PUBLIC INSTITUTIONS: Their Response Characteristics to Agricultural Development in the L.D.C.'s

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Their Response Characteristics to Agriculture Development Programs in the LDC's

by Garland P Wood

This paper will be organized in the following sequence: 1) The Introduction, 2) The Research Approach, 3) The Current Status of the Research Including Some Preliminary Findings, 4) Making the Research Useful, and 5) Current Insights on Generating Institutional Innovations in the Public Sector. Since this workshop will be stressing small farm agriculture, I will devote most of my paper to the farm level module including the hypotheses around which the farm level questionnaire was built and the research results to date. I will also give some preliminary comments on the response or lack of response of public institutions having Agricultural Development responsibilities. It should be kept in mind that the research package involves a team effort of professors from the disciplines of Political Science, Communications, Educational Psychology, Business Management and Agricultural Economics working together to study and understand public institutions as they facilitate or frustrate rural development activities.

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INTRODUCTION

Hayami and Ruttan state in their book, "Institutional reform is appropriately viewed more as a response to new opportunities for the productive use of human and material resources opened up by advances in technology than as a precondition for Agricultural Development."² It is this writer's thesis that institutional reform should appropriately be viewed "as a planned, strategized, and integrated part of any significant Agricultural Development effort among the LDC's." If institutional reform takes place as a response to new opportunities it acts more as a drag on the development effort and many times so frustrates the human resource and absorbs so much of the physical resource that the bucket of time, energy and money poured in at the national level is a mere trickle at the small farm level. Worse still, there is sufficient perversion of the original development effort by agricultural institutions in many programs that the final recipient, the farmer, is worse off at the conclusion of the project than before. I have personally recorded such cases. You have collectively viewed many more.

Institutions which are the creation of man for the purpose of accomplishing given objectives, cannot now -- if they ever were -- be treated as "a response". The institution or organization is the tool of society to achieve some felt need, be it religious, defense or for economic betterment. Institutions are part and parcel of the

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² Hayami and Ruttan, AGRICULTURAL DEVELOPMENT, p. 258
development process --- if development is to take place. Planned institutional changes proceed step by step with significant Agricultural Development. These are my conclusions from studies, observations and seminars in Latin America over the past twelve years. The research outlined below is a further test of this thesis. It is being done in cooperation with a multi-disciplinary team in a number of countries in different regions of the world. The research is directed to public institutions having Agricultural Development responsibilities. The purpose is to specify the weak points of these public institutions in carrying out their development responsibilities. The MSU contract with the Technical Assistance Bureau of AID does not stop there. It asks that our team come up with remedies that will overcome the most limiting problems, los cuellos del botella, that we uncover. At that point, I am sure our team will be hoping to discover the all-purpose health remedies to cure institutional ills like the patient medicines that quack doctors of a century ago sold. Hope is not dead for such general renovators of health. Near Balcarce, Argentina, there is a mineral water fountain with a plaque that testifies to some 30 different diseases that can be cured with the drinking of its water (probably better than Carter's little liver pills or Geritol). Our research may not discover such all-purpose institutional remedies but part of our remedial efforts will be focused on generating institutional innovation in the public sector.
A. Premises

1. Much of the economic and social development now taking place and to take place among the Less Developed Countries (LDC) will take place through governmental institutions.
2. These public institutions in the LDCs are status quo organizations not oriented nor structured for the developmental tasks of major consequence.
3. Public institutions serving the rural sector have traditionally catered to the wants of the relatively few landed elite.
4. The national goals of many LDCs are stated as follows: a) Reach the rural masses and lessen the income disparity, b) Increase the small farmer's productivity and standard of living, c) Involve them in the decisions affecting them, and, d) Generate more rural employment. Many public institutions do not know how to adjust their organizations to meet these objectives and others do not consider the effort necessary or worthwhile.
5. Under political duress or when required by an international loaning agency, a consultant or team of consultants may be brought in to study the institution or institutions and make recommendations for change. The correlation between these consultants team's recommendations and successful implementation is not high. [If blame is to be leveled perhaps it should be
shared equally by the consultant and client.

6. It is possible to develop a research model that will allow the analyst to detect the bottlenecks of the various public institutions dealing with the development of the rural sector.

7. That such a model or analytical scheme will be useful across national and cultural boundaries.

B. Methodology

The purpose of developing this practical method of analysis is to facilitate the effective planning, design and conduct of rural development activities. Let me illustrate. Most development plans are decided on, planned and implemented via a top-down approach --- including the plan for involvement of the masses in decision making! Very few have a feedback information flow that will allow the institution to monitor its effectiveness in reaching its goals at the various levels of organization nor with its various clientele. In fact the goals are seldom specified in sufficient detail to permit evaluation in a substantive sense. As a result, the institution does not have the corrective mechanism built into its system even if it was willing and able to change.

The research model we are developing treats the organization as a dynamic interacting whole. Secondly, it studies the organization from the perspective of its being the means for achieving desired ends. These ends are positive rural development activities. There are at least two research approaches for building this
analytical model, the case study and the modular systems approach.

1. Case Study Approach

The procedure would be to study a specific institution and build a first approximation model to fit the case being studied. Additional institutions would be studied within the initial country and then in other countries. The model would be modified as the additional case variations required in the sense of successive approximations. In our initial research discussions, we planned to use this successive approximation approach. It had the advantage of greater familiarity with an institution's total structure before having to set up simplifying assumptions. It allowed developing mutual trust between the researcher and the administrative official early in the research effort. Such mutual trust would become critical in the remedial stage of the project.

Our research counterpart in Latin America was the Agricultural Management team of IICA (Interamerican Institute of Agricultural Sciences). For the case study approach to be operational, our two teams needed an open door to one or more of the important Agricultural Institutions involved in rural development programs.

At the August, 1971 meeting in San Jose, Costa Rica and at the MSU Workshop in October, 1971, the IICA personnel was optimistic as to the possibilities of gaining early entry into one or more of the important Agricultural Institutions
in Costa Rica. This entry proved difficult and required modification of both the research approach and the time table of research. In retrospect, the difficulties of entry should have been anticipated. Public institutions the world over are gun-shy of the word "research" when it is directed to their organization. Even when we term our efforts "joint planning and evaluation" there is a lurking suspicion in the Administrator's mind that the unfriendly world around him will crucify him and his organization with the very data he has provided.

This case study research approach was modified somewhat at the October Workshop in order to incorporate a more generalized systems analysis into the research. The case study approach was abandoned by the MSU team in December, 1971, when Mr. Coto, the Executive Secretary of the CAN organization* in Costa Rica, declared that he would agree to a general study of the institutions involved in CAN but not to MSU's working with only one specific institution. Our research team was required by contract to gain the approval of the Latin American Bureau, the Technical Assistance Bureau, Mission Directors, the Agricultural Administrative team of IICA and the within country governmental institution. Mr. Coto represented the within country governmental organization.

* CAN is an organization created by presidential decree that brings together a wide range of Costa Rican institutions having some responsibilities for Agricultural Development. Many of these Institutions range from semi-autonomous to autonomous so the Executive Secretary has little administrative or political clout.
2. The Modular Systems Approach - offered a second analytical framework for studying and understanding public institutions.

Our research team is seeking to build an analytical framework or model that will help the user of the model, whoever that may be, find the weak points in the organization being studied. This model is directed primarily to public institutions dealing with rural development but it might have a more general usage. The model assumes the institution to be a changing organism. Reality is always more complicated than the instruments used to describe or analyze it. One makes simplifying assumptions and directs one's attention to those behavioral or structural characteristics that previous research has found significant.

Our core team has made these necessary assumptions and has drawn on the body of knowledge from many disciplines in constructing our research design. In our modular approach we have chosen six points of reference for our research. They are not mutually exclusive modules. They probe the institution at various levels of operation, with different tools of analysis seeking insight into its social, psychological and structural characteristics as well as its communication system and performance output.
The six modules are as follows:

1. A matrix study of the national institutions that one might surmise had agricultural development responsibilities.

2. A status-role "within" institution study.

3. A study of institutional interfaces and boundary maintenance.

4. Communication flows within the organization and between organizations.

5. Leadership characteristics of given institutions.

6. Farm level study of institutional program impact.

There are a large number of schematic presentations of institutions, each having some strengths and always some limitations. My analogy has numerous applications---some of which I have not explored as of yet. I call this my Banyan Tree approach. Most analogies run into trouble if pushed too far, but I have had fun with this one and you will probably have fun too -- at my expense.

1. Matrix study - national and international institutions having to do with Agricultural Development within a given country. These institutions form the crown of the tree.

2. Within institutional study - Who does what to whom and why? How is something done in the organization? We might compare this to the life system of the tree.

3. Institutional interfaces - The "world" around an institution determines to a great extent its effectiveness and viability. What are the nature of these interface relations? Our banyan tree also has its interface with the physical world of climate, diseases, pests and competing plants.
4. Communication flows - Within the organization there is a guidance mechanism of orders, reports, feedback information that reaches astonishing levels of complexity. Apparently there is a communication flow in trees as well.

5. Leadership characteristics - The analogy may break down but, the tree responds to the external environment, of length of day, heat and cold, moisture and drought, disease and insect. As I have watched various institutions fail to respond to new clientele, new problems, competition and political enemies, I am persuaded that the Banyan Tree has more adaptive capabilities than evidenced by certain public institutions.

6. Farm level - We will compare this to the root system of our tree. And, in true agricultural fundamentalism, I will depict the campesino as the source of nutrients, water and the stabilizing platform upon which the total organism rests.

We have followed this modular approach in the delegation of the core team's responsibility for the research. As we analyze our Costa Rican data, we may find we are missing important data segments needed to understand the institution as an integrated system. If this is so, we will need to modify our approach before we undertake the second country phase of our study. If we cannot perceive the institution and institutions as integrated systems then it is unlikely that our research design will allow us to
spot the institutional bottlenecks and weaknesses. The second stage of our project which is to aid IICA in remedial work with public institutions having development responsibilities, cannot be done without a completed first stage effort. This requires the filling in of data in the various modules and then making an overall analysis.

AID has made a $23 million U.S. loan to Costa Rica to assist in rural development. The loan was for the purpose of 1) increasing Agricultural productivity, 2) generating rural employment, 3) remedying income disparities in the country, and, 4) increasing the farmer's participation in programs that affect him. A number of rather small development projects have been initiated under this loan. The research group has chosen to observe two of these projects as they operate through the implementing network of public institutions. We are using these two projects somewhat like the plant scientist uses isotopes to study the internal characteristics of the plant. The knowledge or lack of knowledge of national level officials and middle management about the projects, the extent of institutional commitment to the projects and the ability of the institutions to effectively reach the project's clientele are important bits of information for us. The impact indicators to measure the accomplishments of the projects will be gathered from the projects at the farm level. The two projects are the corn-rice project of Cartagena and the corn project of the San Carlos area. These two projects are located in significantly different climatic regions. Leadership
patterns and clientele are quite different for the two projects as well. The two projects are in separate regional divisions of the country and will allow us to study two regional organizations (Cancitos) as to their standard operating procedures and effectiveness.

THE CURRENT STATUS OF OUR RESEARCH

A. The Matrix Study Module

The purpose of this section of our study is to acquire information on the nature of working relations between various institutions considered important to Agricultural Development. These working relations or linkages among institutions is one of the more powerful concepts resulting from the research undertaken by the Inter-University Research on Institution Building. "Four categories of linkages have been identified. Enabling linkages are defined as the relationships the given institution has with those that allocate authority and resources to it. Functional linkages are those between the given institution and others which supply inputs or use the institution's outputs. Hence, functional linkages can be either complementary or competitive. Normative linkages emanate from those institutions which possess the norms and values of the society which affect especially the doctrine and/or program of the given institution. Finally, the institution in question has diffuse linkages which characterize its relationships with its relevant general publics."  

3 Blase, Melvin G.; INTER-INSTITUTIONAL LINKAGES: AN ATTEMPT AT EMPIRICAL QUANTIFICATION IN A DEVELOPING COUNTRY
In 1969, Anderson made a study of the relationships among organizations in the upper peninsula of Michigan using a modification of conventional sociometric techniques. His approach provided some insights into a method of operationalizing the linkage concepts. For the purposes of our Agricultural Management study of institutions, we needed to know more than just the frequency of contacts among institutions. We also wanted to know the importance of contacts and how this compared with the previous year. Anderson's methodology was modified to include these concerns. As of now, pretesting of our matrix has been completed with the field work still in limbo.

B. The Status-Role "within institution" Module

This questionnaire was directed to management personnel at various levels of responsibility. It probed in terms of goal conflicts, status-role perceptions, communication flows and knowledge of the corn and the corn-rice projects, specifically.

Two agricultural related organizations were interviewed in the pretesting of the questionnaire. Eight additional public institutions were tested with the finished questionnaire. Eighty of the questionnaires were completed.

Our analysis to date of the data raises some general questions: The questionnaire was left with the respondent and picked up at a later time. The mis-interpretation of questions, numbers of

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questions not answered and the tendency for answers to be non-controversial, suggests that future interviews should be done in person. My experience has been that written positions of public officials in Latin America are non-controversial compared to verbal positions. Written replies like this questionnaire are a form of intimidation.

1. The open ended questions did not fulfill their potential. There is some problem regarding the interpretation of the Questions -- what is meant by "your organization"? Is it the Ministry of Agriculture or is it the planning section of the Ministry.

2. There seemed to be a general lack of knowledge concerning the two agricultural projects in the questionnaire. Why is this? Are they generally unaware of individual projects, or were these projects so unimportant? Does this imply lack of commitment? It is interesting to note that the two questions regarding general problems and solutions showed a very limited concern with the local level. Most of the problems dealt with so-called upper level concerns such as budget, politics and personnel.

3. When we asked about additional activities of the organization, the answers were wide and varied. Although we could not say that most were incompatible -- looking at the superior-subordinate relationships -- nor could we say they were in disagreement, rather they were not in agreement.
4. The average number of years with the organization runs around 13 years, yet the number of years in the present job is only four. Is this natural -- should this be expected? We did not explore where these men came from within the organization. We might have asked: "What was the first position that you held within your organization?" This would give an idea as to the mobility and rigidity of the institution.

5. In regard to the open-ended questions asking about the problems facing the institution (41, and 42) there were a high number of complaints about political interference. This is probably to be expected, but what was interesting was that many times political problems were expressed in terms of restraining activities rather than just interfering in the on-going activities.

6. All of the responses by the Banco Nacional de Costa Rica were typed. This may be nothing, or it may suggest that if these were typed by the secretary or someone else, their answers may be biased due to a fear that they would be found out.

C. The Study of Institutional Interfaces

This study is carried out through an informal interview technique not using a questionnaire. The preliminary focus is to study the institution's relations at the point of interaction with other institutions and organizations. It gives a perspective of
inter-institutional conflicts, competition and complementaries as viewed by administrators and workers. The matrix study maps out the general relationships of institutions involved in Agricultural Development. This part probes in considerable depth where the "patient" hurts or thinks he's hurting. Pretesting of this module was carried out in February but has not been fully tested in the field.

D. The Communication Module

This study concentrates on communication flows at various levels of the institutions but especially at the regional and local level. We asked the farmer as to the number of times, places and topics of conversation with the extension agent. We asked the farmer for his sources of technical information, his contacts with the banks, and other service organizations. We also wanted to know the feedback information sources of the various institutions. The communication questionnaire concentrated on the change agent at the regional and local level. It obtained information on the attitude of the change agent toward change, his assessment of the farmers' main problems, where he spent his time as to large, medium and small farms, his use of mass media and the nature and frequency of contact with his superiors at the regional and national level.

E. The Leadership Module

This aspect has not been tested due to sensitivity of the Washington, D. C. and Costa Rican governmental agencies.
F. The Farm Level Module

The farm level questionnaire was designed to test a number of hypothesis that our survey of the literature had indicated were important in agricultural administration and rural development. If some of these hypotheses are found to be highly correlated to the achievement of the development goals then future research will focus on these "success" related hypotheses as predictors of "likely" success. In addition the farm questionnaire will record the measurable impact of the AID loan projects at the farm level. Non quantifiable effects will be recorded when they can be ascertained.

Hypotheses Of The Farm Level Questionnaire:

1. Literacy: The response to a given development program will be positively related to the level of literacy
   Response: To be measured by performance criteria (Farmer participation, production increase, other)

2. Clientele participation: Response to program will relate to the degree of participation of the clientele in the formulation and implementation of the program.

   b. How did they learn about it?
   c. Were their opinions asked?
   d. Are they satisfied with the way the project is going?
   e. If they are not satisfied, who would they talk to?
   f. Are there meetings where farmers talk about project?
3. **Infrastructure**: The response will be positively related to an adequacy of infrastructure at the local level needed by the development project. Minimum levels of adequacy could be specified in relation to the projects being evaluated. The transportation, communication and loan facilities would likely be at a different level for the international export of platano than for the production of seed potato.

Response: Measure or describe the performance response of the project as related to adequacy of infrastructure. Performance criteria might be in number of farmer's participating, increased farm production, increased market production, better quality, etc., depending on the project.

4. **Benefit-Cost Ratio**: The response will be positively related to the amount of benefit expected in relation to cost. The data gathered from the selected farm units would include the ascertainable economic cost return data for the project under study. In addition, the interview would seek to determine the nature and importance of non-quantifiable factors that would affect the farmer's decision to participate or not to participate in the project such as: risks, loss of leisure time, divisibility of input and stress of changing traditional habits.

Response: The hypothesis will be tested by the correlation between an expected benefit cost ratio and the participation by the local farmers.
5. **Change Proneness**: The response to the development project will be positively related to a modernity index of the clientele. The Caul change proneness instrument is in Spanish and was used in both Brazil and Mexico. Our team put in additional statements.

Response: The modernity index score will be compared to the project participation by the farmer as to the degree of correlation. [Reference: Lippet, Watson and Wesley, *MANAGEMENT OF CHANGE FROM THE SOCIAL PSYCHOLOGICAL POINT OF VIEW*]

6. **The Program Adaptability**: The response to the project will be positively related to the adaptability of the program's input to the conditions of the clientele, i.e., if credit for the small farmer, then is it locally available, are there minimum regulations and paperwork, is repayment fashioned to the production pattern of the farmer? Detail the SOP of the development program. How do these match with the farmer's ability (or willingness) to meet these SOP's. What decision making power is delegated to the local program officer to adjust program and settle disputes?

Response: The achievement of program goals will be positively correlated to the adaptability of the project at the local level.

7. **Credibility**: The response will be positively related to the credibility standing of the government agencies responsible
for the program at the local level. Questions: How do you rank order the following local agencies (of National Organizations) What experiences have you had with these individual agencies? On what basis did you do the ranking above? Would you prefer another agency to handle this development project? Are you in the program? If not - would you join if another agency handled the program?

Response: Will be measured by clientele participation and goal achievements specified in the project.

8. Local Leadership: A favorable response to the development project will be positively correlated to the involvement and support of the local political and administrative leadership. Research time and resources will likely preclude studying or even identifying informal community leaders so the research will focus on leaders in identified political and administrative local posts. Questions: Has the administrative officer of the project been on your farm during the past year? If yes, state the circumstances. Have you been in any meetings in which this officer explained or asked questions regarding the project. Have you heard any radio talks or read any article by him on this project? Do you feel this officer is for the program? Strongly? Neutral? Against?

Use the same set of questions for the top local political officer. Are the two officers in mutual support of the program?

Response: The degree of support of the two officers will be positively related to the project performances.
9. **Goal Specification**: The response will be positively related to the degree of specifying program objectives detailing performance indicators, how measured, when and by whom? This approach is to determine the degree of specification of performance indicators at the regional and local level. The research will seek to identify inconsistencies between performance criteria and regulations. It is hypothesized that the more clearly and detailed the objectives are spelled out, the more likely the goals will be achieved. At what point of detailing, the effort is counter productive is not known. The degree of specification may vary by product.

Response: The project performance data will be matched against the degree of specificity of objectives to determine the correlation.

10. **Information Flow**: The response to the development program will be positively related to the effectiveness of establishing a two way flow of information at all levels. To be tested by the communication questionnaire and the information questions included in the national and farm level questionnaire.

11. **Political Articulation**: The response to the development project will be positively related to the political articulation of the program clientele. This would focus on the social, economic and political organizations of the program clientele. The research would seek to determine the involvement of existing clientele organizations to achieve program goals or creating
new organizations.

Response: The degree of reaching project goals will be compared to the level of political articulation of the clientele. The scale measuring the political articulation will be determined after initial field work indicates some of the parameters.

12. National Administrative and Political Leaders: The implementation of the development program will be related to the degree of support of national administrative and political leaders. The degree of support would be indicated by political statements at the national then regional and reiterated at the local level. It would also be measured by the force of the administrative directives and the allocation of resources. Personal visits to the rural projects, requested reports and receptivity to clientele complaints would be additional indicators.

Response: The response would be measured by degree of achievement of the program objectives compared to the level of support of national political and administrative leaders.

13. Decentralization: The implementation of the development program will be positively correlated to the degree of administrative decentralization at the regional and local level. What decision making powers have been delegated at the regional level? What office holds them? Over program? Personnel? Budget? For what length of time? What is the nature of review
of such decisions? At the Local Level -- related to a specific project -- a similar set of questions.

Response: The response would correlate the degree of reaching program objectives with the measure of administrative decentralization as a test of this hypothesis.

14. Other Thoughts on the Rural Sector Module: There is a need to consider the compactness of the developed project, its completeness and enforceability of the project regulations. Another major concern is the transferability of the knowledge gained through our various instruments to other institutions and to other countries. How relevant are the research instruments developed in Costa Rica and Guatemala in helping to understand other institutions in other cultures of other nations.

With limited research resources and the pressure of time, it is essential to evaluate which hypotheses are most critical in explaining the goal achievement variables so that lesser hypotheses may be dropped. This will be an on-going evaluation of this total research effort. It is anticipated that other hypotheses will need to be added.

G. Some Cautions:

The modular system approach has a number of strengths including the saving of time and resources. It also has some weaknesses. The modules selected may miss some critical variables and thus weaken the analytical value of the research system. To partially overcome this problem, the core staff proposes an intensive case
study of a given institution as a second stage follow-up of our first stage survey method. This dual system approach should give us the analytical strengths of the survey method plus the cause and effect insights gained by the case study approach. A further check on our findings will be taken in the training workshops with management personnel of selected institutions. These personnel will have an opportunity to evaluate and critique the research approach and modular components as to their relevancy and usefulness in their work.

MAKING THIS RESEARCH USEFUL

The aim of this research is not to develop a model per se but a practical method of analysis which can lead to more effective planning, design and conduct of rural development activities. To be useful, this methodology must develop specific tools of analysis that can be used by appropriate LDC personnel. These tools need to be able to identify the key characteristics of local situations, delineate the problems, gather the data for problem resolutions and establish baseline data for control and evaluation.

It is the consensus of our core group that the analytical procedures we are developing can be used by the central or regional teams of IICA. Once the procedures and systems of analysis are sufficiently tested, they should be able to be utilized by in-country and by intra-institutional personnel.
Some Current Broodings on Generating Institutional Innovations in the Public Sector

We now have some preliminary findings pointing to institutional adjustment problems for Agricultural Development projects. There is a lack of coordination between the banks supplying credit to the small farmer and the extension service with its "technological package".

Research findings are not adapted to the local needs in terms of seeds, fertilizer formulas, etc.

Extension personnel cannot get out to the farms because some official in the national office has not okayed the gasoline quota, (up to six months behind).

The regional director is supposed to coordinate efforts of all institutions having Agricultural Development responsibilities. Since he is dealing with autonomous and semi-autonomous agencies, the coordination is on paper only.

One objective of the AID loan was employment generation in the rural sector. Machines are being used in the San Carlos area to clear, plow, plant and sometimes harvest the crop with a resultant substitution of machines for labor.

Most of the extension agents working directly with the farmers are young and some show-off by telling the farmer what to do. The farmer resents it and says "they ought to learn to walk before they get on the dance floor". In short, extension personnel credibility.

In the Guanacaste area, the agent has traditionally worked with the
big farmer and all the agents interviewed had farms of their own. The agents' training and orientation has been to the big farmer and the national verbal goal to work with the small farmer is not a personal commitment and he may not know how.

I said "verbal goal" above since the national political and administrative commitment to effectively reach the small farmer is generally not there. Therefore lower administrative echelons soon sense this lack of commitment and the implementation loses steam.

One might defend the lack of change of institutions by saying, "Why should they?" If top leadership is not committed then any changes may open their organization to criticism and budget pruning. Most Agricultural projects are a small part of the organization's efforts whether it is the Ministry of Agriculture, credit institutions or another development agency and so the institution has only a limited reason to change it's organization to meet a "new" Agricultural program aimed at the small farmer. The small farmer traditionally has little clout so why make changes that do little to help your organization.

The Agricultural Development goals at the national level often lead to points of conflict in the implementing phase, i.e. increased production, vs. lessening of income disparities, and vs. employment generation.

In spite of the above reasons not to change, changes are being made. Mobile banks are touring some agricultural regions to reach the small farmer. Agents are adapting to farm group approaches to reach larger numbers rather the traditional one-to-one relationship. Banks are starting to loan to groups, if legally constituted, rather than to the high cost individual small farm loan. At the national level offices,
there are people interested in making these development projects and modifying their organizations to facilitate these programs. In Costa Rica however, the Agricultural projects of the AID loan are relatively small and unknown at the national level. The leverage for change is equally small.

At this stage of our research I can safely say there is more that we do not know about generating institutional change than we do know. We are developing a testing instrument; we have done some probing of the patient but we are not yet ready to make a diagnosis.