations the conditions for [agricultural technology transfer] are better than in other places, but we cannot satisfactorily explain how the variables and relations mentioned work in space... What we do know, however, is that the organisation of the production and transfer of knowledge is a key element for successful economic development'. (Lamboooy 1997, p.293)

For this to happen, the author suggests a crucial role for the external organisation of the production and use of knowledge, of which the institutional environment is an important feature. Yet, external organisations must be supported by internal organisations. It follows that the institutional environment, which indistinctly coalesces both external and internal organisations, may constitute a precluding factor to the use of knowledge.

The consideration of knowledge as an important input in the production process constitutes a breakthrough in economic reasoning (Kogut and Zander 1997; Richardson 1997). Otherwise, a sufficient explanation of economic growth and its sources cannot be achieved. Various components of knowledge notwithstanding, the operating mechanisms entail some attributes similar to other strategic assets as well as the underlying learning characteristics (Winter 1987). Regarding knowledge and competencies as strategic resources, these may be subject to asset specificity.

The consideration of knowledge as a specific asset echoes the current debate on the opening of private medical training schools in Benin. The lobby of the public health personnel successfully appealed to the government to withdraw the formal certification from the existing private medical
schools. Although the government’s decision clearly stated that the measure of closing these schools was temporary and must be reconsidered as soon as new contractual terms are negotiated, this denotes the extent of specificity that health practitioners attach to medical knowledge. In their view, this attribute needs to be shielded against premature and unsafe diffusion. In the agricultural sector, the failure to upgrade farmers’ knowledge through short-term training brings about a similar inference.

Resource dependency is precisely the condition to which asset specificity refers. How can the agriculture extension service and health personnel be safeguarded against the premature and unsafe diffusion of agricultural and medical knowledge? From an organisational perspective, the dependent parties may mitigate the attendant hazards by crafting ex ante credible commitments (penalties, adaptive governance structures). However, as agreements on whether or not to participate in the exchange constitute non-negotiable institutional arrangements to the dependent parties, the only alternative available is to resist the process from within. The decision to establish GVs or LHMCs originated from a top level of the government, pressured by the World Bank and the International Monetary Funds (IMF). This is not to assert that such measures are directly dictated, but concession was arrived at between both parties, and not necessarily at the advantage of the public-sector personnel. Put differently, both types of formal organisations and the functions ascribed to each of them seriously impair the initial privileges of the agricultural extension and health personnel. Therefore, the dependent parties accordingly adjust their behaviour in the contractual terms linking them to the other actors. Thus, adaptive governance structures result thereafter.

The implicit withdrawal of the agricultural extension service from the cotton scheme has been damaging to the extent that confidence in the quality of the final produce is lost worldwide (Le Bourge 1997). Farmers have successfully sustained an increase in cotton production by expanding the share of allotted land areas within their overall farm size. Therefore, their loss is twofold. First, quality requirements decline. Second, they incur losses in the production of crops other than cotton equivalent to the increase in size. Not only that quality declines with the risks that nominal and real cotton income may drop drastically, the present trend suggests a collapse of the scheme in the medium to long run. The role of the extension service was reinstated after all, and government commitment forcefully expressed to allocate adequate human as well as material resources in the future (cf. CARDER Mono 1997b, 1997c, 1998).

The tacit resistance of the health personnel to sharing medical knowledge with the village representatives has led to the weakening of people’s participation (cf. MSP/CE 1999). As it appears, after the health reforms people are more inclined to resort to self-medication and traditional medicine, and to seeking health care from the parallel channel than they were before the reforms. It was argued that the increasingly high recourse to those channels further augments the subtlety of the rural health profile. Two underlying reasons may be advanced. First, this delays people’s decision to attend the local PHSs. Second, it questions the credibility of the modern health care if recourse is sought here as a last resort. Therefore, not only do more and more rural dwellers defect the local PHSs, but also seldom is the quality of health care at this level adequate to meet the requirement of users. The latest reforms proposed in the health sector, involving a strategy based on a strong District health unit, with larger coverage than the current sub-prefecture, may certainly aim at improving the technical support to the peripheral health services, at the expense of people’s participation (MSP/CE 1999). However, these reforms may divert the government effort away from the peripheral health issues initially aimed at. This may
yield a shift of strategy from preventive care to curative care. Consequently, a stronger health-care system and a weaker health system may shield health personnel against the risks of a premature spread of medical knowledge.

The resulting alteration of the original policy reforms in both sectors corroborates the arguments that resource-dependent parties of a contract are farsighted rather than myopic, as the theory on resource dependency usually claims. Williamson (1994) contended that dependency is not only foreseeable, but also that costs are estimated, and the dependent parties deliberately accept and bear contracts with safeguards. To the extent that ex ante and ex post safeguards of the dependent parties entail a failure to achieve the institutional goals, the appropriate authority to which this is a negotiable contractual term will bring in new amendments. The number of smooth or radical changes needed to infuse confidence into the contractual term may reflect on the ability of the authority, i.e. the government and other external actors, to diagnose the source of flaws. Then, false reporting becomes an important predicament (cf. Chambers 1992). As it then appears, resource dependency is very powerful in explaining how power accrues to those social actors with a critical resource of the knowledge type, but dramatically fails to predict their course of action under imposed contractual terms.

Path dependency is such a process that invokes gradual rather than radical changes within an organisation. For instance, people holding power because of their access to certain resources will barely relinquish this power to other parties without explicit rebate of the benefits that will accrue to the new power-holders. The transfer of power certainly happens in very specific contractual instances, yet the pace at which this should occur might be determined by the initial holder. Otherwise, the Marxists and neo-Marxists contend that economic or political power should be conquered. Still though, is it easy to conquer economic or political power over tangible resources? Seldom is power conquered over intangible resources of the knowledge type.

The learning process implied by people interacting within organisations is based on routines (Levitt and March 1995). As cited earlier, routines are based on interpretations of the past rather than anticipations of the future. They then adapt to experience incrementally in response to feedback about outcomes. In the agricultural sector, recall that a hasty transfer of competencies was achieved in early stages of the reforms (cf. CARDER-Mono 1996). It was also found that formal reporting seriously contrasts people’s perception, in that achieving reform targets may not only mean a loss of privileges, but also a formal consent to do things differently in the future. The reforms then assumed that extension staff might retreat from lucrative marketing activities, to focus more on agricultural counselling. Since this was a prescription, overall retreat was observed even from the traditional extension function. The effects in terms of group behaviour are such that it might be inferred that these were contrived. We contend that such a virtual collusion between agents in the face of the reforms derives from their learning process.

In the health sector, the undue competition of parallel channels with the existing formal PHSs is a matter of concern for the public health personnel. Recall that the idea of the parallel channel derives from the collapse of the village health workers’ projects of the 1970s and early 1980s (Flahault and Roemer 1986; Zwi and Mills 1995). In Benin, this was characterised by a drastic decline in the number of village health posts, leaving a number of health workers without any other alternative but to illegally start a petty medical practice (Heywood 1991; KIT 1992). This was also compounded with an increasingly high number of paramedical workers unduly involved in private practices. This may certainly explain the highly stringent certification system. The Republic of Benin is no better off than Malawi, where Ngalande-Banda and Walt (1995)
reported the legal system to be unbearable to individual health-care practitioners. This is not to assert that improvements of the certification procedure are not feasible, but the public health personnel, because of the lessons learned from the past, may resist them. The co-operation between health personnel and the village representatives, as promoted through the LHMCs, is to foster the incriminated practices in the view of the former. In this connection, accepting such contractual terms may depart from their learning process and may put their organisational routines in jeopardy.

_Taking responsibility for the failure in both the agricultural and the health sectors_  
Hirschmann (1993) found that economic policy reform programmes run counter to the central notions of sound institutional development. He mainly drew attention to some fundamental concerns, in particular culture, the speed of change, and the political environment, thereby providing illustrations from Malawi. His findings are very relevant to Benin and stigmatise the hidden opposition between the government-sponsored bureaucracy and the beneficiary population. It seems unsatisfactory, however, that many of the flaws were part of a conscious component of multilateral pressure on third-world governments. Damage to existing local institutions is hardly planned by donors, but rather evolves through actors’ ambivalence toward either the traditional or the modern development practices. For instance, the present study clearly depicts the opposition between the modern legal and the customary rules and the resulting collateral damage to local institutional development. Although linkages to the comprehensive restructuring measures may be asserted, in our view the central responsibility lies in the hands of the implementing public-sector bureaucracy and its allies in the government. Therefore, we contend that claims stating that adaptation to and interpretation of, rather than full compliance with policy guidelines, must be internalised, echo the responsibility debate.

Attributing false incentives and disincentives in the economic reforms to multilateral pressure is such an expedient invoked by actors whose guilt is trivial. Indeed, the restructuring measures advocate a downsizing of government, a measure applied with greater emphasis to the agricultural extension service. It was found that this service has become more and more bureaucratised, at the expenses of agricultural field counselling to farmers. In the health sector, on the other hand, the absence of equity in personnel management put a strain on people’s meagre financial resources through the cost-recovery scheme.

Whether reforms achieve negative outcomes is no longer to be proved, but drawing lines of responsibility rather suggested wrong signals on the government side. Creating a government that is smaller and more efficient was conceptually feasible. But, in practice it turned out to be very difficult. Although from the pure perspective of local bureaucrats, all this appeared both threatening and confusing, there is no justification for their hidden opposition to the reforms that their allies in the government agreed to abide with. Unless both groups of actors contrive to undermine the reforms, external responsibility for the failure is not justifiable.

Arguments to reject in block the external responsibility for institutional damage and false incentives and disincentives derive partly from the cultural boundedness ascribed to the restructuring failure. Culture, as defined earlier, is specific and intrinsic to communities, whether local, regional or national. It is constituted of social values and norms implying the self-reliance and resilience of local organisations that would otherwise have the capacity to ensure a continuing flow of benefits. Despite the assertion that bureaucrats and government officials are moulded in the same culture as the beneficiary population (Chambers 1992), the former groups
differ from the latter because of the modern, western style in defiance of customary ways (Manuh 1995; McCall 1995).

Changes imposed by the invasion of rural life, initially through colonial and later through government intervention, are of many kinds. Two important categories will be touched on below. The first category refers to social changes, which oppose the modern sector, in which education is crucial, to the traditional sector, which urges status instead of education in power relations (Robertson 1995). It was said earlier that the government sector uses the organisational search approach to provoke change in local organisation, while grassroots organisations mainly evolve through the trial-and-error approach. This is one side of the coin. The other side considers that differences between government sponsored and grassroots organizations concern levels of analysis and mechanisms of change. Change in individual organisation is said to be adaptive, while that occurring in population of organisations is selective. So the two groups of actors operate at different levels, organization and population of organisations, and rely on different mechanisms of change, adaptation and selection. The so-called division of role does not necessarily impair the responsibility issues, as it seems possible to have the roles in both instances. Each group of actor may resort primarily to short-term change among individual organisations, as adaptive change, while considering long-term change in population of organisations, as mainly selective. The subsequent dichotomy derives from the inability of each side of the social arena to reconcile both types of value systems.

The second category refers to economic changes, which oppose macro- and micro-level considerations in the assessment of change (Berry 1995). Unlike aggregate data on African economic performance, micro-level studies show that Africans' distinctive cultural traditions rarely discourage them from seeking or enjoying material wealth. One lesson, which is relevant to the present study, is that the success of any strategy of development depends not only on how it is conceived, but also on how it is carried out. Another relevant lesson derives from that the sources and implications of African economic performance are likely in relations of power as well as of property, production, and price. An additional lesson is that, although market integration is effective within almost all rural communities, the defence of the right to use and enjoy traded goods may be subject either to the customary courts, where decisions are based on the trustworthiness of the witnesses, or to modern courts, where decisions are based on the terms of market transactions. A further lesson is that even a genuine effort to build a stable social and administrative order on a traditional background irremediably fails since neither traditional social units nor customary rules and practices are static or uncontested. A final lesson is that Africans are poor not by choice but by circumstances, and individual initiative alone will not produce economic development for all. The latter lesson certainly justifies the adherence to and the promotion of collective action in the course of the structural reforms.

9.2.2 Collective action and the agricultural and health policy reforms

Collective action and the agricultural policy reforms

The inquiry into the liberalisation process in the agricultural sector and the cost-recovery scheme in the primary health sector has constituted an empirical ground for testing the Institutional Economics (IE) theory and its applicability to rural development. Like the leading economic theories have shown their limitations in the analysis of the prevailing conditions in the developing countries, so does IE hardly encompass any of the institutional reforms underway in those
countries in general, and Benin in particular. However, IE has been very useful in detecting the problematic nature of combining collective action and market principles on the one hand, collective action and an ecology of organisations on the other hand.

Collective action as opposed to a full-fledged market or hierarchy, hinges on the private firms’ willingness to use hybrid modes of exchange. Free entry and exit, perfect knowledge and the like, expounded in mainstream economics, suggest that actors will bear minimal costs for entry and exit from the market. It should be pointed out that IE endorses the principle of barriers to entry and asset specificity as a predicament to exit from the market. But, more importantly, it also discards some other principles, such as perfect knowledge and perfect competition. It further spells out contractual costs that lead actors to resort to collective action. As might be expected from the IE literature, collective action and market principles are not compatible. Therefore, a tendency to amalgamate both has achieved disappointing results in the agricultural sector in Benin.

Collective action is undermined in the presence of a population (ecology) of organisations. Bierschenk and Olivier de Sardan (1998) bridged ecology of games in politics and ecology of organisations, having found no superior institution that could impose its rules over the other ones. This suggests incentives for opportunism rather than disincentives. In such a context, even a genuine collective action will be resisted.

Collective action and the health policy reforms
In the health sector, on the other hand, the IE theory has been much less predictive. Both cost recovery and collective action entail substantial costs for the exit option. It could be logically inferred that they are compatible. However, the cost-recovery scheme has achieved some disappointing results, which IE fails to predict. As substantiated by the present research, there are undoubtedly some threshold costs that will leave actors indifferent if they forego collective action. More importantly, the minimal cost under which collective action is still rewarding is drastically reduced in the presence of alternative services, the parallel channel and traditional medicine. This study provides evidence of the need to reconsider the concept of cost recovery and its underlying principles. If cost recovery implies costly entry for actors, care must be taken not to convert it into a public-sector provision of market services. If otherwise, the public-choice theory charges that this sector is unlikely to manage efficient and cost-effective services because of its insensitivity to the costs of over-production or the production of irrelevant goods (Dunsire et al. 1988). Accordingly, production management is dominant while market-sensing functions are missing. Although cost recovery cannot fit in with this straitjacket model of public-choice theorist, the underlying practices hardly disprove it.

IE has been helpful in disentangling the cost components of the disappointing results. However, it has failed to identify the causal relationship. The resource-based perspective of rural development is much less enlightening in this regard but, in contrast, it provides a useful framework for the analysis of resource issues impinging on the reforms.

Collective action and structural characteristics of the group
The following sub-section discusses some theoretical implications, drawing from empirical evidence and insights into the participatory and, more importantly, the collective action literature. It is argued below that many structural variables other than group size influence collective action.
**Synthesis of collective action in the distribution of agricultural input and primary health services**

**Group size and collective action**
As argued by Ostrom (1998), there is a coherent causal theory that uses structural variables (small size, symmetry of assets and resources, long time horizon, and a low-cost production function) to predict with high probability that participants can themselves solve social dilemma[s]. (p. 15) Obviously, the extant literature on collective action discourages rather than encourages large groups and, consequently, farmers' organisations (GVs) with large numbers of members. With the rule to establish one GV per village, large farmers' organisations cannot be avoided. Empirical evidence, however, shows the existence side by side of mixed types of GVs.

The rationale for larger farmers' organisations is that they may achieve quite substantially higher returns to collective action than smaller ones, the so-called law of increasing returns to scale in economics. In a certain sense, this is perfect. However, smaller-sized GVs have built upon good reputation, trust and reciprocity of their members where larger ones fail. On the other hand, smaller-sized GVs have hardly provided the villages concerned with social facilities, and their number may further complicate the co-ordination of local initiatives. In yet another sense, smaller-sized GVs represent proof of conflicts or dissatisfaction within the village communities. This suggests that structural variables other than group size influence or impede collective action as well.

**Other structural variables and collective action**
The first variable of interest is the heterogeneity of participants. For instance, because of agriculture and long-distance farming, multiple ethnic and allied groups form village communities rather than by homogenous kinsfolk, as the intervention schemes seem to imply. In addition, people differ with respect to their interests or preferences, their resource endowment, their perception or knowledge and their interaction with one another. Each community member is entitled to a unique set of interests or preferences. Participants' dependence on the benefits received is a second important structural variable. Those benefits are influenced by each individual's initial status, high or low. The case of women, who are discriminated against in GVs, is instructive in this respect. Undoubtedly, some causality effects are rooted in the social norms of the rural people.

Another structural variable worth mentioning is participants' discount rates. This variable is influenced by participants' socio-economic characteristics and related needs, and by whether participants value the short-term or the long-term horizon. Although a strictly subsistence-oriented community can hardly be assumed, in case of destitution there is little scope for long-term strategies (Friedmann 1992a&b; Blaikie et al. 1994).

One more structural variable of interest is the nesting of organisational levels. Where the new organisation allows the hollowing-out of the decision-making power from the local arena to a higher territorial level, vested local interests will undermine its impact. More importantly, the existing village level ecology of organisations fosters rather than reduces resistance to collective action.

**9.3 Policy-oriented implications of collective action in the distribution of agricultural input and primary health services**
The present section will derive policy implications in the light of the resource-based perspective and the main findings of both case studies. First, the implications for the policy reforms in the agricultural sector will be derived. Then, the implications for the policy reforms in the health sector will follow. Last, but not least, overall policy implications will be derived for updating the Structural Adjustment Programmes (SAPs).
9.3.1 Policy implications in the agricultural sector

The essence of the agricultural reforms is based on a tripartite partnership critically structured around farmers’ organisations, the GVs. Backward linkages are presently ensured through the formal agricultural input market and the parallel channel. However, several flaws subvert a smooth running of these backward linkages, among which a deficit of extension counselling, a persistent reluctance of the private firms, and a lack of trustworthiness of the parallel channel. On the side of forward-linkages, the system of unique buyer is well attuned. Yet, the division of responsibility is still problematic. What are the policy implications of the division of responsibility between various actors of the agricultural sector?

Knowledge- and competence-dependent relationships between the GVs and the extension service

The resource-based perspective posits that various actors, each according to their strategic position, may appraise the costs influencing interactions. Therefore, being aware of this may help disentangle the multiple contradictions that may arise between good intentions and skewed results on the ground. GVs need a continuous flow of agricultural knowledge to perform its institutional goals. What does a dependency relationship with the public-sector agricultural extension service suggest? Dependence upon the public-sector extension service may be curtailed by allowing some more spontaneous intervention of non-governmental organisations (NGOs). Of instrumental relevance is the identification of articulation loops in locations where extension failure is effective. A complete reliance on NGOs must be considered with care, as they may have their own agenda, which not necessarily coincides with agricultural extension goals.

Market-dependent relationships between GVs and the national marketing board (SONAPRA)

Market dependence is expected because of the agricultural input credit. Yet, the division of responsibility between the public-sector organisation in charge of the agricultural output and the private sector is not precisely attuned to the output segment of the agricultural market. The private provision of agricultural input credit and the public-sector monopoly for the marketing of cotton are at the heart of the inconsistency between the license validity period of one year and the credit recovery period of not less than 18 months. Such an inconsistency partly contributes to the reluctance of the private sector to fully engage in the process. In order to restore confidence, it is suggested that the private firms be entrusted with a role in the output market, to shorten the length of credit recovery and ensure their responsiveness to farmers’ needs. As an alternative, farmers themselves are trying to take over this role through the federation of farmers’ organisations at the national level (cf. Adegbidi et al. 2000).

Improving the relationship between farmers and private input suppliers

The agricultural policy reforms are characterised by a retreat of the extension agent from the input market and from the village level. In order to purchase inputs on the spot, farmers have to make the trip to the sub-prefecture centre, where the private firms in charge of the input distribution have their outlets. In order to adapt to the reforms, villages undergo a substantial re-organisation of their resources. For instance, distant villages with self-help groups are participating, while those located close to a sub-prefecture centre with the saving and credit groups are not. How may the latter villages be included in the scheme? Making inputs available at outlets with an identification tag, or seeking local dealers with a much less demanding certification procedure, will meet with success. Alternatively, distant villages are not within the reach of the parallel
channel, resulting in improved performance in the technology transfer process. This result may be secured through enhancing farmers' knowledge of the input market while strengthening government control at higher territorial levels. Those aspects will be turned to below.

**Internal cohesion of GVs**

An assessment of the internal cohesion of GVs and the findings from the literature suggest that things are not better after the reforms than before. Therefore, the neo-liberal advocate of a complete withdrawal of the public sector, and the neo-populist advocate of people's organisations must be hedged with caveats. Because of the multiplication of village-level conflicts and widespread financial embezzlements, there are great risks that long-run adverse effects may result for agricultural development. In order to reduce these risks, the government sector is expected to i) ensure that agricultural knowledge and competencies are continuously instilled to farmers; and ii) ensure that the accountability of the elected village leaders is guaranteed through regular democratic elections. The latter recommendation is rather difficult to administer from outside the village communities.

Following Johnston and Kilby (1982), governments, like most bureaucratic organisations, are disposed to concentrate on coping with the agenda of pressing problems rather than on developing long-run strategies. Consequently, the choice of an agricultural strategy is often made by default. The rationale is that the drawbacks associated with the operating mode of the GVs, as this initially increases information asymmetry and transaction costs, must be overcome if significant achievements are to be counted on. How could this be achieved?

In the long run, a strategy that may posit the GV as negotiable, in contractual terms, at the village level will be beneficial to a smooth appropriation by farmers. For instance, a GV as a group collateral, as opposed to land, certainly mitigates the absence of land titling in both the short and the medium run. However, for this strategy to achieve long-term objectives may require an enabling mix, a better articulation of the GVs with the existing grassroots organisations, and a further broadening of the scope of external intervention.

With respect to linking grassroots organisations to GVs at the village level, what inspires from the empirical experience documented in this study is the possibility that this may overcome the participation bottlenecks. The reasons underlying such a recommendation are twofold, the first invoking individual interest and the second referring to community welfare gains.

With respect to individual participants, one advantage concerns impersonal feelings, which may be curbed (for instance, reciprocity is unlikely in a GV of more than 1000 members). Another advantage resides in the trust that a traditional extensive monitoring framework provides for members of grassroots organisations. A further advantage is the possibility for individuals to move along the traditional-formal continuum without frustrating customary norms of behaviour. A final advantage for participants is to feel part of the rural development decision-making process.

The advantages for the community are also relevant. These will include the reduction of participation costs and greater accountability and efficiency. There appear to be two aspects of costs that impinge on community participation. The first refers to the so-called ambivalence of two types of rules and norms, which frustrates people's efforts to adapt the grassroots organisations. The corresponding costs are treated as transaction costs in the Institutional Economics literature. By suggesting an explicit contractual relation between the two types of organisations, it is assumed that an ensuing legal status will be conferred to the grassroots institutions. Consequently, they can function as hierarchies, and hence they can be shielded against external influences, since hierarchies
constitute their own court of appeal (Williamson 1993). The second aspect of costs has an explicit temporal and material implication. The simplification advocated will probably permit to release additional collateral, temporal as well as material resources usually bound to participation.

As to accountability, recall that the grassroots organisations have their own proper monitoring techniques. For instance, Vodouhê (1996) documented techniques of screening, spotting and policing opportunistic behaviour within grassroots organisations in the Couffo region. Integrating the existing grassroots organisations with the GVs will probably enhance these techniques rather than weaken them.

The reduction of participation costs and the enhancement of accountability have been put forward because they may contribute to improve efficiency. In addition, the contractual mode of functioning might certainly endorse women participation as opposed to the present situation. To the extent that a risk of atomisation of GVs might occur, however, adequate input-output threshold values may be entrusted to the co-operative agreements between GVs and external actors.

Concerning broadening the scope of external intervention, two future directions of government policy are contemplated for the agricultural input sector. The first involves a further enhancement of market liberalisation and the second concerns the provision of an appropriate institutional environment.

Intensification of the market liberalisation process would require a facilitating role for the state, which must ameliorate the conditions for market entry, such as access to working capital, improved infrastructure and increased knowledge, in order to overcome the thinness of the market. In this respect, a further opening of the market could lead to improved co-ordination of the demand. Moreover, the situation on other input market, for instance, the draught animal market (Dédéhouanou and Quarles van Ufford 2000), has shown that a legitimised and high participation rate of local entrepreneurs - a role which could be played by local farmers themselves - would assist in bringing together supply and demand.

The second policy direction is crucial in the light of the present study. It revolves around issues such as truth in labelling and farmers' knowledge of markets and products. The agricultural input sector is characterised by a standardisation of the products and, consequently, only price-quantity relationships matter. This can be seen as a major weakness. The nature of the product, and the difficulty for farmers to assess quality and reliability, are obstacles for a smooth market process (trust & confidence). Moreover, farmers do not face a wide range of choices whereby they could test the performance of each input (notably pesticides, fertilisers and seeds) under specific conditions: product differentiation is not perceptible without technical expertise. Quality and reliability problems become crucial issues in a parallel channel situation.

The free play of market relations is unlikely to guarantee the application of norms and standards, which means that enforcement of the conditions is needed. For instance, raising farmers' awareness about truth in labelling is unlikely to be ensured through the market. Even on other markets the problem of incorrect value labelling sometimes imposes itself, although here the product knowledge of consumers is significantly higher than on the agricultural input market. Furthermore, a cost-effective use of agricultural inputs involves adequate research and dissemination of information, which the private sector will not endorse.

There is probably room for government intervention, and for its extension service in particular, to correct these market imperfections. In this regard, intervention in the institutional environment means verifying the quality and reliability of agricultural inputs (ensuring truth in labelling), as well as increasing farmers’ knowledge about these aspects. It is unlikely that the
private sector will effectively provide much of this information; because the results are location-specific and often private firms cannot reap the benefits. As the dynamic processes observed elsewhere have revealed, there is a need for building local capacity with respect to market and product knowledge. Enhancing farmers' market and product knowledge is vital for the expansion of agricultural input services. In certain cases, building local capacity to assume some responsibilities for monitoring the sale and use of inputs may be more efficient than relying on a large centralised regulatory agency.

9.3.2 Policy implications in the health sector
The essence of the health-sector reforms is based on partnership critically structured around the local health management committees (LHMCs). Backward linkages are presently ensured through the formal public-sector health organisations whereby human resources, equipment and drugs are channelled to the local PHSs. However, several flaws, among which a deficit of supervision from referral health units, a persistent reluctance of the health personnel to inform village representatives on health programmes, a failure of the private clinics to fill the gap left open by the public sector, and a lack of trustworthiness of a growing parallel channel, subvert the required harmony for backward linkages. As to forward linkages, heterogeneity among health-service consumers still influences the performance of the existing formal PHSs. The skewed distribution of the private clinics also indicates that performance in terms of attendance is only a little better. Yet, the division of responsibility is still problematic. What are the policy implications of the division of responsibility between various actors of the health sector?

Knowledge- and competence-dependent relationships between LHMCs and the public-sector health personnel
As stated earlier, the resource-based perspective posits that various exchange-related actors, each according to their strategic position, might appraise costs. Therefore, being aware of this may help disentangle the multiple contradictions between the health-policy goals and the actual outcomes.

The LHMCs are knowledge and competence-dependent for an improved performance of the stated institutional goals. For instance, villagers are granted power to control and administer financial resources. But, because of alleged conflicts between the elected representatives and health personnel, the LHMCs are still ineffective in inclining people's recourse to the parallel channel, traditional medicine, and even self-medication. The missing factor is knowledge, which the public-sector health personnel are resisting to share with villagers. This dependence upon the public-sector health personnel may be curtailed by encouraging some more spontaneous intervention of non-government organisations (NGOs). Although the process is underway (several NGOs have signed contracts with the Ministry of health on March 29th 2000), a complete reliance on NGOs should be considered with care, as the latter may have their own agenda, which need not necessarily coincide with health-promotional objectives.

As inferred above, information diffusion through promotional health activities seems crucial to an improved participation of the beneficiaries. The bias toward curative health care has further compounded the existing asymmetry in health information between the public-sector health personnel and the beneficiaries. The failure of health personnel to achieve such a goal may not necessarily be interpreted as a resistance to the reforms insofar as multiple in-patient and on-site health activities are major constraints. As an alternative to the NGOs, the village-level social
worker may be promoted. An effective training programme of social village workers to take up promotional health activities represents an important step forward.

The turnover of the public health personnel and more importantly, the dislike of the latter to live in rural areas must be considered as a threat to an effective people's participation and, hence, to people's utilisation of the existing formal PHSs. In order to achieve a significant improvement, the rationale underlying that dislike must be unravelled and appropriate mitigating measures enacted. For instance, the incentive system for supervisory visits from the referral health centres must be de-linked from the local budget. This is to avoid that the beneficiaries have to face additional charges, and also to escape the cost-recovery trap. Since health charges are larger in remote areas compared to urban-based health centres, donors and government support may be channelled to the former areas to relieve people's effort. This necessarily suggests a role for a screening committee, yet, special support might be granted to PHSs with locally hired health professionals.

**Market-niche dependent relationships between the LHMCs and the other channels**

Market-niche dependency is expected because of heterogeneity among the beneficiaries and multiple suppliers. Yet, the division of responsibility between the public-sector organisation in charge of public health and the private clinics need not influence the performance of the LHMCs, precisely their function with respect to the health-promotional activities. This is to assert that a growing awareness may not necessarily lead to an improved performance of the formal local PHSs if competition is coupled with liberalisation. However, given that the private provision of health services is still in its infancy and most certified clinics are confined to villages where a public-sector health outlet is lacking, less attendance in the public sector will be interpreted as more recourse to the parallel channel. The same is also true for the certified private clinics. An inconsistent distribution of both formal PHSs and certified clinics is observed in certain localities, leading to an equally skewed distribution of the LHMCs. The persistent failure of the formal channels in other localities and the concomitant growth of the parallel channel suggest that health authorities must carry out health promotional activities with and without the presence of formal local PHSs. Consequently, village communities must establish LHMCs irrespective of the presence or not of formal PHSs. The subsequent awareness may improve the demand for health care and, hence, the distribution of the private certified clinics may be improved as well. Concerning the parallel channel, on the other hand, it is suggested that the LHMCs be entrusted with an increasingly important role in fostering people's knowledge of health-care requirements in order to restore confidence, responsiveness and accountability of health practitioners in general to the people they serve.

**Improving the relationship between local representatives and private clinics**

Villages undergo a substantial re-organisation of their resources in order to fully participate in the distribution of health services. Therefore, a failure on their side to participate must not be equated to a rejection. On the contrary, health-policy measures need to be specifically adapted to the prevailing context. How may villages, located at a distance from the nearest formal health outlet, promote LHMCs? Making the PHSs available at local health outlets will meet with success in villages with a higher demand through the parallel channel. The cost-recovery scheme, as it appears, will help capture equipment as well as personnel costs. Alternatively, the creation of a LHMC may provide unprecedented support to a local private clinic in search of expansion. The
benefits to be reaped at the local level are a greater responsiveness and accountability of the private clinics vis-à-vis the beneficiaries. But, this result may only be secured through enhancing people’s knowledge in the health sector while strengthening government control at higher territorial levels.

*Internal cohesion of LHMCs*

The cost-recovery scheme, far from helping the LHMCs achieve greater health coverage and participation, has hampered the smooth interaction between the elected village representatives and the public-sector health personnel. An obsession with a balanced cost-benefit account for the PHSs is at the heart of the numerous flaws influencing the health-policy reforms. Village representatives are overwhelmingly kept busy balancing accounts and are much less involved in community education and information. So are the public-sector health personnel, striving hard to achieve financial targets at the expense of promotional health activities. In order to overcome the incriminated bias, two alternative policy measures are suggested below. Yet, these are not essentially exclusive at the outset, but diverge according to the division of responsibility.

The first approach to curb policy bias consists of integrating the LHMCs with grassroots organisations. Contrary to the agriculture sector, grassroots organisations operating with similar institutional goals as the LHMCs may consider the latter as contractual terms if explicit articulation were allowed for. This is to assert that grassroots organisations such as Kugbe must be considered as health-care providers on an equal footing with the government sector and donors. In the long run, such a strategy, which may probably posit the LHMCs as negotiable contractual terms at the village level, will be beneficial to a smooth appropriation by the rural dwellers.

The second approach entails a further activation of the existing LHMCs. This may require a facilitating role for the government sector, which must improve the conditions for the co-operation and exchange between village representatives and health personnel. Two policy directions are also proposed to attain such a result. The first policy direction will address programme management within the LHMCs. This may only be achieved through further expanding the role of the LHMCs to the management of health programmes concomitantly with the public-sector health personnel. The contrasted views on people’s participation illustrated by different evaluation reports from the *Ministry of Health* and the World Bank demonstrate, however, the need for change coming from outside the public-sector bureaucracy. Donors and NGOs are in better positions to induce such changes. But, they are unlikely to succeed without help from within the rural communities themselves. That is why the role of a local leadership is worthwhile.

The second policy direction is critical for the effectiveness of community participation in raising the rural health status. It is mainly concerned with malpractice and farmers’ knowledge of modern health-care practices. Malpractice is said to be characteristic of the *parallel channel*. But, it is unlikely that practitioners from this sector will loosen their grip on uninformed people in remote villages if the government sector does not support significant efforts to carry on the decentralisation process and to ease financial as well as informational constraints. That is why a better way of overcoming those bottlenecks is by raising rural people’s awareness through health education and information. This may need two stages of policy implementation. First, the LHMCs must be enhanced through effective leadership backed by adequate training and a clear definition of roles and responsibilities. Second, community awareness must be raised with the support of an effective local leadership.
Once again, to implement the policy measures aimed at countering malpractice and improving people's knowledge of modern health care, the government may or may not rely on the public-sector bureaucracy. Reliance on organisations other than those from the public sector may be sought (NGOs with effective grassroots linkages, grassroots self-help organisations, etc.). For instance, NGOs and donors are experimenting with an innovative health insurance scheme in one village of the sub-prefecture of Klouékanmè. This example clearly corroborates the type of articulation of people's organisations into a local health management committee. Lessons from this experience, when carefully adapted and scrutinised by the relevant actors, may help improve people's access to health care. More importantly, such a scheme might help to break the initial deadlock of people's linear health-seeking behaviour (e.g. self-medication, clairvoyant, spirit medium, herbalists, modern health care), and probably enlighten their choice of health treatment. However, because nearness is very crucial in the access model discussed in this study, the failure of most bank clients to contract health insurance may be attributed to the fact that this scheme is not operated in a decentralised manner. Contrary to the local bank operating at such a decentralised scale (local agencies of the bank are dispersed over more than five sub-prefectures), the health insurance scheme is based on only one health centre. Yet, decentralisation may not be translated into a full enrolment of all local bank clients for health insurance, though nearness may certainly improve enrolment.

In the case of reliance on the public-sector health personnel, an adequate incentive structure may be devised accordingly, to compensate for the loss of privileges or to offset the costs involved. Insofar as incentives for improved performance are in place, medical personnel will strive to achieve better health coverage. Needless to argue that both in- and out-patient activities may concomitantly improve. In the case of outpatient activities, no one needs to impose on health personnel the set of procedures that involve beneficiaries. They may take initiatives on their own, for instance, they may strive for participation on their own initiative. This approach, internal to the public-sector health organisation, however, may evolve following a gradual process. On the other hand, it might be faster and more straightforward for the government to enact people's participation, as the government sector usually does. Although this seems the most sensible way of inducing institutional changes, such reforms are typically inhibited by information problems. It is tentatively suggested to establish a committee of inquiry, where representatives of stakeholders may compile the relevant information, before making any recommendations for changes. However, this process is more like the internally driven changes with uncertain outcomes, and may hardly meet the consent of political decision-makers.

The strategic shift that is taking place within the government intervention mechanisms, away from changing the behaviour of rural dwellers through communication towards supporting organisational reforms, has its underlying assumptions. Through the LHMCs, for instance, the village community is believed to constitute a homogenous entity of people with nearly similar preferences, and whose willingness to participate is unquestionable. Rather, the village community is characterised by its heterogeneity in resource access and control as well as in policy responses. In addition, villagers are arranged into social layers such as religious groups, Kugbe groups, and the like. Therefore, getting all villagers into one large organisation may not facilitate people's differentiation along those lines of social preferences. Reasons similar to those found in the agricultural sector are also relevant here.
9.3.3 Implications for the Structural Adjustment Programmes (SAPs)

In both the agricultural and the health sector, the decision units are manifold, in contrast with policy advocate. The GVs and the LHMCs, respectively, are the unique formal decision units in the two sectors. It was found that not all the needs are co-ordinated through these two organisations. The mere existence of the parallel channels in both sectors illustrates this. In addition to the modern sector involving formal and parallel decision units, there are alternative traditional decision-making units separate from, but aiming at the same goals as the formal sector. Therefore, heterogeneity of decision-making regarding the supply of as well as the demand for services applies with greater significance after the policy reforms. The extent to which the formal decision units diverge from the parallel and the traditional units may explain the success or failure of the policy reforms.

Similarly, equating village communities with firms is misconceived, though such a decision derives from the government intervention point of view. At first approximation, it seems appropriate to use the same lenses as government officials do. Indeed, government hardly devises policy measures for the parallel channel and grassroots organisations. In a certain sense, government officials assume homogeneity of decision-making among village communities. But, homogeneity is rarely the case within village communities. Therefore, the analogy between village communities and homogenous units is contextually wrong, though methodologically correct at the outset.

A village community is better identified as an industry, or a conglomerate of units. The extent of heterogeneity ascribed to the decision units within each village community parallels that found within an industry. Equating villages with homogenous units derives from an oversimplification, which makes intervention manageable. This suggests that considering the village level as an industry in its own right has several implications.

First of all, the theoretical underpinnings of the Structural Adjustment Programmes (SAPs) need to be updated, drawing from the disciplines that ascribe a higher weight to heterogeneity than to homogeneity. Modern and customary resources and preferences, for instance, are heterogeneous by nature. Equally important is the heterogeneity within grassroots organisations. But, following the SAPs, only one type of farmers’ organisation was acknowledged by the government for the distribution of agricultural input services at the village level. Likewise, only one type of local health management committee was recommended for the distribution of primary health services. This leaves the beneficiaries with a limited choice, participate or exit. But, if articulation of formal and grassroots organisations is easier in certain cases, predatory competition prevails in most instances. So is leadership, the plurality of which leads to conflicts that beset the development process. Management is thereafter heterogeneous and may be inconclusive, as opposed to the decreed standardisation of the intervention process. As poverty may not be singled out because of heterogeneity, plural needs assessment may be adjusted.

Secondly, the SAPs may positively evolve by encompassing the theoretical paradigms that reject the dichotomy between market and state in the development process. This study substantiates that exchange or co-ordination does not necessarily involve spontaneous articulation loops between supply and demand. Co-ordination entails segments with peculiarities for market, government, co-operative or participatory intervention. What matters is the extent of organisation between various types of intervention to obtain co-ordination with minimal costs for actors.

Thirdly, recommending the bureaucratic archetype of local organisations suggests a unidimensional learning process, while empirical evidence demonstrates the plurality of learning within the existing grassroots organisations. For instance, grassroots organisations have learned to curb
opportunism in spite of its severity (Vodouhê 1996). The flexibility of these organisations to adapt the rules in use to new challenges urges the government to support more mitigating organisational forms and rules.

Fourthly, policy-sequencing being the rule in general, optional as well as open-ended measures are important for a strategy to be successful. As substantiated in this study, no unique behavioural outcome turns up with either path dependency or decreed change. Complementary measures are subsequently taken to reduce the extent of divergence.

Fifthly, promote effective political participation through involving grassroots organisations with similar social and economic goals. Contrary to the past intervention process, it is admitted that the SAPs bring about co-operative behaviour rather than the spontaneous co-ordinating mechanisms that usually characterise the free market. The missing elements, however, concern the heterogeneity of organisations that effective participation might entail.

Finally, bring economic participation back into focus by involving beneficiaries, both individually and as groups, in the economic decision-making process. The decision-making process that involves the international financial institutions certainly hollows out substantially the power at the local and even at the national level.

9.3.4 Formulation of a new research agenda
Collective action is not just hampered by actors that are external to village communities; social dilemma also derives from adding up of new institutions and old ones, leading to the context of alternative legitimacy. At the village level, individuals face alternative institutions for conflict mediation. Consequently, access to resources is negotiated through various unco-ordinate local institutions. Therefore, in the absence of co-ordination, the heterogeneity of institutions and actors necessarily leads to inconclusive development (Long 1989, 1994; Long and van der Ploeg 1989). This is the justification of an agenda for new researches, given the imminence of the implementation of the decentralisation reforms and the enactment of local governmental institutions in rural areas in Benin. In order to smoothen the transition to effective local governments, it is crucial that the following questions are addressed:

- In which way may the new local institutions that will be created in line with the decentralisation process be powerful enough to overthrow the existing ones, i.e. imposing their legitimacy in the presence of a population of institutions? Or, will these new institutions add up to the existing layers, and will their legitimacy be negotiated with a limited room for manoeuvre?
- How may institutional interface be better articulated between external intervening actors (Central government – national level and international NGOs – national level and international private firms, etc.) and local emerging institutions (local government, local private initiatives, local pressure groups, local NGOs, etc.)?

In order to answer these two questions, an empirical inquiry based on micro-level data will have to be conducted. The aim should be to make an inventory of the existing institutions and their relative legitimacy. Next, the legitimacy of local institutions should be appraised from the perspective of people’s participation, their responsiveness to people’s needs and their accountability to the people. Further, the legitimacy of each institution should be aligned with responsiveness and accountability with respect to a set of development activities. Finally, institutional interface may be derived
through articulating external intervening agencies with the most responsive and accountable local institutions.

In order to achieve such an endeavour, the resource-based perspective may be of great help. Accordingly, the following objectives are derived:

i) To assess the strategy, structures and core capabilities of the local institutions involved in mediating development services at the village level.

ii) To assess the strategy, structures and core capabilities of the external organisations intervening in development services at the village level.

iii) To assess the strategy, structure, and core capabilities of the local organisations that are more responsive to people's needs and more accountable to the people.

iv) To identify the matrix of local institutions and external actors that make the distribution of development services more effective.

The results from such an investigation will enlighten the decentralisation process. However, given that institutions are not static, research must be adapted so as to single out institutional changes and their impact on the decentralisation process.

9.4 In conclusion

This study is about co-ordinating between the demand for and the supply of social and economic services following the structural reforms in Benin. The market-type versus the hierarchy-type of co-ordination has long dominated the theoretical debate. Policy measures have suffered from such a dichotomy between government-led and market-led development. Accordingly, in most countries intense tensions have persisted under the SAPs between the public sector in charge of the implementation of the reforms and the private sector, and even the beneficiaries. The Republic of Benin was no exception to the rule. The so-called Marxist regime capitulated to the whims of the international financial institutions in 1989. Did the decision to engage the country in the structural adjustment programmes really translate the government's willingness to relinquish its privilege to the private sector? Or, put differently, would basic need be subject to the vagary of the free market after decades of public-sector monopoly? The quest for understanding the structural reforms is so great that accounts of early adjusting countries documented in the literature are so diverse. Indeed, experiences vary from one country to the other, to the extent that doubt thrives on the growing dichotomy between the opponents and supporters of the market.

Questions about development outcomes are so intense that adjustment measures appear to have different impacts on various sectors, social groups, locations, etc. Obviously, policy response diverges whether concern with primary or secondary sector is assumed. Public-sector personnel and farmers, among others, differentially resent the structural adjustment measures. The rural-urban differentials appear more prominent with respect to the public-sector retrenchment than otherwise. What will happen if subsidies are phased out? How will agricultural technology transfer perform with drastically curtailed extension service? What will happen to social indicators in the face of user-charges? Recent accounts from adjusting countries substantiate drastic changes occurring in the rural areas.

To address these concerns, the present study builds on a resource-based perspective that combines the actor-orientation of economics with the institutional constraints and incentives and the legacy of social values traditionally invoked in Anthropology, and the whole tightly wrapped
up in the Institutional Economics (IE) framework. Given the institutional environment and the underlying mechanisms for co-ordinating between the demand for and the supply of development services, the main objective of this study has been to critically assess the co-ordination of the distribution of agricultural input and primary health services, and to derive the division of responsibilities between the public, private and local organisations. In this respect, an empirical micro-level research was carried out in the Couffo region, located in the Southwest of the Republic of Benin. It involved actors’ assessment of the changes occurring within the rural communities as regards the agricultural input services (AISs) and the primary health services (PHSs).

This study mainly draws from an integrated analysis of both AISs and PHSs, focusing in particular on structural and organisational aspects and on the impact on both sectors of the economic and social re-structuring of the 1990s. The goal is to better understand how the interactions between the government and the private sectors, on one side, and local organisations, on the other side, affect performance in agricultural and health services and, thus, how the public, private, and local organisations might be co-ordinated to make the distribution of agricultural input and primary health services more effective.

The IE theory and, more specifically, collective action (CA), seem to largely explain the existing co-ordinating mechanisms in both sectors. The IE approach helps to identify some significant costs that are influencing the existing co-ordinating mechanisms while CA points at structural variables in explaining some counterproductive outcomes.

In the agricultural sector, the reluctance of the private sector to fully engage is noticeable. In addition, the formal organisational features impose many costs on the large majority of rural dwellers. The question whether or not to participate is misleading and should rather read participate, but to which extent? Moreover, agricultural extension service lapses, precluding the appropriate utilisation of agricultural inputs, hence limiting agricultural performance. The formal channel for agricultural inputs has substantively expanded, thus augmenting intermediate marketing costs.

Whereas in other circumstances the bias toward cotton, at the expenses of other agricultural activities, will readily lead to a perfect management of cotton farms, it was expected here that more and more people would resort to agricultural inputs because of growing awareness and increased revenues. It was found that the significant drop in input purchase figures following the devaluation of 1994 may be explained by an important rise in input prices. Obviously, rising input costs bar the poor from access, as cost constraints become a driving factor for the utilisation of inputs. This is to be taken with caution, however, since wealth and richness are very intricate to define in relation to productive investments, and input-output relationships remain an important impediment to the utilisation of inputs. Owing to the significant information role performed by the GVs, though minimal indeed, it might be speculated that more informed classes or groups of villagers resort to the agriculture input market than before the reforms. Yet, to the extent that more and more lands are put under cotton cultivation, the purchases of inputs are minimal indeed. Thus, the quality of the cotton offered on the world market suffers.

In the health sector, on the other hand, promotional and preventive health activities lapse in the aftermath of the cost-recovery scheme. Health personnel have notably entrenched themselves behind this scheme and power devolution to levy health fees for the maintenance and the smooth operating of the local PHSs, relegating to a second-order priority activities other than those associated with user-charges. Local representatives have been seriously impaired in their role as social community workers, although their control over financial resources drastically increases.
Since the beginning of the health reforms, rural dwellers have increasingly been constrained by health costs, upon which the compounded effects of the franc CFA devaluation and inflation exert so great an impact. Yet, overall physical access has improved to a large extent compared to the period before the reforms.

Whereas in other circumstances the promotion of preventive health care will readily lead to decreasing health attendance, it was expected here that more and more people will resort to health services because of growing awareness, nearness, reduced costs and improved quality. It was found that the insignificant drop in the attendance figures following the cost-recovery scheme and the devaluation of 1994 may be explained by an important rise of attendance among the average income classes, at the disadvantage of the poor classes (MSP/CE 1999). Obviously, rising health costs bar the latter from access, as cost constraints become a driving factor for the utilisation of health services. This is to be taken with caution, however, since wealth and richness are very intricate to define and people’s own belief remains an important impediment to the utilisation of formal PHSs. Owing to the significant information role performed by the LHMCs, though minimal indeed, it might be speculated that more informed classes or groups of villagers resort to modern health care than before the reforms. But still, the nature of the health centres to which they address their demand remains problematic, given people’s alleged pervasive health-seeking behaviour.

Regarding collective action, structural variables like household and group size play an important role in influencing people's participation in the formal organisations. So are other variables, encompassing also the heterogeneity of participants, people's time preferences, social capital, and the like. This list of structural variables is not exhaustive though. There are still more variables either hindering or fostering people's collective action with respect to resource control and access. Indeed, there are variables that are very complex to measure, as are the structural policy variables. In this connection, there are more socio-cultural and anthropological variables with limited success of quantifiable conversion. However, there are also variables that easily lend themselves to quantification into costs and benefits.

The health policy reforms have achieved a great deal of institutional development. New actors are participating in furthering the health care strategies, though controversies surround the parallel channel and the traditional medicine. In terms of the provision of health care, the decision process apparently lies in the hands of the public sector. The mechanisms underlying the functioning of the LHMCs are no proof to the contrary. It was found that village representatives in the committees are confined to the cost-recovery aspect of the health-care system, while government health personnel are in control of the health programmes. More importantly, health personnel are inclined to encourage cost-related health treatments at the disadvantage of cost-free activities, bearing in mind that the curative component of the primary health services, which requires charging costs on treatment, barely urges people’s participation. On the contrary, the preventive component, which involves participation, is assigned a low weight on the agenda of the public-sector health personnel.

A pragmatic solution to the participation dilemmas, which might foster people's own effort to adapt to new organisational opportunities, requires that the so-called GV's and LHMCs integrate with the existing grassroots organisations. The rationale of such a proposition stems from the reduction of participation costs and the enhancement of accountability through relying on grassroots rather than formal organisations. The list of alleged advantages is not exhaustive. Nor is it suggested that such an involvement of numerous and dispersed grassroots organisations is costless. Obviously, administrative costs related to aggregation and co-ordination at the village level will constitute serious threats on the government’s decision to integrate the formal organisations, farmers'
organisations (GVs), and local health management committees (LHMCs) with the existing grassroots organisations, self-help labour party groups, saving and credit groups, and Kugbe groups.

In the wake of the reforms, new institutions have burgeoned. There are formal as well as grassroots institutions engaged in improving the plight of the rural dwellers. For instance, NGOs are slowly, but perceptibly, filling the gap left by government and market failures.

Overall, rural changes are unexpected for their scale and scope during the period of the late 1980s and the 1990s in the developing countries in general, and Benin in particular. Most policy reforms have impeded development rather than induced positive changes. Therefore, this study suggests that very much still needs to be achieved in order to bring development on track. This could only happen through a genuine partnership involving all actors of the rural arena. In this regard, the government role remains central. Of equal importance is the policy environment, which must fully accommodate the participatory sector. Indeed, the need to build on achievements so far is stressed. A challenging task for further research is to specify the conditions for and the costs involved in bringing about the suggested partnership of public, private, and local organisations.