**Theoretical Framework for Participatory Rural Development:
The Role of the Public University**

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Participatory rural development is enhanced by the analysis of the relations the major institutional actors in market, state, and civil society. As universities seek to bring about rural development among excluded people and places, they must involve institutional actors from all three sectors for success. Random programs, investing in single capitals with rural areas, are not cumulative and often fail to bring about even the desired immediate results. The differential spheres of influence and differential structures of these sectors determine what is considered legitimate concerns for participatory local input, what are considered technical considerations, and what is defined as the public good. For rural areas, which are often disadvantaged by distance and dispersion in terms of market, state, and civil society institutions, the focus on a single locus of development leads to further exclusion (Flora,2001) . One of the roles of a university involved in rural development is attention to balance among the sectors, as well as intersectoral alignment.

MARKET, STATE AND CIVIL SOCIETY[1]

[1] This section is drawn from Flora, 2003.

Markets

Markets are the many firms and institutions that exchange goods and services at a profit. When there is competition and free flow of information, they are incredibly efficient at distributing goods and services to those who can pay. They are not particularly efficient at distributing goods and services to those who cannot pay or at protecting the environment.

The market is highly dynamic, with much competition and the constant entrance and exit of firms. Market institutions are present at the local, state, national, and transnational levels. These institutions sometimes compete, sometimes collaborate, and are integrated forward and backward to differing degrees. The purpose of market institutions is to make a profit for their owners. Sometimes the owners are individuals or families. Sometimes, owners are stockholders. Stockholders tend to evaluate firms on two things: how much profit they have generated in the last quarter and their market value. When either of these is viewed as unsatisfactory, owners seek to change the hired managers. Consolidation, competition, and cooperation among market firms suggest a very dynamic sphere. Farms, cooperatives and transnational firms are all part of the market sector.

States

The state (governments) makes markets possible. Markets need fairly stable conditions in which to operate. Weber (1978: 161-166) presents a convincing argument for the necessity of a strong state for the effective functioning of what he refers to as "the modern economy". Markets need contracts that are enforceable through an effective administrative and judiciary system. They need a reliable money supply. They need to know that rules will be put into place by the legislative system. And they need to know that the rules will be administered in a universalistic way -- the same rules are applied to everyone. Thus the state, which is government from international levels down to the national, state, and local levels, is critical to the market. But the state has the additional responsibility of providing for the public welfare. Only by attention to substantive rationality (Weber, 1978: 85) can states maintain legitimacy.

Regulatory policies determine what markets exist and how they can function. Regulation is both positive and negative. But what is regulated for what ends is determined by struggles between different sectors of the market and civil society.

State agencies are often at odds with each other – local with provincial, provincial with national, and national with international. The state, like the market, is a dynamic, contested sector. Very often, local levels of government, particularly counties and small cities feel imposed upon by the state or federal governments, particularly as they deal with unfunded mandates. Thus, within the state sphere, which sets the rules and conditions for the market and the safety net for its citizens, the terrain is very contested.

The state includes local, state, national and international government institutions, including the three branches of government: the legislative (which makes the laws and allocates resources), the administrative (which implements the laws and distributes the resources) and the judicial (which sanctions those who do not follow the laws). In many countries that come from the European tradition, there is a much closer relationship between the legislative and the administrative than there is in the United States and in Mexico, where there are separation of powers and three branches of government, which greatly increases the transaction costs of governing (Lipset, 1963; Browne, 2001). The state provides the rules under which market operates in order that the common good be served at the same time firms are profitable, thus serving one of its functions, accumulation. And the state provides a safety net for people and protects natural resources deemed to be in the common good. By doing this – paying attention to substantive rationality, the state remains legitimate. The state is a highly contentious sphere. Provincial governments are in disagreement with the national government, the legislative branch contests the administrative branch, and even within institutions different bureaucracies or agencies seek to gain or maintain hegemony, influence, and budget.

A major purpose of the state under capitalism is to be sure that making a profit also serves the common good. Elected officials are often judged by the degree to which they serve the common good. However, definition of the common good is almost always contested, by market players who claim that what is good for stock holders is good for the country, and by civil society.

Civil Society

Civil society can define the common good. When civil society is absent, either bureaucrats or firms define what the common good is, usually in ways that enhance their own sphere of influence (Perlmutter, 1991). These groups, formal and informal, join together around common interests or values. Through their organized activity, they impact the market and the state. The degree to which civil society organizations emerge independent of political parties and specific industries increases their independence and ability to represent the interests of many people in the negotiation of the public good.

Such organizations come together around shared interests and values, which they articulate in a variety of ways as they interact with the market and the state.

Civil society influences the market through forming consumer groups, which can engage in boycotts and information campaigns.

Civil society influences the state by bringing lawsuits (influencing the judicial branch of government, by forging legislation (influencing the legislative part of government), and by urging that particular laws be enforced (influencing the administrative part of government).

Civil society generally exerts influence based on deeply held values or desired future conditions. Groups in civil society, both formal and informal, form around those shared future conditions and their mental/causal models of how the world works. Individuals relate to civil society when they become participants or members. Groups in civil society are also in hot dispute. Since this is where the definition of the "collective conscious" is negotiated, groups struggle to gain participants and to co-opt other groups. The dynamism of this sector influences both the market and the state. In many excluded communities, civil society needs support and revitalization.

Coordination and Cumulative Rural Development Projects

Often different actors in the three sectors are engaged in many projects in rural communities, each working with their particular client group. Each project in itself is no doubt admirable, but there is no coordination or continuity. Thus many projects are often not completed, and those that are do not contribute to increased community capacity to deal with the constant change caused by climate change and globalization.

The university, particularly if it has a presence in the community, can act as the convener, broker, and facilitator for the multiple efforts of market, state and civil society. The university can also note when one or another sector is missing. Often work in excluded rural communities leaves out market actors, building perpetual dependency on the service-providing state and some of the NGOs who deliver services and goods distributed by political parties. (See the discussion of clientelism.)

THE COMMUNITY CAPITALS FRAMEWORK

Capital is a resource that is invested to yield more resources over a long time period. The work of the North Central Regional Center for Rural Development has found that consideration of investments in seven capitals allows for aligning rural development investments for the triple bottom line: healthy ecosystems, vital economy and social inclusion. (See Diagram 1.)

Natural capital refers to those assets that abide in a location including weather, geographic isolation, natural resources, amenities, and natural beauty. Water, soil and air – their quality and quantity – are a major building block of natural capital, as is biodiversity. Rural development activities influence natural capital, often negatively, decreasing long term development. Natural capital in terms determines the limits as well as opportunities for human action. As different groups, based on ethnicity, gender, and class have different access and control over natural resources, the university can act to make access to natural resources more inclusive.

Through university intervention, we hope to development healthy ecosystems with multiple community benefits, where human communities act in concert with natural systems, rather than simply to dominate these systems for short term gain. University interventions can help assure multiple and inclusive community benefits. And, most importantly, the university, as a neutral convener, can help those with conflicting uses of natural capital find common ground.

Cultural capital reflects the way people “know the world” and how to act within it as well as their traditions and language. It includes cosmovisión (spirituality and how the different parts of the world is connected), ways of knowing, food and language, ways of being, and definition of what can be changed

Cultural capital influences what voices are heard and listened to, which voices have influence in what areas, and how creativity, innovation, and influence emerge and are nurtured. Hegemony privileges the cultural capital of dominant groups (Bourdieu 1986, Flora, et al., 2004). Monitoring the condition of community capitals allows excluded groups to appropriate and negotiate with the cultural capital of dominant groups.

When universities are successful in investing in cultural capital, cultural differences are recognized and valued, and ancestral customs and languages are maintained. By investing in maintain diversity in culture, bio-diversity and different ways of approaching change can be utilized to enhance all the capitals.

Human capital includes the skills and abilities of people to develop and enhance their resources, and to access outside resources and bodies of knowledge in order to increase their understanding, identify promising practices, and to access data to enhance community capitals. Formal and informal education are investments in human capital. Human capital also includes health and leadership.

Universities often think of themselves as the major creators of high level human capital, transferring knowledge from scientists to those who will benefit from using it. However, addressing human capital for rural development requires a much more nuanced role than the expert transferring knowledge that has been generated from the scientists on their faculties. Instead, university investment in human capital for rural development includes identifying the motivations and abilities of each individual to improve community capitals, increase the skills and health of individuals to improve community capitals, and recombine the skills and motivation of the community to more to a more sustainable collective future.

Social capital reflects the connections among people and organizations or the social glue to make things, positive or negative, happen. It includes mutual trust, reciprocity, groups, collective identity, sense of a shared future, and working together.

Bonding social capital refers to those close ties that build community cohesion. Bridging social capital involves loose ties that bridge among organizations and communities (Narayan, 1999). A specific configuration of social capital – entrepreneurial social capita1 (ESI) is related to community economic development (Flora and Flora, 1993; Flora, et al., 1997). ESI includes inclusive internal and external networks, local mobilization of resources, and willingness to consider alternative ways of reaching goals.

University investments in both bridging and bonding social capital are often a key entry point for participatory rural development. It is important, however, for universities to understand that entering with high levels of bridging social capital that brings access to a wide variety of resources can actually impede the building of bonding social capital and lead to clientelism. When the outside provides resources to a community, without the community organizing to determine how those resources can build to a sustainable common future, traditional dependency on political parties and politicians, based on personalistic relations of one or two people, are simply transferred to the university. It is best for universities to begin working for rural development in areas where there is some bonding social capital, and, through bridging social capital, help build flexible and porous boundaries that can increase inclusion.

When universities invest in both bridging and bonding social capital, communities and regions demonstrate improved regional initiative, responsibility, and adaptability. Indicators of a balanced increased in bridging and bonding social capital include a shared vision (which takes time and trust to develop), building first on internal resources (which means the community has together determined their existing assets that can be turned into capitals for participatory rural development, looking for alternative ways to respond to constant changes (rather than the silver bullet solution that a certain investment will solve everything), the loss of the victim mentality (feeling overwhelmed by globalism or climate change), and loss of a cargo cult mentality (where the community waits for an outside investment to rescue them.

Political capital reflects access to power, organizations, connection to resources and power brokers (Flora, et al. 2004). Political capital is the ability of a group to influence standards, regulations and enforcement of those regulations that determine the distribution of resources and the ways they are used. When a community has high political capital, its people have the collective ability to find their own voice and to engage in actions that contribute to the well being of their community.

In Mexico traditionally, political capital has been defined as the power to disrupt or stop something from happening, or to get specific goods from a central authority. As the exclusion of groups decrease through increasing bridging and bonding social capital, their power of negotiation, particularly in identifying allies that share their vision for a sustainable rural future grows.

Indicators of increased political capital to which the university can contribute to through participatory rural devilment include organized groups work together for rural development, local people know and feel comfortable around powerful people, and local concerns are part of the agenda in the regulation and distribution of resources related to sustainable rural development. Often universities focus on the technical or mechanistic nature of development, which serves to mask or obscure the fundamentally political nature of the development process. By the university helping rural residents engage in the discussion of policy issues, and avoiding support of particular candidates, political capital, which is essential for resource allocation decisions to change at all levels, can be built and used for rural development.

Financial capital refers to the financial resources available to invest in community capacity building, to underwrite businesses development, to support civic and social entrepreneurship, and to accumulate wealth for future community development. Financial capital is often privileged, because it is easy to measure. There is a tendency to monetize other capitals, rather than considering the reverse: money gained from natural resource destruction or child labor results in the decline of natural and human capital. Money that is spent for consumption is not financial capital. Money that is put aside and not invested is also not yet financial capital. It must be invested to create new resources to become capital. Universities can help identify and create sources of financial capital within rural areas. These include remittances, savings (particularly by increasing efficiency through better management, more skilled workers, use of technology and better regulations), income generation and business earnings (by increasing human capital through skills and social capital through more integrated value chains), payment for environmental services, loans and credit, investments, taxes, tax exemptions user fees, and gifts/philanthropy. Often universities view rural communities as bereft of financial capital, but, particularly with increasing globalization of the labor force, out-migrants can be even better organized to invest in their communities in a way that is cumulative for rural development.

Universities can use a number of measures of successful investment in financial capital to create an appropriately diverse and healthy economy. These include reduced poverty, increased efficiency, increased economic diversity, and increased assets of those who live in the community. Universities should development these indicators with the communities, as very often externally imposed indicators may hide the extraction of wealth that has over the centuries impoverished many rural people.

Built capital includes the infrastructure that supports the other capitals. (Flora, et al. 2004). It includes such diverse human-made objects and systems as sewers, water systems, electronic communication, soccer fields and processing plants.

Built capital can enhance or decrease the quality of other capitals. An example of such potential for both enhancement and degradation is a rural water system, which can run sewage into the stream the community depends on for drinking water, or provide for appropriate and cost-effective sewage treatment (Flora, 2004). Further, it can determine access to the other capitals by different sectors of the community.

Universities involved in rural development research and practice can use the following indicators of the positive impact of build capital. Rural physical infrastructure enhances other community capitals when it serves multiple users (human capital), it can be locally maintained and improved (human and financial capital), it links local people together equitably (bonding social and cultural capital), and it links local people, institutions and businesses to the outside (bridging social and financial capital).

CAPITAL SPIRALS

Spiraling Down

Universities often provide evidence that the loss of one capital can lead to disinvestment in other capitals (Waquant, 1997). In particular, decline in natural capital has been linked to decreased financial capital (lowered productivity and income), decreased human capital (out-migration and illness), decreased cultural capital (loss of bio-diversity and village rituals), and social capital (as there is increased inequality). In rural development situations, universities often come in at what seems like a whirlpool of capital destructions. University actions often are based on technological fixes (a form of built capital) in hopes of at least stemming the downward spiral.

Spiraling Up

However, our research (Emery and Flora, 2006) suggests that built capital is not the first investment necessary to reverse the downward spiral. We have found that investment in both bonding and bridging social capital, including accepting the time it takes to build trust and reciprocity, is often a key entry point. And a particularly effective way to build social capital is to work with diverse groups in the community to strengthen youth (human capital). But to reverse the spiral, the university as participatory rural development practitioner must have the patience to build trust and reciprocity through doing what the say they will do (often done best through a constant and well-connected rural presence) and giving local people a way to reciprocate in a way that maintains their dignity and meaning.

Summary

Universities are most effective in rural development when investment in all the capitals is balanced. Further, rural development will not occur as a by-product of either teaching or research, although both can, if carefully considered, be part of university engagement. Rural development/extension, if just added to the already heavy faculty load, will not be participatory, cumulative, and holistic. The transaction costs for universities to shift to an engaged stance are large. But when true engagement occurs, as an end by itself, the collateral benefits for both teaching and research are substantial.

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Diagram 1

The Community Capitals Framework