

Going for the dough

*Engaging governmental funds
in the Ciénega de Zacapu, Mexico*

Going for the dough



Fidencio Servín Juárez



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Propositions

1. Corruption is the absence of collective identity.
(this thesis)
2. The only way to understand collective organizing processes is to become part of them.
(this thesis)
3. 'Development' and 'money' are concepts associated to very specific ways of thinking.
4. There are as many types of intervention as there are realities.
5. Whoever is free of intervention, let him be the first to accuse his neighbour of being an intervenor.
6. A PhD thesis should be written in the candidate's native language and then translated.
7. Money is a means to weaken the spirit.
8. Collective action is a need.

Propositions belonging to the thesis entitled

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Engaging governmental funds in the Ciénega de Zacapu,
Mexico

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Going for the dough

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Mexico

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¹ All figures were made by the author.

INTRODUCTION²

Governmental planned development intervention in Ciénega of Zacapu, Michoacán

This study is about the implementation of a regional development program in Michoacán, Mexico, from 2002 to 2005. The program, which comprised a participatory approach to the introduction of greenhouses for the production of tomatoes through hydroponic systems, was promoted by the *Subcomité de Planeación para el Desarrollo Regional (SUPLADER)*³. The public policy from which the program derived foresaw the instrumentation of projects with a high level of investment. The greenhouses, for example, were projected to cost close to USD 200,000 each. In order to finance the program, the policy stated that investment would be obtained through a combination of public and private funding. In this setup, the State of Michoacán would provide 30% of program costs, beneficiaries would participate by financing 10% in kind, while the remaining 60% would be provided by private credit sources. Greenhouse tomatoes would be grown through hydroponic methods – implying technical skills and experience that were non-existent in the region at the time. In addition, the program would only be open to farmers willing to form a *Sociedad de Producción Rural (SPR)*⁴. Practically, this entailed the formation of collective production units capable of dealing with governmental and banking agents to access public funding, credit, technical advice and the compulsory collateral that was required to obtain these resources.

Beneficiaries would establish SPRs which implied that they had to deal collectively with financial specialists, greenhouse experts and governmental institutions. In addition, they had to fulfil other institutional requirements to be able to have access to the 30% of the government's fund, and also to secure a mechanism for tomato merchandising.

In order to be eligible for program resources, the SPRs needed to create a second-level organization, an *Unión de Sociedades de Producción Rural (USPR)*⁵. Since some of the beneficiaries had previous experience in organizing and participating in programs similar to the one promoted by SUPLADER, they could count on an extensive network of relationships within governmental agencies and private institutions. As a result, these individuals were intent on taking up the management of the individual greenhouse projects and to define the internal agenda of the SPRs, which in turn created a certain degree of ambivalence vis-à-vis the SUPLADER program in some of the SPRs. This ambivalence - and sometimes even outright suspicion and animosity - was furthermore fuelled by complicated and non-transparent State regulations that allowed for program involvement of non-governmental organizations and consultancy bureaus in pursuit of their own interests by using particular strategies.

² This manuscript is an improved version of the manuscript submitted in June 2017. I have added this Introduction to separate research questions and methodology from the historical description of development planning in Michoacán which has been retained as Chapter 1.

³ Planning Sub-Committee for Regional Development, SUPLADER by its acronym in Spanish

⁴ Rural Production Society.

⁵ Union of Societies for Rural Production.

In the case of the USPR, the combination of the State's regulatory framework and private interests sharply contrasted with the means of the beneficiaries, who nevertheless managed to reinterpret the regulations and interests of such 'external' actors to their own convenience. This situation very much resembles Long and Long's (1992; 2007) argument that, in the context of development interventions, actors always negotiate their way through institutional designs and projects so as to 'retool' or reshape them according to their needs and experience.

The present study seeks to understand how actors, and the mechanisms that invite them to take a certain course of action operate, and how programs and development projects come to obey different objectives. In the process plans and projects become disarticulated, thus giving rise to a multiplicity of discourses justifying or denouncing particular forms of regional development that, in turn, appeal to different regulations or post-planning adjustments (see Chapters 1 and 7). These adjustments explain why some projects are not carried out, while others are.

One needs to keep in mind, though, that SUPLADER's policy was not at random. It was the political result of a faction within SUPLADER which aimed at the inclusion of development subjects who had previously been invisible to the State – thus modifying top-down intervention strategies from within (Escobar, 2011). Yet, the inclusion of these members of civil society into the SUPLADER program brought to light the contradictions between the conditions set by the State to carry out the program, and the actors' practices. Indeed, and as I will show throughout this thesis, the image of orderly and vertical State planning contrasted significantly with the messy character of intervention practices and negotiations. In this particular case, it points to the paramount importance of pursuing "the dough" (*la lana* or the cash) in development intervention.

Historically, the relations of power and domination that accompanied the modernization of the Ciénega de Zacapu implied a series of structural changes that reflect the way in which planned intervention was conceived. Indeed, the Ciénega region has been subject of a succession of development projects focusing on economic growth through the introduction of agricultural modernization in the context of power struggles over access to resources. The greenhouse projects that are the focus of this thesis were imbued with precisely these power relationships that were subject to political expediency and couched in terms that were suitable for institutional agents and alien to, especially, organized farmers' groups. In particular, these power relations were strongly linked to corporatism, a form of sectoral organization introduced during the Lázaro Cárdenas del Río Administration between 1934 and 1940 (Benítez, 1984). Corporatism required community strengthening and, in some cases, the expropriation of the means of production and its transfer to social groups (e.g. the *ejido* system) backing the State. In this way, strong political alliances were forged between the Institutional Revolutionary Party (PRI) and its clients. Corporatism implied strong, vertical links between local trade unions and virtually all types of local associations with national institutions such as Workers' Union (CTM), the National Peasant Confederation (CNC), and the

Railroad Workers' Union (STFRM). This clientelist mode of organization was the pillar of Mexican modernization, and ensured that most economic activities remained under some form of governmental control. Some of these characteristics of the Mexican State are still in place, even though corporatism was superseded by neoliberalism in the 1980's. A case in point may be observed in Michoacán during the administration of Lázaro Cárdenas Batel (Governor of Michoacán from 2002-2008 and son of former President Lázaro Cárdenas del Río) when public policies were still based on participatory approaches that carried their social justice message to development programs.

Neoliberalism proposed abandoning the economic model of the State intervention and the welfare State on grounds of its inefficiency, corruption, 'obesity', and corporatism. The new, neoliberal policies proposed to reduce the presence of the government in the daily life of its subjects, promising to restore the allocative power of the market to distribute resources according to the efficiency and productivity of different economic actors (Meyer, 1995). During a period of roughly 10 years (1985-1995) 70% of Mexican parastatals were dismantled or privatised and, through amendments to the Constitution (notably Article 27 which relates to land ownership), formerly inalienable *ejido* land became marketable.

From the beginning of the new millennium to this day, neoliberal public policies have undermined social and economic institutions, and three successive administrations have turned a blind eye on planned development. Meanwhile, the distribution of wealth has become very skewed and concentrated in a small group linked to the State. Paradoxically, in Mexico the so-called withdrawal of the State coincided with the strengthening of democracy. However, as Meyer (1995) argues, the State has not stopped participating or intervening in development programs. What characterizes the present Mexican State is that it orchestrates development in a way as to legitimize itself vis-à-vis a society that has suffered the ravages of recent economic and social change. On the other hand, the State policies identified by Morgan (1997) are associated with a complex network of international capitalist interests. These networks support capital investment as a way to propel development.

Research approach

The use of a participatory approach in planned development intervention is increasingly common in rural areas in Mexico (Mora, 1985; Bernkopfová, 2011; Barton & Merino-Pérez, 2004; Beaucage, 2007; Zazueta, 1995). The approach enrolls actors in intervention processes where they had limited influence before. However, participation is also a process whereby actors influence and share control over other actors' initiatives, decisions, and development resources (Cooke and Kothari, 2001).

Some approaches to group participation for development have been encouraged by government institutions, yet these are only vaguely concerned with how intervening agencies and beneficiaries interact with one another, and how these interactions feed back into the participatory approaches themselves. Long & Long (1992) and Zazueta (1995) address this concern through an actor-oriented perspective, re-conceptualizing the implementation of

programs and projects by describing how actors use their repertoires, focusing on the changes, continuities, discontinuities, and conflicts that occur at the interface between beneficiaries and intervening parties (Long, 2001).

I agree with statements (e.g. Diego 1997) which propose that certain elements are central to the trajectories of projects, such as beneficiaries' organizing capacity and participation in decision-making, participation and support by public officials, inclusion of external advisors, establishment and training of associations and cooperatives, choosing the appropriate beneficiaries or political, economic and institutional support. What seems to be key to the successful implementation of development projects is the initiation of processes that bring together, recognize, and approve the conceptions and ideas of all, often conflicting interests in a project – thus creating scenarios that allow for interactions between different actors (Zazueta, 1995).

Often, actors had previous experience with similar participatory projects, which strengthened the repertoires they used to manage and resignify new projects, like in the case of the greenhouses. In this thesis, I use key concepts like agency, knowledge and interface, associations, and organizing processes taken from development theories such as those of Escobar, Long's actor-oriented approach and Latour's actor-network theory to analyze processes linked to participatory intervention in the Ciénega de Zacapu region. I especially focus on the notion of organizing processes (Nuijten, 1998).

I take into account the criticism about assumptions that justify planned intervention as a mode or strategy for development. Because, intervention processes then take the form of policy development carried out through direct and indirect controls, which limit the autonomy of those involved (Escobar, 1997). This discussion remains relevant, especially under the prevailing neoliberal model in which planned intervention is still on the map. I agree with Escobar when he states that:

The general question [this case study raises] is the circulation and effects of languages of development and modernity in different parts of the Third World. The answer to this question is specific to each locality— its history of immersion in the world economy, colonial heritage, patterns of insertion into development, and the like (2011:49).

The Actor-Oriented Perspective proposed by Norman Long, allows me to focus on the knowledge produced by the actors involved in development projects, as well as the arenas and interfaces in which they have been involved through participatory development planning. The greenhouse project was conceived as part of a macro-governmental development project of the government of Michoacán in which planners proposed an intervention based on a model in which individuals were expected to be interested in productive projects through collective forms of organization (SPRs and USPRs). However, the planners did not take into account interactions between stakeholders, or the way in which they would mobilize their skills, agency, experience and differences in the collective projects, and how this would

intervene with the planned objectives. But the actors involved in the project had the capabilities and resources that allowed them to negotiate with others, both within and outside of the project, to influence the directionality and intentionality of the intervention. From their point of view, the assembly of collectives was nourished by the contributions of these other actors who, in their interactions, appealed to their lifeworlds and livelihoods, as well as to their cultural repertoires and experiences (Long, 2001).

The socio-technical trajectories of the greenhouse project were captured with the aid of actor-network theory (Latour, 1999) because of the importance it places on flows of resources and the strengthening of networks and groups. Actor-network theory allows me to look into the way actors put together their projects through heterogeneous means. In other words, how they put forward their strategies to strengthen the networks linked to their projects. I am also following actor-network theory in order to clarify how networks are restructured so as to make possible the appropriation of governmental resources. The study also uses Latour's (1999) notion of associations, as well as the notion of translation proposed by Callon (1986) to understand the processes of enrolment, displacement and substitution that go on in organizing processes. The notion of translation emphasizes the continuity of the displacements and transformations that occur in the organizing process of the greenhouse project (see Chapters 6 and 7), while enrolment as a process does not imply nor exclude, pre-established roles. To describe enrolment is thus to describe the multilateral negotiations, trials of strength and tricks that accompany translation and enable actors to achieve their objectives (Callon, 1986:10).

As will be shown in this study, actors assembled in the greenhouse project had different motivations for becoming enrolled in 'development'. "Going for the dough" or pursuing the cash flows involved in the organizing processes, tries to analyze how these are deployed to access governmental resources for greenhouse production of vegetables. To achieve their mission, actors had to engage, collaborate, enrol and fight other actors seeking the same objective. In other words, actors did not play the roles attributed to them by the development program. On the contrary, they formed teams and coalitions to achieve a diversity of objectives - but mostly in pursuit of the money.

In her study of *ejidos* in Jalisco Nuijten (1998), following Long's perspective, recounts how in the organizing practices revolving around the *ejido* and its administration, groups of *ejidatarios* established relations both within and outside of the *ejido*. I thus understand organizing practices to include activities that may involve so-called 'outsiders'. Indeed, organizing practices imply that actors acknowledge that their objectives cannot be achieved individually. As such, collective actions are the manifestation of agreements between actors. The construction of these agreements involves a succession of multiple negotiation processes and interfaces aimed at defining the objective and how to achieve it. In this sense, organizing practices are the manifestation of agency, and the organizing process is the way to coordinate those practices in order to achieve a goal.

For all these reasons, what I have called "going for the dough" entails several meanings. For the promoters in charge of planning it is the means to accomplish a planned

intervention project; for collectively organized farmers it is a means to help achieve their own objectives; for private agents it signifies a business opportunity; while for the local government it contributes to the successful implementation of a political model for Ciénega de Zacapu's development. What they all have in common is that the pursuit of the cash tries to justify 'development' in their own different terms.

Research questions

This study aims to answer questions about the organizing processes associated with actors and collectives linked to the greenhouse project in the Zacapu region of Michoacán. The study looks at the greenhouse project as a part of the SUPLADER program during the period 2003-2005. The main research question is:

How do stakeholders organize themselves around the greenhouse project, and how do they redefine the local government's vision of planned development?

From the main question, the following sub-questions are derived:

1. How and when does actors' agency become evident in collective negotiations?
2. How do the different interfaces, which arise from the interaction between different actors involved in the greenhouse project, unfold?
3. How do network resources contribute to the support of actors' projects?

Objectives

This research is guided by the understanding and analysis of the development intervention processes linked to the greenhouse project of the SUPLADER program in the Zacapu region of Michoacán. In particular, the study aims to:

- 1) Understand the organizing processes derived from the setting up of collectives in order to appropriate the economic, political and social resources arising from the greenhouse project.
- 2) Identify the networks that join together the collectives through their participation in the greenhouse project, in order to understand their potential.
- 3) Understand the interfaces present in the development of the projects, and their relevance for collective decision-making.

Methodological perspective

This case study focuses on the region of the Ciénega de Zacapu and seeks to understand the organizing processes that occurred between 2003 and 2005 with regards to the greenhouse project proposed by the SUPLADER for the region Zacapu. For the purpose of this PhD study, and following Zazueta (1995), I needed to be closely involved with the trajectories of the greenhouse projects, in order to unravel such interaction processes. I wanted to bring to light

the 'hidden' intervention practices that are part and parcel of development intervention, revealing the actors' room for manoeuvre and clever use of resources. I became interested in the dynamics of the organizing processes that arose from the planned intervention project for regional development that involved the establishment of 28 greenhouses due to the challenges involved. The project was basically financed by governmental resources allocated by SUPLADER, and through its participatory approach it would imply an impact on eight municipalities. In this sense, the 28 greenhouses became a scenario for public participation in decision-making, as well as different kinds of technological, organizational, financial, political, historical, and cultural processes.

Before I became involved with this research, I mainly considered organizing processes to be associated with the consolidated collectives that were formally recognized and had organizational experience. After reflecting upon the SUPLADER proposal, I realized that associations occurred everywhere and that they could also lead to the consolidation of different or new collective entities, as will be seen throughout this study (see Chapters 2, 5 and 7). Project activities had already started when I became involved. In the initial stages, the research consisted in following the actors and collecting relevant ethnographic information. The original intention was to study the organizing and political processes in Coeneo (see Chapter 2) in association with the greenhouse project, using participant observation techniques.

However, when the SPRs began to be formed, and some of the actors realized that I had skills that could be useful for the project, like my agronomic knowledge, administrative capabilities and origin from that region, they enrolled me in SPR Laredo⁶ and, later in the project for the 28 greenhouses and the USPR *Asociación* (See Chapter 2). Membership of the *Asociación* allowed me to observe and understand the processes within it and the negotiations of the greenhouse project. So far, the research had focused on political processes, networks and organizing forms in the municipality of Coeneo. However, the actors of SPR Laredo decided to take a look at the greenhouse project, and allowed me to enrol as an extension to their networks. At that time, I considered networks as temporary, unstable, broad, and complex organizational processes and difficult to understand, and I hesitated how much all of this would facilitate or complicate my research. But I accepted the challenge.

Consequently, I became closely involved with the project and its actors. They knew and consented to my intention to write a PhD thesis about the process. The greenhouse project used public funds, and the program related documents I use belonged to the public domain,

⁶ I began the fieldwork in collaboration with a single actor (Rafa) who I knew for a long time. He introduced me to his networks of family, friends, and relatives, and he bonded me with other actors and resources in his network. In this way, I met *El Campeón*, and other actors who shared capacities and resources, to carry out collective actions, political processes, cultural, organizing practices. This process of entanglement or being enrolled in a collective, allowed me to learn about and become involved in one of the components of the MAA – the greenhouse project.

so in a sense, data are public. But I acknowledge the potential ethical dilemma, where sensitivities may arise in my description of their actions and interaction processes. I therefore decided to change the real names of the actors involved so as to guarantee their anonymity.

The greenhouse project gave me the opportunity to participate in the process of project development by way of an action-research (Reason & Bradbury, 2008; Brydon-Miller, *et al.*, 2003). The design of this thesis therefore focuses on pragmatic and solution-driven research rather than on testing theories. I would accompany the actors and join the collective, which allowed me to access relevant and first-hand information. But I acknowledge that this probably may have altered the dynamics of the processes that had already begun, and which I have described in full detail in the research chapters. The absence of an "all-seeing eye" that perceives the multiple events of a puzzle not yet designed, coupled with the unpredictable actions of the actors, added to my unfamiliarity with the development scenarios. Immersed in my quest to follow the actors, this brought about the possibility of describing the partial realities during my fieldwork, and discover how these began to cohere. Apart from the huge advantage of such participatory action research, I am also aware of the risk that my involvement might have biased research results. However, the greenhouse project was not a pre-configured, turn-key project, and throughout the thesis I show how actors continuously enrolled other actors in pursuit of their own objectives - and this also applies to myself. In other words, individuals and collectives were very much in control of their own actions.

My close encounter also implies that this thesis has elements of an autoethnography (Blanco *et al.*, 2012; Chang, 2008). This research method autoethnography allowed me to include personal experiences and autobiographical reflections. It was necessary to enhance my experiences as a researcher, while giving priority to practice. These experiences were collected by me as an ethnographer and a researcher, in a specific social and cultural context. At the same time, it enabled me to critically reflect upon my interaction with the process. Thus, the ethnography and story-gathering were carried out using descriptions in which I have tried hard to escape potential bias.

This research deliberately uses few theoretical concepts and principles. This is in line with an actor-oriented approach, which prefers local histories whose framework is defined by the actors and not by the investigator; also, it makes use of reflexivity to provide relevance and significance at a local level (Hammersley & Atkinson, 2007; Barley, 2004). In order to describe the interactions in more depth, the case study method (Mitchell, 1983) was used to bring together interfaces reflected through narratives (Grillo, 1997) deployed in meetings, interviews and informal gatherings, in order to identify the configuration and scale of the formal organizing processes recognized by the State, such as statutes and standards used in the SPRs and USPR.

The actor-network approach was used to understand the actors' participation in collective decision-making, their organizing processes, and the link between networks and meanings in producer associations, government agencies, and companies in the technology and agricultural sectors. In this approach, I myself as a researcher is only one additional element, immersed in the dynamics of the actions, and "potentiated" by the actor-network

and circumstances. The actor-network approach facilitates, enables, and provides flexibility and reflexivity to incorporate elements that were not foreseen, to the point of restructuring the expected. My fieldwork was thus not a laboratory to prove pre-established theories, but became a space for reflecting on them. This included the perception of the social as something non-homogeneous which can be reassembled in any given state of things (Latour, 2005). To gather information on collective associations, Latour recommends that:

[We must try] "to follow the actors themselves', that is try to catch up with their often wild innovations in order to learn from them what the collective existence has become in their hands, which methods they have elaborated to make it fit together, which accounts could best define the new associations that they have been forced to establish" (Latour, 2005: 12).

The ethnographic fieldwork generated a large amount of unstructured information of events and situations that I have registered digitally and organized at the end of the day in my field journal. Institutional and project documents and materials, once analyzed and interpreted, were included and helped to support the facts and descriptions.

Case studies, such as the ones presented in this thesis, only represent a snapshot of the total social scenario of the greenhouse project. When describing the structural events in the discussions of the individual or collective actors, I aim to explain a more complex event: collective processes provided with emergent organizing forms, identified with a model for regional development. This view allows me to expand the scenario and include the State, its institutions, and strategies to design and try to implement planned development. Actors, beyond being subjects of top-down development, also reinterpret, associate, and adapt the resources provided to the collective development project.

The myth of planned development collapses when the actor's practices and networks are displayed. *En pos de la lana* ("in pursuit of the dough") reflects how actors strategize, organize, perceive, reinterpret, and enrol in development from their different perspectives, and it articulates organizing processes. "The dough" appears as the financial resource to realize the planned project, but it also represents an immediate attribute to the actor's needs. Although the multiple perceptions seem to be incompatible with the pre-established planning, this is not entirely true since through negotiation, different projects can develop. In the game of the two USPRs, the *Asociación* and *Productos Inocuos* (see Chapter 6), access to the money becomes the reward for the coalition of actors that allocate it. Associations give the network a cohesiveness that supports the actors and allows them to keep playing. The interaction processes are qualified neither by the money or the project and its attainment, nor by the results of SUPLADER's regional planning. The repercussions of the organizing processes are historical and, like development, remain unquantifiable.

In Chapter 1 I present a historical account of development planning in the Ciénega de Zacapu. The actors and their networks are immersed in this historicity, which allows to understand their actions, the relations between them, and the way they mobilize their resources. These historical processes are interpreted in a continuum where the relations and

the events of the past define the present (Chassen-Lopez, 2004). The six research chapters show the trajectories followed by those involved in the greenhouse project, the conformation of their networks and associations, and how the organizing practices relate and adapt to local conditions to consolidate and search to realize their objectives.

CHAPTER 1. PUBLIC POLICY AND PLANNED INTERVENTION AS A KEY FOR REGIONAL DEVELOPMENT IN MICHOACÁN

Introduction

This chapter presents some historical aspects of the Ciénega region to introduce the different processes of planned intervention promoted by the State that have taken place in the region, together with the institutional organization associated with the planning of the greenhouse project. Originally the Zacapu region consisted of a series of swamps and lagoons that were drained at the end of the 19th century. Land Reform Laws (1876-1910) led to changes in land ownership, privileging the establishment of *haciendas*. This was followed by land reforms in the 1930s that favoured the formation of *ejidos* and the mestizo population (to the detriment of Indigenous people). With corn as the staple crop, traditional forms of production in the Ciénega continued until the middle of the 1980's when mechanization was introduced into the region. After much political strife in the early 20th century, the Federal Planning Law, which sought to incorporate democratic elements in the public administration, was established in 1983.

By the 1980s, planning in Michoacán was in charge of the State and represented by the Secretariat of Planning and Development (SEPLADE). Supervised by SEPLADE, in Zacapu Ciénega SUPLADER 02 represented the regional development program which focused on participatory planning, and which introduced a leftist approach to development in Michoacán. Figure 1.1 shows the interrelationships between institutions and strategies, starting from the community up to the federation. SUPLADER received development project proposals (figure 1.3), outlining operational rules and establishing the institutional guidelines for stakeholder participation. Gonzalo, the SEPLADE-Zacapu delegate, would play a central role in the greenhouse project.

Chronicle of a new planned development intervention

Nowadays, in reviewing history, one realizes that, in a government effort to stimulate productivity and economic development in the Ciénega, Indigenous people who gave life to, and kept possession of the Ciénega were left out of its planned development initiatives. At the end of the nineteenth century, before being drained, the Ciénega de Zacapu was used by the inhabitants that surrounded their marshes and small lakes. The drying up of the Ciénega was due to a process of modernization that started at the turn of the 20th century. Due to the intervention of the State the Ciénega was chosen to become the site of capitalist domes. Spanish investors were supported and financed by the local governments in turn to carry out economic and infrastructure projects for development. Modernization manifested itself in different ways, for example with the arrival of the railroad that connected the Ciénega with the centre of the country. The railroad constituted one of the most important means of

communication that the settlers established with modernity and technological development. It also created the basis for the migratory flows into the region.

Although communities such as Naranja, Tiríndaro and Tarejero appear as protagonists in the struggle for possession and rights of the Ciénega before and after the land had been drained, these were not the only ones established there. In the concessionary ranches around the Ciénega the landless peasants and workers who used the resources obtained from the marshes to complete their subsistence and their opposition to desiccating the Ciénega were not considered, since from a legal perspective they did not have any rights. For this reason, the negotiation for the drying up was between the haciendas and the federal government, which at the time favoured the drying companies headed by the Noriega family which ended up getting most of the usufruct of the Ciénega.

This form of land ownership was not affected by the revolutionary processes that convulsed the Ciénega, and although the haciendas were invaded and many were burned, the land distribution was not modified, since only a small endowment was given to the native communities. Although land redistribution did not produce great advances, the revolutionary process had an impact among the people of the Ciénega, who participated in the revolution and adopted a position of "rights won". Although they were not granted the majority of settlements and communities that were newly established, it was enough to have the endowment made in the 1920's to the communities of Villa Jiménez, Tiríndaro and Naranja in order to raise hopes that the hierarchical model of land tenure which prevailed in the region and in the rest of the country, would change.

It was until the reforms promoted by Lázaro Cárdenas del Río, between 1934-1940, that the changes that gave origin to the *ejidos* were propitiated. However, productive organization, water management, and the interrelation between communities and between actors are a continuation of the prevailing social relations of the *haciendas*. In fact, the *ejidos* are based in relation to the territories of the haciendas, and the beneficiaries were their previous workers. In this way, historical processes are part of a continuum of transformations induced by the actors, but also by the historical and social conditions prevailing in each region. In this sense, the modernizing model promoted by Porfirio Díaz and initiated by Benito Juárez, was replicated in a very particular way in the Ciénega. Previously, State driven intervention policies had favored the attainment of economic benefits, based on a capitalist economic model, in the interests of local people.

Local development history: The modern machinery in the Ciénega of Zacapu

Before 1890, the Zacapu Ciénega⁷ consisted of a series of swamps and lagoons⁸ which housed some endemic species. The swampy areas of the marsh were the habitat of a wide variety of

⁷ When referring to the hydrologic basin.

⁸ Some that are still prevalent are Laguna de Zacapu, Bellas Fuentes, Alberca de los Espinos, Laguna de Tarejero, Los Cortijos, Laguna de Ojo de Agüita, Las Pompas del Durazno.

fauna, such as the white native basin fish, freshwater turtles, freshwater prawns, clams, and snakes. In the area of *tulares*, migratory species such as the Canadian duck and the White Heron were found, and they used the area as spawning sites. This ecosystem interacted with species living on the hillsides nearby, such as deer, armadillos, badgers, coyotes, and wildcats.

As a result of thousands of years of sedimentation (Williams 1996) natural resources rich in humidity and organic matter in the lacustrine areas provided river towns such as Naranja, Tirindaro, Zacapu and Tarejero Island with ideal conditions for hunting, fishing and agriculture. The production of mats, chairs and other derivatives of the *tule* plant represented the livelihoods of its inhabitants. Wild or cultivated herbs associated with the Ciénega formed part of the diet of the locals, which was based on corn. The ways of living of the Michoacán Indigenous people in this region was similar to its neighbours of Pátzcuaro and Cuitzeo.

The biodiversity and livelihoods were affected by the changes in the possession of natural resources. The first non-Indigenous usufruct in the area took place in 1541, when the nephew of Hernan Cortés received a Royal Grant; later, King Carlos III created a decree to use Indigenous properties that were in "dead hands". The decree intended to stimulate the economy as well as to provide food for peoples' survival and maintenance (Castro-Lemus, 2010:38). Legal alternatives were sought for the resolution of conflicts arising from the appropriation of natural resources; however, these mechanisms benefited landowners only, and native communities received derisory sums in return for their properties.

During the period of Porfirio Díaz (1876-1910), the Reform Laws enforced by Juárez led to changes in land ownership, which privileged colonizing companies. As a result, the communities were deprived of their lands at the mercy of new interpretations of the laws. Additionally, foreigners (Spanish), and mestizos were given financial and legal assistance in order for them to obtain large farms. Special attention was given to companies such as Noriega y Compañía, so that they would carry out improvements like drainage (Reyes-García, 1982). A third of these lands was handed over without further formalities to the companies, while the rest of the land could be acquired at low prices.

In this context, the first federal concession was awarded in 1886 to Manuel Vallejo. He encountered opposition from the landowners surrounding the Ciénega, in particular from the *purépecha* Indigenous community of Tarejero, which held possession of much of the land. In 1896, the concession was transferred to a Spanish family named Noriega, who had a friendly relationship with President Díaz. Negotiations with the nine haciendas affected by the work specified that they would yield ten percent of that property to the Noriegas. Meanwhile, bordering issues with Tarejero were solved, and it allowed that its territory became part of the process for draining the Ciénega. For this purpose the Noriegas, with significant capital, established techniques of draining and using channels which fed the Angulo and the Patera rivers. These channels were a natural path to the lowest part of the Ciénega (known as *vado de Aguilar*), to the current settlement of Villa Jiménez.

After the drainage, 12,000 hectares were allocated to the haciendas, and only 400 hectares were assigned to affected communities (Reyes-García, 1982). Later, the main shareholder, Alfredo Noriega, directly bought parts of the haciendas' territory with a low-cost

financing-cum-credit structure. He took advantage of the ambiguity in the terms of legalized expropriation matter enacted by the Colonization and Wasteland Laws (1883 and 1894), especially the alienation of public lands, which allowed private companies to measure, subdivide and occupy lands that were allegedly public, ignoring their possession by Indigenous people (Castro-Lemus, 2010:38).

The entrepreneurial vision of transforming wetlands into agricultural land undertaken by the Spaniards and rulers in Mexico contrasted with the land use practices established by the *purépecha* communities. The processes of accumulation and over-exploitation transformed lifestyles and established power relationships between the settlers and colonists. The laws originating in Spain with the intention of generating wealth were reinterpreted and applied in this region.

In 1910, 27% of the national territory was transferred to private companies represented by 20,000 landowners of mestizo or foreign blood, concentrating land in less than five percent of the population (Friedrich, 1981). In the Ciénega, the 24% was transferred. The land was divided between nine haciendas that together possessed more than 34,000 hectares.

As a result of the State's refusal to restore the communities' possession of their territories, the struggle to restore them began. Since the beginning of the project to drain the Ciénega, the agrarian leader Joaquín de la Cruz, originally from Naranja, had promoted, without success, the restitution of land to the *purépecha* communities affected, since he was one of the few people who understood the language in which the laws had been written, and the first person who obtained a professional degree and became a judge (Castellanos-Guerrero and López y Rivas 1991).

Meanwhile, the wealth of the land in the Ciénega favoured the cultivation of maize by the haciendas, turning the land into the Mexican food basket⁹. Siltation (López *et al.* 2008) was also implemented in areas of the Ciénega by storing and using the water that accumulated every year because of stormwater runoff ending up in the basin system.¹⁰ Simultaneously, road infrastructure was increased, as well as immigration from neighbouring states. These processes had a high cost, as they affected both biodiversity and the forms of cohabitation that had prevailed in the municipalities of Coeneo, Zacapu and Huaniqueo.

The land in the Ciénega was cultivated in two ways: a part that was in the periphery was rented to the indigenous peoples; these, in return, had to provide two-thirds of their product as usufruct payment to the haciendas. In a short period, this way of production was replaced by a second, which included mestizo labourers brought in from outside, who were more loyal to the landlord and stayed at the haciendas. The *acasillados* (bonded labour), as they were called, "despised anyone who spoke Tarascan" and mestizo foremen treated indigenous workers cruelly and dismissively (Friedrich, 1981:65).

⁹ Currently, corn is still the main crop, followed by lentils, beans and various forages.

¹⁰ This technique allowed one to store rainwater that runs off a part of the marsh in the rainy season (May to September); in October, it is released in coordination between various communities in the municipality of Coeneo, Jiménez and Huaniqueo. Retained moisture is used in early December. This area is the main producer of lentil nationwide; before 1970, wheat was grown.

The first two decades of the 20th century were full of political and revolutionary riots. This situation did not alter the agrarian structure in the Ciénega and landowners. After they learned how to cope with these vicissitudes, they consolidated their power. By then, Joaquín de la Cruz had formed local groups of *agraristas*¹¹, together with leaders such as Severo Espinoza of Tiríndaro and Juan Cruz of Tarejero. In 1920, Joaquín de la Cruz was murdered by his own escort of soldiers, who were bribed by landowners.

The struggle for land was continued by Primo Tapia, born in Naranja on June 9, 1885, who received the teachings of his uncle Joaquín de la Cruz. Primo Tapia settled in the United States (1907-1920) and from there he participated in social organizations linked to the movement of the brothers Flores Magón (Castellanos-Guerrero and López y Rivas, 1991). Upon return, Primo Tapia founded the League of Agrarian Communities in 1922 by political and organizational means. It wielded the rights of possession and use of natural resources prior to the Ciénega draining. Applications for land now included groups of mestizos occupying concessions from the surrounding haciendas. The fertile land of the freshly drained Ciénega was the treasure, and the political struggle to get it was constantly suppressed by the army at the service of the landowners.

As a result of the organization in the region, Villa Jiménez received his provision of land in 1920 as an *ejido*.¹² In contrast to communities that had been stripped of their right to the land and who had maintained a constant struggle to recover it, Villa Jiménez entered into conciliatory negotiations with the State. At the same time, they negotiated with the landowners to affect the surrounding haciendas and use this route as a safety valve for the social pressure exerted by the *agraristas*, headed by Primo Tapia, who promulgated the elimination of ethnic differences in the pursuit of the land. The confrontation of the Primo Tapia group with the landowners and the intervention of President Calles caused the murder in 1926 of the social leader by the army in the El Chirimoyo area of Laredo, a municipality of Coeneo.

In the next decade, various political changes occurred in Michoacán, and, as in other parts of the country, *ejido* were established in the Ciénega through encouragement by president Lázaro Cárdenas del Río (1934-1940). The State contributed to the formation of the *ejido*,¹³ although it presented its alternating or combined facets of a repressive, altruistic and beneficiary body. This process established close links between the State and the *ejidos* in the Ciénega. Traditional forms of production in the Ciénega continued until the middle of the

¹¹ In the Ciénega, it was the *agraristas* who fought for the distribution of the land held by the haciendas.

¹² The State allocated a portion of land to each *ejidatario*, which was indivisible and non-transferable. Sometimes common use land was allocated, providing a proportional percentage to each *ejidatario* without measures or adjacencies.

¹³ When the titles are assigned to the *ejidatarios*, they receive the usufruct rights to of the land, which, by Mexican law, does not mean that they are the owners of private property, but that they are able to rent and/or sell it in agreement with the assembly of *ejidatarios*. Exceptions to this include resources managed together such as water, access roads, and inhabited areas.

1980's when mechanization came into the area; the first tractors replaced the *tronco*¹⁴, a technique that, in turn, had replaced the oxen yoke. As before, corn is still produced today, only now with the aid of machinery. Meanwhile, the absence of crop rotation had impoverished the land, and the swampy terrain required continuous maintenance channels that allow for sufficient water drainage. In essence, in the Ciénega, techniques involving the management and conservation of the water using siltation prevail (Palerm and Martínez, 2000), and is now run by the new owners, the *ejidatarios*. But in relation to the benefits obtained, the use of machinery for the maintenance of the channels is expensive. Consequently, many channels have disappeared, causing the water to stagnate and affect the crops.

Transforming the Ciénega was a modernizing action that generated a process accelerated by the exploitation of the natural resources of the region, which in turn led to other phenomena such as human settlements, the *cacique* struggle for power, conflicts between communities and private owners, ethnic conflicts, political reforms of land ownership, legislative and regulatory changes, infrastructure development, and technological changes. Together, these conditions laid the foundations for modernizing the architecture of the region (Mummert 1994).

Planned intervention for draining the Zacapu Ciénega was negotiated with the State, and was justified by taking a historical perspective of economic development. Today, this vision prevails, and is consistent with the reform of Article 27 of the Constitution, which intends to decompose the *ejido* and its organizing forms and is deemed by many to be consistent with a logic that favours the accumulation of wealth.

The modernization project reflects the image of benefits supported by the use of technology and economic growth, reaffirming the supremacy of the material and individual values on the collective. This neoliberal policy requires that the State extend its functions as a body of parliament, establishing agreements between stakeholders, even though they represent private or public institutional actors 'enhanced' by their authority and representation. These structures retain the directive to formulate and implement mandated policy, and hold interference capabilities through an elaborate monitoring infrastructure.

Participatory development in Michoacán

During the government of Cárdenas del Río (Benítez, 1984), the Law on General Planning of the Republic from 1930 was implemented. After several years of interruption, and in order to establish the norms and the basic principles for the planning of development, the Federal Planning Law, which sought to incorporate democratic elements in the public administration, was passed by the Congress of the Union on December 29, 1982.

¹⁴ Consisting of an iron plough pulled by two horses or mules. Being lighter, horses replaced the oxen fit for the hillside zone, and now in the marsh, the fertile land could be cultivated with more ease. However, the team was used at first to open agricultural land for the first time.

In 1983, based on Articles 26 and 115 of the Constitution, as well as on Article 2 of the Planning Law, the jurisdiction of the States through the State Planning Law was established. At the municipal level, the basic laws of planning gave powers to State and municipal public administration, seeking thereby to plan and manage activities that allowed the attainment of development together with federal development plans. Currently, the National System of Planning (SNP) coordinates these actions through the National Development Plan (PND). This means promoting the transfer of responsibilities from federal and State levels to the local level, coordinating programs, policies and criteria for the distribution of resources in the respective levels.

For its part, the Development Plan 2002-2008 of the State of Michoacán (PDEM) retained the importance of the integral process of democratic and participatory planning and intended to implement its planning system accordingly. One of the cornerstones of the PDEM¹⁵ was the promotion of citizen participation in transversal axes of government policy and development, to promote self-diagnosis and alternative planning activities, trying to articulate them with State government agencies.

Planning in Michoacán was in charge of the State System of Democratic Planning (SEPD), through the Planning Committee of the State of Michoacán (COPLADEM),¹⁶ represented by the Secretariat of Planning and Development State (SEPLADE).¹⁷ The SEPLADE was the agency in charge of organizing and shaping the integral development, starting from the design and direction of the plans prepared by the COPLADEM.

At the regional level, SEPLADE was coordinated with SUPLADER to promote development programs that incorporated citizens' proposals following a bottom-up development approach. As for the municipalities, Committees of Municipal Planning (COPLADEMUN) and the Municipal Council for Sustainable Rural Development (CMDRS) established new guidelines for the municipal development plans. Within the communities, however, the organization of internal forums were articulated with government institutions in the follow-up of the programs of community development, such as Community Development Committees (CODECO).¹⁸ Fig. 1.1 shows the interrelationships between institutions and strategies, starting from the community up to the federation.

In the study area, CODECO membership and their promoters were proposed by the municipalities, and the works were determined by the planning of CMDRS under an outline of privileges for political purposes, which in turn were sponsored by the city council. Even if organized groups of the ejido, in practice, represented CODECO, their interventions contravened the ways the community was organized.

¹⁵ See Ley de Planeación del Estado de Michoacán de Ocampo, 2003.

¹⁶ Constituted in 1981 D.O.F, February 5, 1981.

¹⁷ Official Gazette of the Federation. April 17th, 1989.

¹⁸ The Ministry of Social Development (SEDESOL) coordinated the CODECO in Michoacán. Locally the *ejido* assembly or community were the highest authority, the representatives of CODECO should be coordinated with the municipal authority linked to SEDESOL to perform their work or action (Rojas-Fajardo, 2008).

Figure 1.1 Levels of responsible institutions of planning in México



The state government, represented by Lázaro Cárdenas Batel¹⁹, trying to get away from the vertical programming of actions, activities, projects and public works in Michoacán, put into practice for the first time in the history of the institution, the regionalization of the budget (Gobierno del Estado de Michoacán, 2003). It was based on the 1981 regional division, consisting of ten regions. From 2002 onwards, they thought that these regions should be a space of socio-governmental participation, relying on regional forums for participation and citizen consultation, in order to reach SUPLADER's agreements in a coordinated way (Fig. 1.1).

Identified as a participatory budget model, it intended to involve the government and citizens in the planning of the main works and programs in the region, generating a self-sustaining model that would decrease social inequality.²⁰ Therefore, the institutions of the State and federal governments such as SEDAGRO²¹, SEPLADE, the Ministry of Agriculture, Livestock, Rural Development, Fishing and Food (SAGARPA), the Ministry of Social Development (SEDESOL), the *Fideicomisos Instituidos en Relación con la Agricultura* (FIRA)²², FIRCO²³, the National Water Commission (CONAGUA), the Rural Development Districts (DDR), and CADER²⁴ were involved. The concerted actions would be part of the Annual Operation Plan (POA), and would integrate the Budget of Expenses of the state of Michoacán.²⁵

¹⁹ 2002-2008 period.

²⁰ National Development Plan 2002-2006 of the State of Michoacán.

²¹ Ministry of Agricultural Development.

²² Agriculture Trust Funds.

²³ Shared Risk Trust Fund.

²⁴ Center for Rural Development Support.

²⁵ Mimorelia.com, September 22, 2004.

Resources for SUPLADER came from a loan of USD 120 million requested by the government of Lázaro Cárdenas Batel to the Inter-American Development Bank (BID) and approved by the State Congress. The loan would be destined for six years and allocated to the ten regions through the respective SUPLADER.

Amendments to the Law on Public Debt of the state of Michoacán²⁶ enabled the state government to get into debt and pay the lenders through the public funds. In this way, the government of Cárdenas Batel tried to promote the development of the regions through SUPLADER, supervised by SEPLADE – the agency responsible for planning – and in coordination with the executing institutions of the three levels of government.

SUPLADER -02 in Zacapu Ciénega represented a regional development program, which intended to articulate intermediate institutions created by the Mexican State, and focused on participatory planning. Thus, government institutions and citizens were expected to interact. At the municipal level, SUPLADER should be coordinating with COPLADEMUN, CMDRS, and CODECO planning. At the regional level, it should be coordinating with institutions such as DDR, CONAGUA, Secretariat of Communications and Public Works (SCOP), SEDESOL, and others.

Each agency of the federal and state government had separately established its strategy and development planning of the Zacapu region. The mandate of SUPLADER was to establish the necessary links to coordinate the actions of the planned development. This initiative intended to enhance the scope of regional projects, allowing the co-investment of different financial sources. For this purpose, the guidelines of SUPLADER demanded that in order to obtain the resources of the Regional Development Fund (FDR) the beneficiaries should cover a percentage, which had to be higher than the 35% investment of the other levels of the government invested.

From my perspective, SUPLADER introduced the “leftist” approach of the new PRD government in Michoacán, represented by the grandson of Cárdenas del Río (a symbolic character of the state and country in general) and other planners associated with this government. The State pretended to build an agenda through its institutions and guidelines, so that the regional stakeholders would participate in it. Although in theory the agenda should be created jointly, in practice the people who administered the resources proposed their own agenda. The dynamic generated from these conditions means that sometimes the organization for the development incorporates the planning strategies with “social participation”. However, this can contribute to generate conditions not provided by the policy of the State, in which the State intervenes to set planning priorities.

Associated with SUPLADER in Michoacán, regionalization was due to a process that identified geographical areas as regions considered useful to define policies for regional development, which was conceived as "a sustained and localized process of social change, which intended to achieve a permanent progress in the region, in the community as a whole and as an individual" (Boisier, 1991:187). This approach should be associated with a territory

²⁶ Reforms published in the Official Gazette on August 18, 2003.

identified as a region²⁷ which would serve as a spatial reference. According to Boisier (1991), the region should represent an element of identity, which contributes to balance the socio-spatial equation. Additionally, endogenous development should emerge as a property of the complex system of social interactions and material resources.

From the perspective of the State, planning should only be set up via their institutions, which cover different areas. For this reason, the inclusion of SUPLADER in state planning granted a re-signification for regional development, without pretending that the emerging new stakeholder - SUPLADER – would modify the existing political, organizational and administrative forms of the State in the region²⁸.

Mapping the institutional arena

The planners of SEPLADE claimed that the existing shortcomings to boost production in the Ciénega was due to a disarticulation in the use of resources. Faced with this situation, SEPLADE proposed the alternative of discussing actions to gain strategic influence in the region.

Planners tried to concentrate the resources from the dependencies in different levels of government through a unique planning coordinated by SEPLADE and articulated with SUPLADER in the regions.

To coordinate a policy for regional development, SUPLADER negotiated with regional stakeholders, which represented the governmental offices at the municipal, state and federal level, together with civil society organizations. The statutes of SUPLADER established that decisions would be made collectively among the members of the SUPLADER.

SUPLADER integrated social and private organizations, and the representation of the three levels of government, and intended to incorporate citizen participation into the processes of planning by using democratic procedures of discussion leading to consensus (Gobierno del Estado de Michoacán, 2003). Thus, SUPLADER (SUPLADER 2002) established its policy in the manual of procedures for work and regional actions in the internal statutes, the terms of reference of projects, the axes of regional development, in the format of the project evaluation, in the policies for investment, and in the proceedings of the assembly.

Within SUPLADER, the assembly formed by the members of the subcommittee was the highest authority and had the right to speak and vote. The president-elect of the assembly should be a representative of civil society. The secretary was the regional delegate of SEPLADE. In addition, 50 % of the votes came from municipalities of the region, state agencies, and the federation. The other 50% was made up by the sectors of civil society, represented according to a certain proportion in the rules of procedure. In the event of a tie, the President would cast a vote.

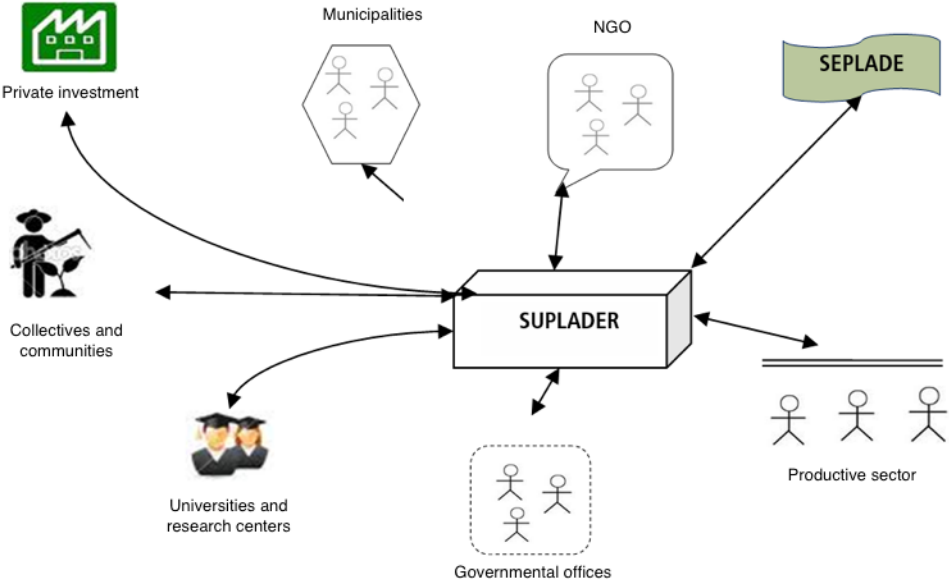
²⁷ A region means a geographic area defined by its degree of homogeneity or heterogeneity in addressing a particular issue. Regions are not generic, closed areas. Rather, they help to understand the complexity of the territory for the purpose of intervention.

²⁸ At municipal level, stakeholders are organized in the CMDRS; it is common that the council is a space of confluence between communities through their representations for resolution of issues of common interest.

It was decided that the subcommittee (SUPLADER) should define strategies to implement specific policies that serve as pillars of regional development, involving, for this purpose, municipal presidents and officials of the various institutions in the region and other organized stakeholders. This “participatory” structure pretended to enable citizen involvement, avoiding controversies in the regional planning proposed by government structures.

SUPLADER and CMDRS considered the participation of the officials of the inter-secretarial commission, which represented the institutions at state and federal levels. However, SUPLADER also incorporated stakeholders with a public and private regional presence (see Figure 1.2).

Figure 1.2 Formation of one SUPLADER



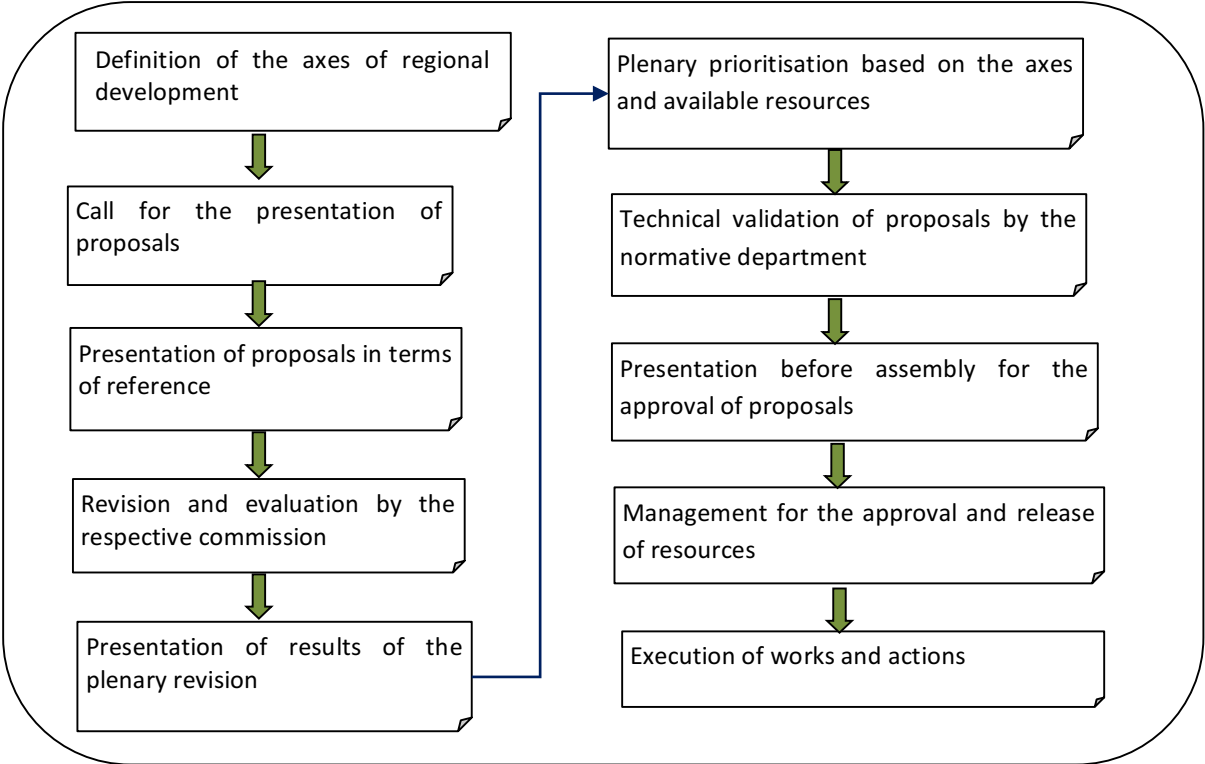
Resources for SUPLADER coming from the Regional Development Fund (FDR)²⁹ were considered as “seed” capital, and they would return once capitalized by the project in order to generate a multiplier effect on the regional investment. Program resources for studies, works and actions contributed 60% of the total cost, while to acquire machinery came up to 50%. The minimum contribution from beneficiaries would be 35%, and could be in the form of money, labour, raw material and/or other inputs, including other complementary sources of financing.

Upon receipt of the technical application of a proposed investment with a regional impact, SUPLADER presented it in the assembly, where it was evaluated, hierarchized, validated and, where appropriate, approved. Then, the technical secretary of SUPLADER delivered the file to the corresponding agency to obtain the technical opinion. From that moment on, SEPLADE was in charge of managing the approval and release of the financial

²⁹ Law published in the Official Gazette of the State on 17 January 2003. Decree No. 259.

resources. Once the structure for regional development was established in SUPLADER, the call for submission of project proposals would start (Fig. 1.3). At the time of receiving the proposals, the process to manage resources in accordance with the relevant regulations would begin. This linear sequence implied that a proposal could not advance to the next stage without completing the previous one.

Figure 1.3 Authorization process of a SUPLADER project



The goals of the SUPLADER institutions should be responsive to the specific needs of each region. SEPLADE coordinated and led the process of construction of the SEPD, and constituted the SUPLADER institutes in the ten regions of the state: Morelia-Centro, Zacapu, Pátzcuaro-Zirahuén, Bajío, Oriente, Tierra Caliente, Costa, Meseta Purépecha, Valle de Apatzingán and Ciénega de Chapala.

The formation of the ten SUPLADER took place in a similar way in each region, with SEPLADE coordinating and establishing the criteria to carry out the formation. During its formation, SUPLADER outlined its operational rules and officials induced and established the institutional guidelines for stakeholder participation.

These outlines (Fig. 1.3) represent the conditions and actions for accessing SUPLADER resources carried out by a representative stakeholder linked with SUPLADER Zacapu. The ten SUPLADER in Michoacán generated different maps, depending on the stakeholders involved. They simplified the representation of the mobilization of stakeholders, without showing the indirect associations and networks established among the groups. As will be seen later,

SUPLADER boosts the associations and the participation of institutional and non-institutional spaces.

SUPLADER Zacapu, the focus of this research, was formed in October 2002 and covered the municipalities of Churintzio, Coeneo, Huaniqueo, Jiménez, Panindícuaro, Purépero, Tlazazalca and Zacapu (Fig. 1.4). This SUPLADER started with an initial budget of USD 2 million from FDR; a similar amount was scheduled for the five subsequent years.

By being an innovative proposal in the region, those involved with SUPLADER, including municipalities, were unaware of the mechanisms of transfer and operation thereof. In practice, the representation of citizens in SUPLADER Zacapu was based on the recommendations of the municipal president and of SEPLADE, under the name of "direct invitation". Finally, SUPLADER membership and citizenship were configured through political negotiation.

Figure 1.4 The municipalities forming SUPLADER 02



The SUPLADER of Zacapu region, the actor’s scenario

In 2003, the offices rented by the SEPLADE of the Zacapu region were located near the bus station, in the same building that housed the Civil Court (2nd floor), as well as the offices of the Institutional Revolutionary Party (PRI) which were on the 1st floor. An anachronistic sign

could be seen on the facade of the building: COPLADE³⁰, as well as the coat of arms of the state of Michoacán. The location and appearance of the state agency had not changed under the new state administration, and the meanings granted previously still prevailed. This was convenient: whoever would like to visit SEPLADE's office would surely look for these points of reference.

Gonzalo³¹ occupied the position of SEPLADE-Zacapu delegate. Gonzalo had been the municipal president of Zacapu (1993-1995) and a federal congressional representative in the seventh district representing the Party of the Democratic Revolution (PRD) in the LVII federal legislature (1997-2000). Rafael Lp - who supported Gonzalo in both campaigns - worked as a technician of the SEPLADE-Zacapu. As a congressman, Gonzalo met the governor of Michoacán, anthropologist Lázaro Cárdenas Batel.³² According to Gonzalo, development policies in line with the social organization in the region 02 could generate a social dynamic. To him, social deprivations were the result of inequality, and the problem had to be tackled from the root (generating jobs in the marginalized and migrant-expelling communities), thus promoting self-employment through productive projects with social enterprises.

Gonzalo (López, 2006) was convinced of the ideological and political importance of class struggle, one of the Marxist ideas and materialistic theories about accumulation of capital, and struggle of opposites. His affinity with Cuba and the former Soviet Union had formed his ideas. He said he was a defender of the equal distribution of resources, and he argued that the means of production derived from the proceeds of the FDR could strengthen social relations linked to the production and marketing stages.

The other technician of SEPLADE in Zacapu was René Sosa, who had ties to state government.³³ Cristi from SPR Biotecnológicos supported René as his assistant; in order to support René, Cristi interfered by managing some requests that were originally sent to SEPLADE and SUPLADER. By these means, René performed political proselytizing since early 2003. This raised the discontent of the municipal presidents of Coeneo, Purépero, and Tlazazalca who disapproved the 'interference' by an official of SEPLADE in their municipalities.

Rafael Lp - another technician of SEPLADE - had his contacts in state government; among them was Julio Moguel Viveros, a former professor at the UNAM in Mexico City and now an officer of SEPLADE. Moguel participated in the administration of Mexico City with

³⁰ State Committee for Planning of the State of Michoacán.

³¹ Gonzalo is kin of Primo Tapia de la Cruz. See Friedrich (1981) and López Castellanos (1991).

³² Lázaro Cardenas Batel was federal deputy for the XII Electoral District of Michoacán, Apatzingán, from 1997 to 2000 and coordinator of federal deputies of the PRD in Michoacán LVI Federal Legislature. In 2000, he was elected Senator of the Republic by the state of Michoacán (LVII legislature). He was member of the commissions of Indian, Latin American and Caribbean Affairs and External Relations. He chaired the Committee on International Non-Governmental Organizations. As deputy and senator, he participated in the work of the Latin American Parliament, chairing the Committee on Political Affairs. In 2001, he won the governorship of Michoacán and became the first non-PRI governor of that state. His term ended in 2008.

³³ His brother Rogelio Sosa Pulido served as undersecretary of higher and middle Education in Michoacán, and his sister-in-law Fabiola Alanis Samano as Director of Planning in the SEDES0.

Cuauhtemoc Cárdenas (father of Lázaro Cárdenas Batel), and like other former collaborators, he obtained a position in the government of Lázaro Cardenas Batel in Michoacán.

Party affiliation also defined the establishment of SUPLADER. The municipal presidents of Zacapu, Churintzio, Tlazazalca, Jiménez and Huaniqueo represented PRD, while Coeneo, Purépero and Panindícuaro were attached to PRI. To set up SUPLADER and grant memberships, each representative met the general guidelines of participation, one of which specified that an officer or municipal president (mayor) could not occupy the presidency of SUPLADER. Despite this, Dr. Samuel Campos, president of Zacapu was elected as president of SUPLADER Zacapu.

The intention was that the stakeholders of civil society in SUPLADER proposed regional projects, following the regulations. However, they did not respond to the call for proposals. It was then considered that councils could also promote 'the merits' of SUPLADER. Taking advantage of these circumstances, the involved municipalities, Rafael Lp and René Sosa included beneficiaries in SUPLADER projects - even some close relatives – and, as will be discussed below, these actions pre-configured the involved networks.

Federal institutions represented in SUPLADER Zacapu like CONAGUA, SAGARPA, FIRCO, and FIRA were in charge of their corresponding regional representation. The government institutions of Michoacán involved in SUPLADER were SEPLADE, the Ministry of Agricultural Development (SEDAGRO) and the Ministry of Communications and Public Works (SCOP). Although they were implementing institutions for SUPLADER projects, their interventions in the assemblies were discrete; in contrast, SEPLADE was the instance that regularly established the agenda.

Before a project could be considered viable with SUPLADER, it should comply with certain conditions established in the rules of operation. To obtain a favourable opinion of the review committee of SUPLADER, the project should incorporate information provided by specialists in the field of the project, which would justify the technical and economic feasibility. SUPLADER had been consolidated as a complex space of negotiations, representing a filter to define who entered or not into the game of associations and permeated the development planning in the region. If a player wanted to be a part of participatory development, a project should be proposed to other regional players, trying to enroll the largest possible number of stakeholders, including members of SUPLADER. Negotiations did not always occur in a preconceived arena; instead, they often took place 'behind the scene'. Strategies negotiated previously favoured some stakeholders over others, including members of SUPLADER, officials, and stakeholders involved in SEPLADE.

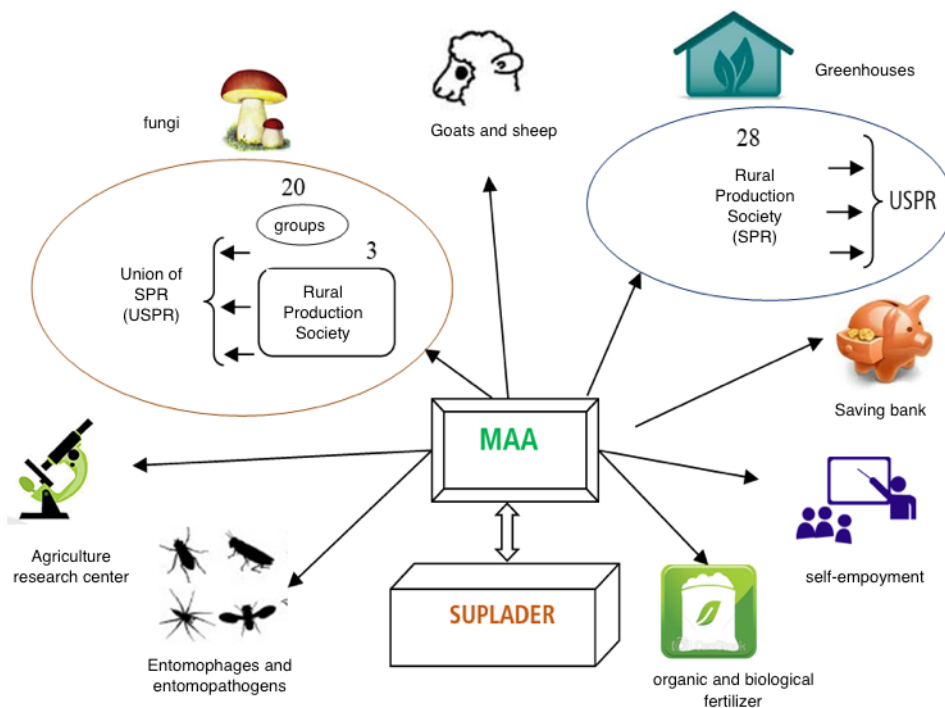
Gonzalo knew the difficulties and limitations of SUPLADER, its strategy for the development of the Ciénega focusing on the Alternative Agricultural Model (MAA), and a series of integrated projects proposed to SUPLADER and its review committee.

The Modelo Alternativo Agropecuario: Outlining the Ciénega's development

SUPLADER's proposal for the Zacapu region was considered a social, productive and technological transformation, involving the launch of some projects that formed the Alternative Agricultural Model (MAA). See figure 1.5 below.

The model proposed by a group of officials from SEPLADE Zacapu was headed by delegate Gonzalo. The 'top-down' approach proposed by SEPLADE Zacapu, representing the perception held by regional development officials, was articulated in coordination with government institutions and local stakeholders from SUPLADER. To implement MAA projects, the collective and social organizing of the participants was required. The mobilization of resources intended a social change in the region. The aim was that regional planning of SUPLADER would boost the Alternative Agricultural Model (MAA), with the support from specialists of some universities - such as Chapingo - and others of Cuban origin.³⁴

Figure 1.5 Components of the Alternative Agricultural Model (MAA)



Among the projects integrated in the MAA was the production of biological and organic fertilizer - with the collaboration of Cuban experts - at low cost and with high efficiency for local crops, mainly maize. Other projects were the production of vegetables in the greenhouse and hydroponics, self-employment, improved breeding of goats and sheep, the creation of a

³⁴ The relationship between Cuba and the Cárdenas family begins with Lázaro Cardenas del Río, who supported the socialist regime of Fidel Castro. The Cárdenas family forged closer ties with that country, with the marriage of Cárdenas Batel with the Cuban Mayra Coffigny.

Centre for Agricultural Research (CIDAG), and promoting micro savings oriented to reinvest resources by partners at low interest rates.

Along the axis of the planning, the project constitutes the planning unit that complies with goals and objectives. Some SUPLADER members believed that the MAA projects were out of context, and lacked the beneficiaries to drive them. Such was the case of centres for research and technological development which had no scientific support for start-ups. The project about goats and sheep stood out as a simple delivery of packages of animals, not as a long-term project that would include monitoring.

The self-employment project, which initially had no beneficiaries, concerned the participation in training courses that would trigger productive activities considered successful. Later we will see that instead it involved the political training of actors linked to the network of SEPLADE. The organic and biological fertilizer plants were a source of resources, and provided recognition for some stakeholders, while the benefits, dissemination and follow-up arising from its ongoing implementation, were bounded by those involved in its management strategies.

Despite some criticism within SUPLADER, the MAA was validated in the consultative commission and obtained the approval vote by negotiation of members inside of SUPLADER. The impact of MAA projects covered eight municipalities initially depending on the ability of the presidents to promote them in the communities. SEPLADE meanwhile highlighted the benefits of the model in the *ejidos* and organizations in the region, promoting the organization and collective participation, indicating that to be considered as beneficiaries of MAA, they should develop a project with regional impact and submit it to SUPLADER.

From a 'top-down' development perspective MAA appeared a coherent and logical plan, but it also reflected the particular vision of a group of actors who negotiated the implementation of the projects with the State, justifying them with goals, scope and planned objectives. The approach of participation and cooperation associated with organizations can lead to a misinterpretation of forms of control based on rules, including collective actions that require discipline and control. A collective perceived in this way is the result of its own dynamism, and the social construction comes from the interaction of the whole process of transformation, which includes moving, acting, interacting and self-generating (Clegg, 1990).

Conclusion

This chapter shows the institutional hierarchy associated with the planning of the greenhouses' project. The State institutions for regional development are clearly embedded in the regional physical, social, and political history of the Ciénega de Zacapu region. Their programs and projects are embedded, as Escobar (1997) points out, in intervention processes which take the form of policy development and use direct and indirect controls, thus limiting the autonomy of those involved.

After much social and political strife in the 20th century, in 2002 a significant change that was expected to transform the political and social conditions took place in the government of Michoacán. The new State government, represented by Lázaro Cárdenas Batel,

assumed a historic and ideological commitment associated with the achievements of his grandfather, such as agricultural modernisation, social justice, the promotion of the economic and social organization and the distribution of wealth. A response to these demands was the adoption of a participatory rural development model – thus creating SUPLADER.

However, in practice the implementation of a participatory intervention model appeared to be complicated, as it was contradicted by traditional forms of top-down State that applied a rigid definition of implementation mechanisms. Thus, the participation of stakeholders from civil society was limited to the field of social practices such as the legitimation of the planning and policy of the government. SUPLADER, claiming to be participatory, established mechanisms to coordinate actions associated with a territorial space without first considering the lifeworlds of local actors and their communities. When one intervenes in local arenas, negotiation with stakeholders is required through federal institutions, municipalities, communities, and the networks that are present in each region. In this sense, a planning process that pretends to modify the lifeworlds of the involved local actors must be agreed upon from the beginning and thus be bottom-up, rather than following the top-down State model.

In the case of the Zacapu region, the Alternative Agricultural Model (MAA) was identified as a strategy to support the local vision of development. However, the design and validation of this strategy did not take into consideration local actors' perspectives, their networks and their willingness to become part of a foreign development strategy. Despite some criticism within SUPLADER, the MAA model was approved. Facing a predetermined, top-down development strategy, the room for manoeuvre of local actors vis-à-vis external actors was called into question from the beginning. In the following chapters, the capacities of actors and their networks to mould regional development from below – and outside of organizations like SEPLADE - will be described.

CHAPTER 2 THE GREENHOUSE DEVELOPMENT PROJECT: ACTOR ENROLMENT IN NETWORKS

Introduction

This chapter deals with the greenhouse development project as a case study. It deals with the construction of the SPRs by the local councils upon recommendation of SUPLADER and of the *Asociación* as the organization and consolidation of the various SPR's and networks linked to the greenhouse project. The members of the SPRs and the *Asociación* are regarded as beneficiaries of the SUPLADER program. I describe the organizational processes by which, in a first phase, ten pilots were identified. In a second phase project funds were initially proposed to be spread among 28 SPRs – of which eight were later excluded. The chapter shows how municipal actors, through the SPRs, actors' networks, and external agents all strategize and propose ways to get into the *Asociación's* game – which I have called “going for the dough”. In other words, I describe how municipal actors tried to access or redirect the flow of project money to suit their own interests, often through membership of networks that existed prior to the project. SPR representation in the *Asociación* is a point of concern in this respect.

The project profile

Within the State and regional regulations of the Michoacán government (2002-2008), group-based participation was established as a basic premise for development. In 2002, this perspective was incorporated into the creation of SUPLADER (SUPLADER, 2002). The regional unit of SEPLADE 02, with its headquarters in Zacapu, aimed to coordinate the planning actions of the projects submitted to SUPLADER alongside the municipal governments involved. In this way, SEPLADE became a gateway to the projects of the regional actors who were associated with the development context promoted by SUPLADER.

There appeared to be no records of hydroponic farming in the *Ciénega* of Zacapu region, considering that agricultural development in the region had been corn and lentil production (Rionda 1986; Servín-Juarez, 1995). Nevertheless, this technique was chosen to manage the greenhouse project with tomatoes and it made up one of the guiding principles of the *Modelo Alternativo Agropecuario* (MAA) that was launched between 2003 and 2005.

In order to encourage the adoption of the greenhouse project, SUPLADER recommended that the local councils should be the ones to boost the consolidation of the first 10 Rural Production Societies (*Sociedades de Producción Rural* or SPR) which allowed the direct involvement of some of the municipal officials, in addition to those close to SUPLADER (employees and those recommended by the municipalities) and to SEPLADE (external agents that acted as intermediaries). This last point contravened one of the requirements needed to form a SPR, which established that government officers were not allowed to be involved.

Another condition was that candidates for the membership of an SPR should be involved in activities related to agriculture or livestock. The vast majority of the actors involved in the greenhouse project did not fulfil such requirements. This led to a series of conflicts of interest among the beneficiaries of the project and SUPLADER, as well as a fight for the resources from the Regional Development Fund (FDR) allocated to Zacapu's *Ciénega*.

The operational rules specified the characteristics of the project participants, as well as the guidelines that should be followed in order to be considered beneficiaries. Firstly, the various individual projects were linked to working groups, and afterwards to a SPR. Together, these shaped the second level association of SPRs, the Union of Rural Production Societies (*Unión de Sociedades de Producción Rural* or USPR), also named *Unión de Invernaderos Ruta de la Libertad*³⁵. Hereafter I will call the union the *Asociación*. It was hoped that through this formal concept, SUPLADER's resources could be accessed, as well as the other resources that were specified in the project's financial outline. Once the SPRs and the *Asociación* fulfilled the requirements requested by SUPLADER to implement the project, the members would be considered as SUPLADER's beneficiaries.

The *Asociación* was in charge of managing the resources among the government agencies to build a half-hectare facility of USD 150,000.00 per greenhouse. The SPRs recognized by SUPLADER wanted to benefit from one of the 10 first greenhouses. For these, SUPLADER contributed USD 100,000.00 for each facility, which would be used to establish a greenhouse in each one of the eight municipalities of Region 02 (Zacapu and Jiménez would benefit from two facilities).

This resource distribution within SUPLADER resulted from the direct influence of the officials of the Zacapu SEPLADE, and the political negotiation carried out by the municipal presidents of the eight municipalities inside the subcommittee (SUPLADER). Therefore, SUPLADER was not far off the proposed approaches for regional development in other regions of Mexico (Martínez & Servín, 1998). Thus, the resources would be allocated following several institutional regulations, especially in case of those projects that took into account a mix of resources, such as the greenhouse project.

The rules of collective participation: The creation of SPR Laredo

This section describes the processes for the creation of the SPR Laredo, located in the municipality of Coeneo. It also describes the actions of the actors, their lifeworlds and collective practices. Certainly, historicity of the networks encourages interaction and sharing of resources, thus generating coordinated actions of support and collaboration. These factors were instrumental in the case of Laredo's group's involvement in the greenhouse project, and may reflect the multiplicity and heterogeneity of the network. The connection with Laredo's

³⁵ Greenhouse Association Freedom Route.

group members was made through Rafa³⁶, a former junior high school classmate of mine in Coeneo. In July 2003, Rafa introduced me to Polo - who wanted to consolidate his candidacy for municipal president in the upcoming PRD³⁷ elections. I also met *El Campeón*, a social leader and State government agent. Rafa's father, a well-known business person and stock breeder also joined the group, as well as two other members of the community of Laredo who worked in the agricultural sector.³⁸ The first four members had experience in management, and they thought that the setting up of an SPR association for the greenhouse project would be a good way to manage broader projects such as cattle rearing, milk production and the purchase of animal packages offered by programs like SEDAGRO, SAGARPA, SEDESOL and SUPLADER.

Starting from the year 2000, the operation rules of federal programs in charge of institutions like SAGARPA, FIRCO, SEDESOL, among others, included new guidelines to regulate the participation of groups in government programs. Since then, groups had to be legally constituted in accordance with the official associative figures, such as the SPRs, as well as having a RFC (taxpayer's registry) and abide by guidelines and internal statutes of operation. Some apparent advantages for groups (such as SPRs) were: an increase in the authorized amounts of investment, training and continuity of the project, the possibility to enter into joint ventures, and tax deduction. For these reasons, the Laredo group decided to register as formal association.

The formation of SPR Laredo accomplished several objectives for its members; furthermore, it was expected that the SPR would produce its own alternatives in order to negotiate resources from the government's institutions. The activities within the SPR were related to the activities the members carried out in their day-to-day work; thus, the interaction among the Laredo group members was related to members' individual projects.

Within the wider network, each partner had his independent activity; yet, all members had known each other for many years. The network thus reinforced members' actions. For example, to support Polo in his candidacy, the network provided relations and occasionally resources like vehicles and financing; also, the network supported efforts by *El Campeón*, and organized spaces for meetings and proselytizing. For example, upon the initiative of the majority of the members of the group, they presented themselves at the *Expoferia*, which was considered an opportunity to display their products and services at a public event of regional and State significance. The Laredo group was involved in the organization and promotion of the event, and joined other support networks of traders, farmers and political actors.

The Laredo group was unaware of the process that was needed to be registered as an SPR, which is why they asked for my support. For three months, I had collaborated with the

³⁶ I began the fieldwork in collaboration with a single actor (Rafa) whom I knew for a long time. He introduced me to his networks of family, friends, and relatives, and he bonded me with other actors and resources in his network (see footnote in the Methodology section of the INTRODUCTION).

³⁷ Party of the Democratic Revolution.

³⁸ The members of an SPR should devote themselves to an agricultural activity. Although there was no proper verification at the notary public, when the SPR requested *Alianza* resources, it was necessary to submit a written statement issued by the *ejido* authorities for each member.

group to organize the *Expoferia* in Coeneo, closely following initiatives of Polo to obtain his candidacy for the PRD, as well as the activities of the group in negotiations for government projects. The constitution of an SPR would be a way to give them something in return for support for my research. To create the SPR Laredo, the public notary required the authorization by the Secretariat of Foreign Affairs (SRE).³⁹ To obtain authorization, each member taking part in the SPR needed to provide an official ID, a copy of their birth certificate and a document accrediting him/her as an agricultural producer.

The managing committee of the Laredo group was constituted in a meeting, and included a president, a secretary, a treasurer and a supervisory sub-committee. The members proposed me as president, Polo (*El Campeón*) as secretary, and Rafa as treasurer, while Polo and Rafa's father would be part of the supervisory sub-committee.⁴⁰ All this was recorded in the meeting's proceedings (23/09/2003). *El Campeón* was put in charge of submitting these proceedings at the Notary Office 119 located in the city of Zacapu.

From the group's perspective, I had properly interpreted the bureaucratic processes and obtained permissions and protocols to form the SPR. The actors considered that I had skills, initiative and willingness to contribute with the SPR's deployment. I considered the SPR as a formal group with little collective activity, and with which I had constant interaction. After working with the group for four months, they invited me to join the SPR as a member. From my perspective, the members choose me as SPR president because of my availability and previous participation. Agreeing to collaborate with the SPR, required critical reflection, though. On the one hand, it would allow me to incorporate relevant information from institutions involved that would be useful for my research. Also, it helped me to understand organizing and political processes regarding their networks.

Once the dossier had been completed, *El Campeón* took it to the Notary. The person in charge of the notary office verbally stated that the capital stock, built from members' contributions, was non-existent, and said that this did not matter since it was only specified in the government's nominal requirements – which were usually not fulfilled.

A similar process was performed for the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público* or SHCP) for which the procedure was carried out at the Zacapu office. The person in charge of the SHCP in Zacapu, who had knowledge of the processes carried out by other SPR's, helped us fill in the required forms and register the SPR as a corporate entity. It was suggested by the representative from the SHCP that a bi-annual and annual tax return form had to be filled in. However, the issue of tax returns and obligations was not made totally clear to the SPR members. After ten working days, the Federal Tax Registry (RFC) was obtained (with the SPR's address for tax purposes). SHCP personnel would verify the data in the following days. According to government regulations, the RFC was a requirement and had to match with the business activity and corporate purpose stated by the SPR. The SPR Laredo was finally registered at the Public Registry of Commerce as of September

³⁹ The SPR as a corporate entity should register with a unique ID that did not contravene existing ones.

⁴⁰ According to the general internal regulations, the representation of a SPR is held by the managing committee, but under certain situations the president can represent the SPR.

19, 2003. The whole procedure cost USD 120.00 plus USD 300.00 for extra expenses which were covered jointly by members - though it was Rafa who contributed most.

For members the creation of the SPR seemed like any another requirement. However, this process implied the acceptance of some of the State's rules, including control mechanisms that allowed government institutions to carry out monitoring and control within the group. It implied that inputs and outputs should be promptly declared for taxes. Using their databases and systems, the government could review the amount of resources allocated to the SPR from different sources. In this way, digital systematization facilitated intervention into the collectives, violating in a certain way their autonomy.

In 2003, the SPR Laredo participated in the organization of the *Expoferia* Coeneo. The event had the purpose of launching Polo into local politics. All the members of the SPR collaborated in a different way, providing the venue for the event in the local livestock place, inviting other exhibitors, and broadcasting the event. The Expo organization had begun three months earlier, and had mainly been funded by Polo and Rafa. During the event, the members presented different initiatives and events by themselves: wine in fruits, toast, cattle and feed, cultural activities and sports. Several members of Coeneo's municipality and the region joined this event. At the *Expoferia*, Gonzalo, Rene Sosa and Rafa (SEPLADE) presented the *Modelo Alternativo Agropecuario* (MAA). During the event, the SPR *Laredo* was invited to participate in MAA projects. The SPR took an interest in some of the projects, such as those of organic and biological fertilizers, goats and sheeps, and the greenhouse project.

Members of the SPR divided the participation in committees to encompass the different projects. *El Campeón* and Rafa joined the fungi project, Polo the biological fertilizers one, Rafa the goats and sheep project, and *El Campeón* and myself joined the greenhouse project. In weekly meetings, the commissions presented their progress, and the requirements were presented to meet each project, then the alternatives discussed upon which the SPR would decide to continue or not with the project.

The actions carried out by the Laredo group were brought to the direct attention of the municipal government, which was at the time backed by the *Partido Revolucionario Institucional* (PRI) and which wanted to keep political power in the municipality. The confrontation among some of the SPR Laredo members, including Polo, Rafa and *El Campeón* was rooted in their opposite political affiliation (PRD). The disagreements were presented to SUPLADER by Coeneo's municipal president, who stated that the diffusion of the MAA was an interference with local development - coordinated by the *Consejo Municipal para el Desarrollo Sustentable* (CMDRS)⁴¹. In SUPLADER, the municipal presidents of Purépero, Jiménez and Panindícuaro agreed with the point of view of Coeneo's municipal president.

Because of this, SEPLADE recommended that SPR Laredo should have the support of the local council. Yet, opposition to the Laredo group was fuelled through CMDRS, which had the support of State and federal institutions. Their justification was the absence of an

⁴¹ Municipal Council for Sustainable Rural Development.

application form and a project form from SPR Laredo in CMDRS.⁴² In this way, the resources and the planning handled by CMDRS allowed the stakeholders to be identified locally and at the same time made it easier to intermingle personal and group interests for funding applications, providing evidence of the existence of coalitions that granted personal privileges and facilitated the setting up of similar groups while restricting others.

Some facts that demonstrate the above problem are that the goats and sheep project (SUPLADER) was not promoted in the municipality; the day scheduled for delivery in Zacapu some trailers with the best animals were sent to Coeneo and Purépero. In Coeneo, the council gave the animals to people close to the municipality. In the greenhouse project, the SPR Coenenses was formed by officials and family members of Coeneo's council, which at the same time hindered the participation of the Laredo SPR. Likewise, the organic fertilisers were only negligibly distributed in the municipality. In order to distribute the resources among producers related to the council, recovery the production costs was avoided, noting that it was a project with government funds. In relation to the fungi and the greenhouse project, the council intervened to dismantle some participating networks (see Chapter 4).

In my view, the confrontation with the municipal government of Coeneo did not benefit the Laredo's projects. The Laredo SPR was considered to be in competition for the resources authorized by SUPLADER for the SPR Coenenses. In addition, it did not look like it was CMDRS' priority to incorporate SUPLADER's development philosophy into its plans. This notwithstanding, due to the fact that the MAA project was boosted by SUPLADER, SEPLADE decided to include SPRs such as Laredo.

As stated before, one of the requirements to take part in the greenhouse project was to be registered as a SPR. Although SPR formation did not guarantee access to resources to establish a greenhouse, for SEPLADE it was a strategy which intended to consolidate a type of prompted development that sought to produce greater consistency in the organizations and, at the same time, bring certainty to the project.

Shaping the greenhouse project: The redefined planned intervention

In 2002, SEDAGRO had authorized USD 200,000.00 for the building of ten greenhouses (half a hectare each) in the Numarán municipality in Michoacán (Bajío Region). The greenhouse beneficiaries were advised by the business consulting firm led by JLB (or "*El Gachupín*") of Spanish nationality and who claimed to represent the Spanish company ULMA.⁴³ The construction of a half-hectare greenhouse was valued at USD 150,000.00. The actors inferred JLB's intention of selling an expensive greenhouse. JLB's firm intention of managing the project was clearly shown after the lack of results and due to the expenses of those involved. Because

⁴² The CMDRS kept a dossier containing all the groups' applications, the beneficiaries' register and the requirements to access the resources for the various institutions.

⁴³ Spanish Company that manufactures industrial materials with a special section that focuses on agriculture. On ULMA's website (www.ULMA.com), there was no statement about JLB acting as their representative in Mexico, neither at the Spanish Embassy in Mexico.

of this situation, the beneficiaries did not continue with the start of the project, and the greenhouse project in Numarán failed.

Meanwhile in the Zacapu Region, the SEPLADE delegate stated that the State government had given the green light to authorize resources for ten SPRs to test how the project would run with these pilot greenhouses. The local councils were to supervise the greenhouses in their municipalities (Gonzalo, 18/08/2003, SEPLADE office). SUPLADER Zacapu looked after the planning and approved the authorization of USD 500,000.00 for the project - to be distributed among the eight municipalities that were part of it (USD 50,000.00 for each greenhouse; Zacapu and Jiménez would have two). The beneficiaries were expected to contribute with an initial amount of USD 15,000.00 per SPR. It was expected that the greenhouses would be independent from one another, and that they would be located on lots belonging to each SPR, which were to be well situated (i.e. with access routes and good water quality to supply the greenhouses). It was expected that these pilot greenhouses would serve as triggers for similar projects in the region.

In addition, the representative of SAGARPA⁴⁴ made a verbal commitment to support the management of the project's equipment and training, claiming that he would reduce the obstacles faced by the Rural Alliance (*Alianza para el Campo* or *Alianza*).⁴⁵ Furthermore, the delegate of Zacapu region managed to have the financial resources not used for the Numarán project to be re-allocated to the *Ciénega* greenhouse project. The secretary of SEDAGRO, Silvano Aureoles, then committed himself, through a letter of intent, to allocate USD 200,000.00 for the *Asociación*, in support of the greenhouse project in the Zacapu region.

This was how the *Asociación*, that had thus far only existed on paper, came to be considered a beneficiary. Until that time, the *Asociación* had not existed, but in an attempt to redirect the project money or the "dough" (*la lana*), SEPLADE officials proposed the name of the *Association* out of the blue. In this way, the Numarán project resources were assigned to the Zacapu project - at least on paper. In order to be eligible to receive the resources committed, the *Asociación* should be established. Also, to access the resources from SEDAGRO, SUPLADER and *Alianza*, the beneficiaries should be organized as an SPR. Some actors, such as SEPLADE's delegate Gonzalo, considered that the funds allocated to MAA should be recycled - that is, recovered and reused.

When the business consulting firm led by JLB found out about the greenhouse project in La Ciénega, they offered their services to the beneficiary group to help them establish themselves as an SPR and then form the USPR/*Asociación*. This guaranteed that, as a second level organization, the USPR could negotiate the resources on behalf of each SPR that was part of it. JLB's firm came in with yet another idea how to access project funding. They stated that

⁴⁴ Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food.

⁴⁵ *Alianza* required members experience in greenhouse production. The authorized amount for equipment varied and for the Project there was a need of USD 25,000.00, without considering the payment for the project's technical services, training, besides the option of mixing resources.

they had the support of some officers from SEDAGRO, SAGARPA, FIRCO and FIRA, as well as the technicians working with them, certified as Professional Service Providers.

JLB's proposal considered new funds could be committed by the government institutions he had relations with, and increased the investment to USD 220,000. SUPLADER and SEDAGRO were to put in USD 70,000.00, *Alianza* another USD 45,000.00, and FIRCO another USD 15,000.00. FIRA could provide a financial guarantee as a back-up for the bank's loan. JLB's firm intended to create a trust fund to concentrate government funds for obtaining a credit line with ULMA in order to finance greenhouse construction costs. Greenhouse gains would serve to pay the interest and investment capital.

In order to manage the resources, the requirements for the project would include a supplier company in charge of providing advice about the commercialisation and production process, as well as a commercialization commitment (through Letters of Commitment), financial projections, business plans, and inputs. A Professional Service Provider (PSP) should be in charge of the training, which would validate the project in order to be recognized by the established governmental agencies. The government funds were considered non-recoverable funds, while the beneficiaries would contribute in kind by providing the plot of land and the material conditions to establish the greenhouse.

JLB was a white man⁴⁶, a Spaniard of about 50 years old, who usually wore a suit, and who inspired confidence when he spoke using professional language, accompanied by the appropriate gestures and body language. His firm promoted the technological change to hydroponics and indoor gardening. The technologies should be acquired in a package that offered resource management, technology acquisition, the setting-up of the greenhouse, and the marketing of the tomatoes. The firm named this package: Turnkey. Based on this scheme, the SPRs would provide half a hectare of accessible land, with electricity and a deep well with clean water. The technological package guaranteed that, in the eight months of the production cycle, the greenhouse would produce 200 tons/ha of tomatoes with a fixed pre-established trading price for the whole year. It was stated that "It is necessary to change the mentality of the peasant, to give him an entrepreneurial vision, because the objective is to establish a little company" (Lira, JLB firm, 10/10/2003, SEPLADE office).

JLB proposed that the Spanish Company ULMA should be the greenhouse supplier, and offered to provide training in Spain. He proposed that two agronomists per ten greenhouses would be trained under the condition that, in order to have a stronger commitment, the two agronomists should be part of the project. Under this premise, ULMA and the people trained by the company would be in charge of the technical aspects, and the beneficiaries could be involved (if they wished to) in the farming work (or otherwise this could be assigned to a third party). After four years, the ten greenhouses would become the property of the SPRs and they would be managed directly by the members. This scenario implied that, during the amortization of the capital, the members would appoint JLB's firm to manage the greenhouses. By using the argument of filling the technological gap in the technical operations

⁴⁶ Mexican society is quite racist. Unfortunately, the rural population in certain regions tends to respect the opinion of white, non-indigenous persons over that of other ethnic groups.

proposal, it was specified that JLB' Business Consulting Firm would be in charge of the project. JLB stated that:

The responsibility of the beneficiaries is to make sure that the production is carried out as planned, using the automated greenhouse's sophisticated instruments, taking care of the food safety of the project, and receiving support from trained technicians that provide advice. (JLB, 22/08/2003, SEPLADE office).

This approach required a change in perspective from the traditional way of working that would include the use of a computer⁴⁷, the knowledge of chemical compounds and accounting. There was a plan to set up a supplier company responsible for stockpiling the region's product and verifying the correct handling of the products that would be transported to Spain. The supplier company's plan stated that for four years (the duration of the contract with the *Asociación*) JLB's company would buy the tomatoes. The cost of the supplier company was USD 2.5 million, of which the producers would own 49% of the shares. JLB stated that:

The financial credit will be obtained through a loan from a Spanish bank at 5% annual interest, subject to European inflation, which according to statistics is very low, and this applies to the purchase of the supplies. The agreed purchase price shall be five pesos (50 USD cents) per kilo of tomatoes. After four years, the greenhouse payment will be amortized (JLB, 10/10/2003, SEPLADE office).

To overcome farming risks, the project considered an insurance for production. Regarding this demand, the firm leaned towards the support of SEPLADE's regional delegate. JLB openly expressed his confidence: "Although he has a different professional background [doctor], Gonzalo [SEPLADE's delegate] is interested in the project and has in-depth technical knowledge of agriculture" (JLB, 18/08/2003, SEPLADE office). During the informative meetings, Zacapu's SEPLADE official often invited the project's participants to clarify any queries they had regarding the project with the JLB's firm personnel, saying: "So you don't have to ask me later" - demonstrating his unfamiliarity with the subject. Some of the members asked about the equipment and the life expectancy of the materials that were being used. JLB answered the questions related to his area of expertise and avoided the technical aspects he did not know about by stressing the responsibility that the producers had in taking care of the quality and the innocuousness of the product (JLB, 18/08/2003, SEPLADE office).

It was clear that the government agencies involved were not aware of the technical and financial details of the project, and that they would rather wait to see the result instead of openly getting involved in the matter. They were not ready to make any commitments

⁴⁷ As Leeuwis (1993) points to, during innovation process, the meanings are 'negotiated' rather than transferred or subjectively interpreted. In this case JLB's firm wanted to transfer a technological knowledge system. The automated greenhouse would use an integrated computer, which could resolve greenhouse functions through sophisticated software.

outside the regulations that they represented and stated that, in order to have access to the project's resources, the groups must be formed as SPRs and become legal entities.

The *Asociación*: A network that connects collectives

When the greenhouse project became known in Region 02, several applications were received from organized groups that came from the eight municipalities that sought to be beneficiaries of SUPLADER-02. The interested parties argued that the project had not been made known in the communities and that, according to SUPLADER regulations, they had the right to take part in it. Certain actors linked to SEPLADE and SUPLADER took advantage of this situation, such as Rafa and René, who were keen to strengthen their political networks. As technicians of the Zacapu SEPLADE, they promoted the project among their networks; both stated they had the knowledge and mechanisms to obtain the resources from SUPLADER by predicting success in their negotiations. As a result of this process, the SPRs Biotecnológicos, Bajo Invernadero, Movimiento Ciudadano de Mujeres, Los Pinos and Purépero were created.

Although the application was available to any group that fulfilled the requirements, selection filters were set up within SEPLADE with the aim of consolidating a collective that was ideologically compatible with the new 'left wing' government in Michoacán. The MAA projects would lay the productive and organizing foundation for local development. Although the SEPLADE-02 planners believed that ideological formation among the members was fundamental to accomplish unity in the project, this was not possible because the MAA projects were not associated with each other. The negotiations between the involved networks caused actors with dissimilar approaches to join. As a result, there were mechanical engineers, managers, teachers, cattle farmers, auto parts sellers, agricultural workers, social leaders and housewives, among others, in the *Asociación*. Cognitive heterogeneity in the tomato production showed how planners (SEPLADE-SUPLADER) gave preference to networks before the feasibility of the project. Many members of the SPRs did not have the resources needed to implement the project (land, capital, experience). Despite the diversity of participants, in the mid-term it was expected that there would be cohesion among the actors for sharing the SPR resources.

Despite not being a government official was a requirement to take part in an SPR, the local councils nominated government officials and relatives to become members of SPR's. Both the municipal president's son and another municipal authority, linked to one of the wealthiest families of the municipality of Coeneo that worked in the lentil hoarding business, were part of the SPR called *Productos Coenenses*. In 90% of the SPR's there was participation from government officials. SEPLADE and members of SUPLADER, especially those representatives of the local councils, approved that strategy, and, by being both judge and jury, they hindered citizens' participation in the program. In this way, the beneficiaries were suggested by the local municipality and accepted by SUPLADER. The argument given was the plan to make a pilot greenhouse in each municipality, which is why the application invitation did not go beyond the local council at that time. SEPLADE's technician stated that:

They can implement the greenhouse without any problem, because they have the money to do so. The aim is to bring about technological change in the region with the greenhouse project. Let the farmers see that there are other ways to produce (Rafa Lp, 22/08/2003, SEPLADE facilities).

Huaniqueo's town council authorized the management expenses and the contribution of USD 15,000 for the project, and the councils of Jiménez, Coeneo, Churintzio, Purépero, Tlazazalca and Zacapu authorized a similar amount as well. From the municipalities' perspective, the implementation of a greenhouse pilot in each municipality contributed to the development of subjects as precursors of the project. Nevertheless, these activities hid processes of exclusion and intervention. For instance, the municipality of Jiménez (which financed the two SPRs of Caurio and Copándaro) rejected a request for a similar amount to go to the *Los Pinos* group, claiming the lack of sufficient funds. Later it transpired that El Chacho (Jiménez's municipal president) had not authorized the request because he considered that the group had the resources to finance the projects themselves and hence did not need public resources.

The municipal president, who had a political background with the PRD, did not fully identify with the group members of Los Pinos, as they had inherited the Espinos' hacienda, so he thought they had plenty economic resources. However, the members managed part of an *ejido* and participated as *ejido* farmers in the Espinos community. The men of the family had migrated to the United States in search for a better life many years before. A similar situation had occurred in Purépero with the SPR Purépero which was identified to be in opposition with the SPR Hortipure which received support from the local council. The situations in Zacapu and Coeneo thus give a glimpse of the conflicts of interest within the municipalities due to the deliberate struggle for SUPLADER's greenhouse project resources. The situation did not seem promising for the SPR's that did not have enough resources to pay for the project or to be supported by the local councils. Regarding this topic, SEPLADE's delegate said:

This project [greenhouse project] is meant for the beneficiaries who contribute a minimum of 30% [USD 45,000.00] as SPR, with the intention of managing a revolving fund and generating a multiplying impact on the region (Gonzalo, 22/08/2003, SEPLADE office).

Due to the growing number of applications received by SEPLADE, the delegate, alongside the municipal presidents from Huaniqueo, Zacapu and Panindícuaro, thought that SUPLADER should support a larger number of SPRs with resources from the regional fund. The ten SPRs involved in the project were not happy to include more groups, arguing that it was a pilot plan for these ten sites - to be promoted by their respective municipalities. Yet, the initiative of increasing the number of greenhouses was successful and the authorized amount rose to USD 600,000 for the greenhouses, increasing the goal to 20 greenhouses.

This process modified the initial proposal of building ten pilot sheds by spreading SUPLADER's resources among the 20 SPRs. This implied considering alternative financial sources as well as settling the contribution of those involved through government resources

(leverage). The modification of the project goals created controversy concerning the criteria for choosing which SPRs would take part in each stage. The resources “committed” by SEDAGRO for building ten greenhouses, expressed in a Letter of Intent to the *Asociación* as a beneficiary and for an amount of USD 200,000, was now being contested. There was ambiguity in SEDAGRO’s authorization since it was not specified which SPR’s receive the support, and there were practices in SEPLADE 02 that favouring the SPRs that were nominated by the eight local councils over others.

Two stages of the project were mentioned. In the first one only ten greenhouses would be involved; the financial plan for this group established that SUPLADER would contribute with USD 30,000 and SEDAGRO with USD 10,000. With this amount as guarantee, twice the amount would be requested from FIRA, meaning a total of USD 80,000. With an expected USD 110,000, the rest (USD 30,000.00) would be requested from FOMICH. To manage the project as an Interregional FINCA,⁴⁸ it was necessary to organize a *Unión de Sociedades de Producción Rural* (USPR) that would cover the various SPRs and participate in the project.

For the second phase (which involved another eight SPRs), SEPLADE officials and JLB proposed to manage the funds with *Alianza*, expecting an amount of USD 40,000 for each SPR. The second phase was also backed-up by SUPLADER, but without authorized funding - which is why the proposal did not seem attractive to JLB. SUPLADER considered that project resources should not spread out. By increasing to 20 greenhouses, it was necessary to incorporate other strategies in order to complete the project funds. JLB did not consider to initiate the eight SPRs; instead, the firm wanted to be associated with the SPRs that already had authorized resources only.

SUPLADER released itself from the SPRs that managed the funds before the *Alianza* by arguing that those were programs that had a different ruling and scope of action (state and federal). Some of the SPR members who had previous experience in dealing with *Alianza* raised the question about this option, stating that the program was not liable when authorizing higher amounts (such as the ones expected for the project). They claimed that until that date (22/08/2003), the previous year’s funds that had been released, had not been yet used; therefore, the expected funding for this project (if approved) would not be delivered until 2004. In this regard, JLB said: “Please, don’t go and spread this but the governor [Cárdenas Batel]) committed himself to back-up all the *Alianza* applications, to unblock them” (SEPLADE office, 22/08/2003). In order to show his relationship with the state officials, he stated:

We had to curse a lot, as you say, because in this country you have to curse in order to get attention. We have been negotiating this project almost a year, and now we have settled it within one week (JLB Business Consulting Firm, SEPLADE office, 22/08/2003).

Thus, it was clear that the project was already guaranteed. The Firm offered its management services alongside the *Alianza*. This meant USD 450 for each SPR and an endorsement of USD 2,500 once the funds had been authorized for training and technical support.

⁴⁸ Investment and Capitalization Fund.

The vast majority of representatives did not have the project guaranteed in their SPR, nor had they a clear view of the organization's objective when they decided to take part in the *Asociación*. They were told that they must create an SPR and then the USPR. But the interest in the project money that came from FDR, and the amount committed by SEDAGRO aroused the interest of certain actors who decided to promote the negotiations through the *Asociación's* representation and not with the SPRs.

In order to formally create the *Asociación*, there was a meeting on September 23, 2003 at SEPLADE's headquarters, in which I participated. Julio César had already requested the registry at the SRE for the corporate entity of the *Unión de Invernaderos Ruta de la Libertad* USPR. During the assembly, the representatives of the SPR arrived. Their appearance varied from modest farmers and producers who introduced themselves with a clear speech, to merchants and professional people who introduced themselves by emphasizing their careers. The *Asociación* was the result of gathering the SPRs currently registered before a notary public. At the *Asociación's* assembly, more than one member of each SPR was able to participate, but only one would have the right to vote (Figure 2.1).

There was not an evident interest by the members to preside the assembly. Heredia was nominated by Gonzalo and he was accepted by the majority of the members to be the moderator; also, two counters were appointed. Heredia had the unconditional support of four representatives of the SPR from Churintzio. Heredia represented *Agrícola Heredia*, while Avelino represented La Mesa, Pedro Los Sauces, and Rodolfo Provech. The group of the four

Figure 2.1 SPR members of the *Asociación*

SPR de RL	Representative/ Community	SPR de RL	Representative/ Community
Marijo	Espinoza-Zacapu	Azteca	Saul-Santa Gertrudis
Piedad Chiquita	Irma and Armando-Zacapu	Maldonado	Jesús-Zacapu
Huaniqueo	Norberto-Huaniqueo	Purépero	Esperanza-Purépero
Heredia	Heredia-Churintzio	El Fresno	Manuel-Puruandiro
La Mesa	Avelino-Churintzio	Jiménez	Lino-Jiménez
Los Sauces	Pedro-Churintzio	Hortipure	Martín-Purépero
Provech	Rodolfo-Churintzio	Bioteconológicos	Julio, Cristi-Zacapu
Tomates	Andrade-Tlazazalca	Los Pinos	Ampa-Los Espinos
del Campo	Jaime -Santa Gertrudis	Comanja	Pancho - Comanja
Delicias	Manuel - Zacapu	Bajo Invernadero	Salas - Zacapu
Puerta Chica	Mare, Gracian-Zacapu	Laredo	Fidencio - Laredo
Purépechas	Abelardo - Copándaro	Agroindustriales	Zepeda - Coeneo
Cortijo Nuevo	Trujillo - Cortijo Nuevo	La Jabonera	Salvador - Tlazazalca
Movimiento de mujeres	Margarita - Zacapu	Deyna	Chema - Zacapu

SPRs from Churintzio was small and closely related through kinship, and only on few occasions the representatives of the Churintzio SPR expressed their opinion through Heredia. Heredia,

around 50 years old, had been PRD's town municipal president of Churintzio (1993-1995)⁴⁹ and clearly had experience in handling this type of meetings.

Each one of the members introduced him/herself. The first one was Lino (SPR Jiménez) whose speech was fluid with a correct use of language. Lino presented part of his career, three years in a seminary and after that, he had gone to the USA to work for two years. When he returned to Mexico, Lino studied Pedagogy in an Open University Program. Teacher Esperanza (SPR *Purépero*) was considered as a natural born leader by some of the assistants; she represented 20 members of the municipality of *Purépero* that at the same time were taking part in a municipal housing project boosted by the PRD and René (SEPLADE's technician). Gracian represented the SPR *Puerta Chica* that was formed by the Gutiérrez family who worked in a portion of land located at *Puerta Chica* in Zacapu. Gracian had only a small role, his sister Mare was the real representative of the SPR; she was devoted to private basic education and she leased a small and central premise from Víctor (SPR Maldonado). Mare's husband worked at a factory in the industrial complex of Zacapu and his sister managed a restaurant located downtown. Mare's father acted as treasurer in an SPR for milk pasteurization, but there were disputes and this SPR closed its doors. In an attempt to understand the historicity of the SPR participants and their networks, the above description serves as an introduction of the actors and their groups. There was a relationship between them, which was prior to the project, and which ultimately would have an impact on the creation of factions and associations.

Don Saúl, who had organized the SPR Azteca and enlisted his family in it, listened attentively and kept the proposals and moods of the participants. He did not believe in projects boosted by the government, as he did not think they would give solutions for regional development nor obtain favorable results by organizing themselves. Saúl talked about the organizational failure of Zacapu's pasteurization factory and how political actors had usurped it. He also stated that conflicts of interest that involved money always ended up having terrible consequences: 25 years earlier he had witnessed how the beneficiaries of a swine project killed each other in order to obtain the funds offered by the government. He said: "When words are insufficient, weapons shall arise".

Jaime (Sabor del Campo) was Saúl's nephew and business administrator, and he wanted to work in the greenhouses' production and management. Saúl's family was recognised in regional politics (that time with the PRD). Engineer Pancho (SPR Comanja) had been municipal president of Coeneo (1996-1998). The members of Comanja pointed out that they had similar experiences as those told by don Saúl; they had obtained financing from the bank (BANRURAL) to put to work a swine farm but once the bank's loan had been paid, the SPR had had almost no activity.

The SPRs Deyna, Maldonado and Cortijo Nuevo, represented by Chema, Jesús and Trujillo respectively, kept a low profile at the meeting. They held positions at Zacapu's municipality and the invitation to organize their SPRs came from Samuel Campos, then

⁴⁹ His nephew was municipal president of Churintzio town (2002-04). He favored Heredia in the SUPLADER.

Zacapu's municipal president and SUPLADER's president. Chema (Deyna) acted as the town hall's sports promoter; Jesús (Maldonado) as the administrative head, and Trujillo (Cortijo Nuevo) had under his command the municipality's department of rubbish collection. The veterinarian Espinoza (Marijo) was related to the town hall's network and was a local businessperson; being a close friend of Chema's he had invited him to the project. Chema, Jesús, Trujillo, Armando, together with Irma (Piedad Chiquita), Espinoza (Marijo) and the members of Puerta Chica had been visiting each other for some time already. There were also Mare and Estela (Puerta Chica) who had been acquainted with Ampa and her sister Malla (Los Pinos) since they were classmates. The SPRs linked with the municipality of Zacapu were formed shortly before this assembly, however, among its members were links with other SPRs which participated in the project such as Los Pinos, Marijo, Puerta Chica and La Piedad Chiquita. This block of SPRs were most numerous, but so far it did not show to have any organizing capacity which could benefit the *Asociación*.

At first, I tried to avoid getting involved in the *Asociación's* management since I was struggling with the ethical issue of participating without asking the Laredo SPR before. SPR Laredo was not considered among the societies in the greenhouse project that were financed by SUPLADER, which meant that at any time, the SPR could decide not to participate in the project. For that reason, I tried to be as little noticed as possible in order to prevent that my participation would interfere with the greenhouse processes and my research in Coeneo.⁵⁰ But Gonzalo publicly asked me to elaborate on my own background. Then, I introduced myself as the SPR Laredo representative.

Once the word was given to the moderator, the third point of the agenda was addressed: the election of a president for the *Asociación*. Gonzalo suggested that a capable representative should be chosen, one that was skilled in leading it successfully through the negotiations and the project's consolidation. I was nominated in a shortlist of three candidates, alongside Heredia and another member. Heredia obtained 11 votes against the eight that I obtained. The majority of the votes for Heredia came from the groups of the Churintzio municipality, as well as the SPRs that supported Lino (Jiménez) and Saúl (Azteca).

Irma who insisted I was the right person, nominated me for the position of secretary, and Lino⁵¹ also nominated himself for the same post. The voting favored Lino, while Ampa⁵² (Los Pinos) was unanimously proposed as treasurer. The statutory auditing committee was formed by Julio César (Biotecnológicos), Avelino and Rodolfo from Churintzio.

⁵⁰ Accepting a position in the *Asociación* meant to focus on an important part of the network, trying to understand the organizing processes and networks in the context of participatory regional development.

⁵¹ Lino represented the group Jiménez; the PRD ruled Jiménez and he had been public trustee. His link with "Chacho" [municipal president of Jiménez] favoured him to be in the first ten SPRs.

⁵² Ampa had an unfinished degree in administration and had been a students' leader during the creation of the Emiliano Zapata high school; she had been student of Rafa Lp at the time when Gonzalo was the school director.

When everything seemed to have been dealt with, the election of the substitutes was still unfinished. So, we voted on the proposal that those who had had the second place in the polling would hold those positions. The proposal was accepted unanimously and therefore, myself, Esperanza and Gracian were elected as President, Secretary and Treasurer substitutes respectively. I then understood that the network was enrolling me into the project and that the SPR representatives were considering me as a propitious actor for their purposes.

The representation in the *Asociación* was due to various situations and the *Asociación's* president (Heredia) was favoured by his former lobbying and career. However, I believe that Heredia's appointment was a strategy of Gonzalo who sought to position himself at the conference table. The relationship between Heredia and Gonzalo went beyond the *Asociación* via SUPLADER, since Heredia was also a member of SUPLADER representing an NGO and the biological fertilizers SPR (MAA). Lino was a good speaker so he could be useful in certain occasions, and Ampa had demonstrated to have administrative expertise -and also could perform well in public. In all these cases, the existing network supported and elected local celebrities in the *Asociación's* positions with whom they identified.

When writing and transcribing the meeting's reports for its subsequent signature, a number of inconsistencies were detected. The SPR Coenenses was not included in the *Asociación's* deed, although they were present at the meeting. The SPR Maldonado had been listed twice, while Gracian held the position of main treasurer in the place of Ampa who remained as substitute. The organized legal concept was a SPR instead of a USPR. The omission of the letter U in USPR implied that it was only a SPR instead of a USPR. Such mistake was also detected at the Secretariat of Finance and the Public Registry of Property and Commerce. Nevertheless, the initial application for the name before the Secretariat of Foreign Affairs (SRE) was correct, but not so the answer from the Notary Office to the SRE. The Notary Office's solution was to send an explanatory note regarding the multiple mistakes that were identified in the minutes, attaching the explanatory note to the original minutes. The Notary Office apologized for their mistakes saying that the applicants would ratify the minutes. However, the members believed that the Notary Office did not make a correct verification. Finally, the *Asociación* was registered under number 445 (four-hundred and forty-five), volume 15, before the Notary Office 119 and ratified in the Public Registry of Property and Commerce to be effective against third parties.

The organization and association of the 28 SPRs in a Regional Greenhouses Association was news in Michoacán, though the organization was confined to a strategy foreseen by JLB firm and SEPLADE in Zacapu. Now, having the *Asociación* fully organized, it was expected that the funds for the greenhouses would start flowing through the trust fund. It was also expected that the collective's representatives would establish negotiations with the appropriate government agencies.

In the information given by JLB, it was not clear who from the involved officials would manage the project. SEPLADE called for participation but at the same time distanced itself from the negotiations that JLB suggested. Soon thereafter, it became clear what this firm wanted: to obtain funding from SUPLADER and SEDAGRO by using a concept such as the newly created

Asociación, since in a document issued by SEDAGRO it was stated that there would be a support of USD 200,000 for the *Asociación*, hence the interest in organizing it. While the interpretation among the various SPRs varied, it was assumed that USD 10,000 had been authorized for each of the first 20 greenhouses. The SPRs all wanted to be considered among the first 20 associations, which would guarantee access to the funds authorized by SUPLADER and SEDAGRO for the project. This prompted the actions in pursuit of the money, but such “*going for the dough*” also caused inevitable conflict among SPRs.

After having looked through the *Asociación's* file, SEPLADE Zacapu presented their selection of the first 20 SPRs that would receive funding from SEPLADE and SEDAGRO, leaving behind the following eight SPRs: Movimiento ciudadano de Mujeres, Cortijo Nuevo, La Jabonera, Deyna, Maldonado, La Piedad Chiquita, Purépechas and Laredo. Given this situation, the eight SPRs raised the question as to the selection criteria applied by SEPLADE. Gonzalo stated that in the first phase these SPRs had been prioritized in order to stimulate the development of their municipalities. With the *Asociación's* creation, the number had increased to 28 greenhouses of half a hectare each. However, only 20 SPRs would have authorized resources. The 10 initial groups proposed by their city councils, were joined by 10 SPRs more, backed by the SEPLADE. Although the other eight groups were part of the *Asociación*, they were excluded in the allocation of resources. When new applications and groups were included in the *Asociación*, appealing to SUPLADER regulations to be considered as civil partners, funding policies started to be disputed. This led to conflict and negotiation, as well as to self-management and learning, outlined in the *Asociación's* game that I have named “going for the dough”.

Conclusion: Honey for bees

This chapter has described the politicized organizing processes used to implement the greenhouse project in the Zacapu Ciénega region. This way of promoting top-down development constitutes a questionable approach that limits development and which has been widely criticized by authors such as Escobar (2011), Esteva (2000) and Ferguson (1994). I have shown that the intervention by SEPLADE and SUPLADER were far from a linear process following certain rules; rather, it was subject to an unpredictable set of actions and strategies carried out by the actors involved in the project. The actors bend the rules in such way that they could consolidate their often pre-existing networks. The reinterpretation and adaptation of the procedures allowed the actors to add eight groups to the project, and to modify the amounts of project funds to be invested, as well as the conditioning of the project to obtain a bank credit line, technical support and the marketing of the tomatoes. Funds and actors were mobilized in order to boost the constitution of 28 SPRs and the *Asociación*.

‘Development’, as expressed in the project, has different interpretations. Initially, SUPLADER considered to favour participating councils, and thus ensure the construction of 10 greenhouses in the first phase. Greenhouses would be managed by the beneficiaries of each SPR, and included local officials and their families. These practices were contrary to the expected inclusion and participation of citizens envisaged by SUPLADER. The promoters of this

initiative justified by arguing for the benefits of the project for the region at large. Under this logic, the suggested model of extension meant that groups interested in replicating the experience should copy implementation of the greenhouses by using their own resources. However, because of the high costs this was impossible for applicants with little capital. An option was to work collectively by combining the resources and capabilities of their networks.

In the absence of mechanisms defined to implement the project, stakeholders enrolled the JLB firm, which was clearly after the money (*la lana*) of the greenhouse project, by enrolling certain key actors, such as local delegate (Gonzalo). During the first interfaces, Gonzalo and JLB's firm's perspectives on the development project appeared compatible. The participation and impact of these emerging actors was not fully foreseen in the planning. JLB's firm adapted particular features to the project, and introduced themselves as an alternative by displaying repertoires and resources that made them look indispensable - particularly because of the networks of JLB's firm, which included relationships with important government actors and financial institutions. JLB's firm aimed to establish themselves, not only by charging for the services it provided, but also in the handling of project management.

The organization as SPR provided advantages for the project's management but it also involved the legitimization of the groups facing governmental supervision, which somehow bound these organizations to the rules and regulations established by the State institutions. SPR's members often became involved without too much knowledge about the project's objectives, or the tomato farming production process. Their incorporation primarily obeyed kinship relationships, friendship, or political or economic ties, or proximity to SUPLADER promoters. The project planners did not consider the actors' previous trajectories, some of which included participation in strong (political) networks.

The original proposal was modified when the greenhouses project reached 20 groups. The new participants assumed they were being considered as civil partners by SUPLADER; it was then when a conflict of interests related to the access to FDR resources broke out within SUPLADER. The *Asociación* was one of the arenas that validated the representation of groups related to different projects, even though at first sight it was only a regional proposal linked to the *Asociación*. In practice, however, there were 28 collectives or SPRs and several individual projects, one for each involved SPR. All these actors, including the 20 enlisted SPRs, were trying to benefit from the "dough", together with JLB's firm, town halls, officials and their related networks. The *Asociación* was organized as a strategy to access the public funding verbally committed by SEDAGRO to be used to promote regional development through the establishment of greenhouses. Although different perspectives of the involved SPRs regarding the project caused some diversity of opinion within the *Asociación*, its organization was never at stake. Nevertheless, JLB's firm preferred to shortcut negotiations with the *Asociación's* management committee in order to get a strong grip on the negotiations.

I therefore agree with Long and Van der Ploeg (1989) and Long (2001) who state that the inclusion of external elements that have influence over actors' livelihoods is bound to shatter and corrupt the process of change insofar as these elements wield political and economic power.

This supports the idea of a “battlefield of knowledge” (Long & Long, 1992) in which the actors’ understandings, interests and values are opposed to one another. Knowledge, dilemmas and controversies are captured in this arena, represented in the intervention processes by documents, regulations, applications or written statements. All of this is imbued with meanings and social practices. It is in this arena that the oppositions, conflicts, and contradictions among the actors in the greenhouse project emerge with great clarity.

CHAPTER 3 JOINING WITH INSTITUTIONS AND ACTORS

Introduction

This Chapter describes the internal organization of the *Asociación* and its 20 member SPRs, as opposed to the eight SPRs which failed to obtain resources from SUPLADER and SEDAGRO and hence looked for alternative funding through *Alianza*. Power differences and conflicts are evident as the SPRs are linked to government agencies, municipalities, communities and external agents (e.g. JLB's firm). This ensemble of actors and resources is driven by networks. In my description of their practices, I show the multiplicity of actions and interfaces between the actors. Also, as I show through the case of La Jabonera, opposition of other networks tended to obstruct processes related to the greenhouse project. The chapter also describes how the various actors shield off resources of projects intended for development, protecting them through complex regulations and safeguards. JLB's firm comes in to offer their well-established relationships with the *Alianza* program in search of a share of project funds. Political, economic, historical, and personal networks link the actors within and outside the *Asociación*, who all have their own motives and objectives to participate, not in the least in pursuit of project money. Whether or not SPRs are eligible to receive funding from *Alianza* depends on the operational rules and the way power holders inside the organization interpret them in order to support or reject applications. Also, there appear to be "backdoors" available to actors like *El Campeón* who hold exclusive memberships.

Alianza and actors' networks

The eight SPRs that were not with the *Asociación* and had no resources from SUPLADER and SEDAGRO, started looking to compensate for an initial investment with similar amounts from the Program for Countryside Alliance (*Alianza para el Campo* or *Alianza*).⁵³ After the *Asociación* had revised the rules of operation for managing the resources of *Alianza*, JLB's firm recommended that an SPR could participate with more than six active partners who had developed a project and were supported by a PSP. The PAPIR and PRODESCA⁵⁴ subprograms could provide the equipment and training required, as long as the applications were admitted to the Support Centre for Rural Development (*Centro de Apoyo al Desarrollo Rural* or CADER) at the registration desk of *Alianza*. The reception of applications for the program of the year

⁵³ The Program for the Countryside Alliance was established in 1996 and revised in 2003 as *Alianza Contigo*; it has its origin in the Law of Sustainable Rural Development. The Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) established the standards of the *Alianza* program based on Rural Development Districts (DDR) and Centres for Rural Development Support (CADER).

⁵⁴ Rural Investment Projects (PAPIR) and the Capacity Building Program in Rural Areas (PRODESCA); the first encourages investment in capital goods production projects with the application of technologies and productive restructuring; the second focuses on technical assistance.

2003 was about to close and JLB’s firm started with the process of completing the file for eight SPRs (figure 3.1) involved in the management.

Figure 3.1 The eight SPRs involved in the negotiations with *Alianza*

SPR	Representative/Community
Purépechas	Abelardo - Copándaro
Deyna	Chema - Zacapu
Maldonado	Jesús - Zacapu
Movimiento Ciudadano de Mujeres	Margarita - Zacapu
Cortijo Nuevo	Trujillo - Zacapu
Laredo	Fidencio - Laredo
Piedad Chiquita	Irma & Armando - Zacapu

The amount requested from PAPIR was USD 40,000 for the building of the greenhouse, which met the regulations: not to exceed the 60% of the cost of the greenhouse. For the implementation of the project through PRODESCA, the amount of USD 2,500 for each SPR was requested; this would cover the process of resource management, supplier election, and the tracking of the investment process prior to the operation. The previous would be supervised by the Quality Centre for Rural Development (*Centro de Calidad para el Desarrollo Rural* or CECADER), a branch organization of PRODESCA in charge of supporting, supervising and evaluating the professional services granted, which implied giving the rights to JLB’s firm for greenhouse production and training. A collaborator of the firm surnamed Lira would bring the registry as a PSP and would endorse the project with USD 2,500 per SPR.

JLB’s firm was financed in this way, since only data from his collaborator Lira was entered as a PSP in the field of training. This amount of USD 2,500 per greenhouse would emerge on behalf of the PSP, but it required the signature of the representative of the SPR to ensure that he or she was authorized to provide the service. The training proposal specified that the members would form groups for training and advice and would be linked to JLB’s firm as advisors.

SEPLADE’s delegate in Zacapu then proposed me as a liaison – something JLB’s firm did not like. Lira tried to prevent me from being involved in the project and therefore preferred not to contact me for meetings. I felt that they did not want me inside the project since JLB’s firm wanted to remain in full control of activities, and SEPLADE’s manoeuvre to place me as a liaison could obstruct it. Clearly, SEPLADE’s recommendation was not based on my training as an agronomist, as there were other members with such a profile.

Alianza management required that the production project should be linked to an agricultural activity, and that it had not received support from *Alianza* for the same purpose in the past two years. The SPR which requested the support had to follow the track of a joint

participation scheme, using the legal concept of SPR formation.⁵⁵ An SPR being a legal figure and representing an organized group, the authorized amounts were increased. In addition, if the majority of the SPR members were female (like in the case of SPR Piedad Chiquita) *Alianza* allocated more resources. Because the opportunity to submit the applications to CADER would close in five days, the submission of the applications of the eight SPR with *Alianza* was urgent. Therefore, the legal representatives of the SPR had to complete a huge expedient for each SPR member. Although the requirements seemed insurmountable in so little time, Lira offered to fulfil the process. The application had a cost of USD 300 and another USD 150 for each SPR for *Alianza* negotiations. Moreover, a compensation of USD 300 was agreed for Cristi (SPR Biotecnológicos) as assistant, who would help by filling out the eight files. Heredia, the president of the *Asociación*, endorsed the process by writing a letter requesting the payment for the eight SPRs involved in the process.

For the building of the greenhouse, it was required to certify the legal ownership or possession of the land considered in the project: an area of 5,100 m², a valid permit issued by the National Water Commission (CONAGUA) which stated the amount of cubic meters of water (preferably from a deep well due to sanitary reasons) expected to be used by the project. The project documents presented by JLB's firm to the *Asociación*, which now included the 20 SPRs, would serve as a basis for the eight SPRs managed by *Alianza*. The documents included a common format for technical specifications of social and environmental impact, but with different locational and personal details of the beneficiaries. For the most part, the project was cloned - meaning that only the name of the SPR that appeared in the digital application was replaced. Also, the list of SPR members, the FODA analysis of its Strengths, Weaknesses, Opportunities, Threats, and the location shown in a sketch manually prepared by the representative of the SPR were changed. The rest of the applications remained equal. Finally, a copy of the map showing the land where the greenhouse would be installed was attached as well as a copy of the permit issued by the CONAGUA. Here, a difficulty was faced because some concessions were collective *ejido*'s or small properties, and a commitment of the management responsible for the mobile resources should be annexed that ensured the availability of water during the productive stage of the greenhouse.

On the 27th of September, 2003, Lira called me to show the project documents with the cover page of the SPR Laredo that I represented. It was a folder of 100 sheets, some of them printed in colour, with diagrams, charts, and tables; they had changed some specific data for the SPR, though the outline format and information of the INEGI municipal environment were the same. Unfortunately, Lira insisted in charging the negotiation fees even before JLB's firm had completed the job, showing the letter signed by the *Asociación*'s president and addressed to each representative of the eight SPR. Once the USD 150 were paid, Lira issued a receipt. The receipt was quite informal since it was handwritten and Lira signed it on behalf of JLB's firm. The date (August 15, 2003) that was printed on the format was

⁵⁵ The legal figure brings elements of greater identification with the State, unlike established groups.

scratched and “October 27” was crudely written on top of it. From my perspective, this receipt had no legal or accounting validity.

Before handing over the document, still holding it in his hand, Lira said he needed the payment for the writing of the document, because the second stage (the processing of the credit) had already started and thus the provision of USD 300 was also due. Although his attitude was challenging, I decided to ignore it and asked him to hand me a valid legal receipt, since I would not accept an informal handwritten paper. The SPR had a legal personality and the fiscal authorities required invoices that fulfilled their requirements. Lira reacted abruptly:

Lira: "I cannot give to you the document you request because the money from the credit application will be returned once the application is processed."

Fidencio: "What if the credit for the SPR does not apply for some reason?"

Lira: "In that case, the investment that has been made will be lost. Some risk is taken in these projects, don't you think?" (SEPLADE office, 27/10/2003)

The USD 300 for the international credit management was backed by a document indicating: “Proof of payment for photocopying, stationery, and editing and assembling the projects”. To probe what knowledge Lira had of the credit management, I invited him to expand on the information of the scheme to be used. Lira said:

...The loan will be managed by the ULMA Company in Spain through the European Union, and *Alianza* will only serve as guarantor for the loan, and will be dealt by a direct transfer between the European Union and *Alianza*. You would not understand how a loan of this nature is managed. (SEPLADE office, 27/10/2003)

Lira assured me that the money destined to manage the loan (USD 84,000 for the *Asociación* as a whole) would be returned after obtaining the credit, and that support by SUPLADER would be given to JLB's firm as collateral; otherwise, any further doubts should be consulted with Gonzalo. Lira thus implied that Gonzalo, as a representative of SEPLADE, supported JLB's firm's negotiations. It aimed to involve the resources of *Alianza* as a guarantee to solve an international loan with a decontextualized figure (the EU). According to the regulations, *Alianza* managed its own objectives and targets, set out in a particular project, with resources concentrated in a trust fund that would be released to the greenhouse supplier.

The tone of Lira's voice attracted the attention of the members present in the corridors of the SEPLADE office, and they came to see what was happening. Lira's strategy was clear: overcome any objection I or the governmental authorities had regarding the participation of JLB's firm in the project, and spreading the image Gonzalo and some members had disseminated about me. Rafa Lp (technician of SEPLADE) tried to mediate, but his intervention was not very successful. After a while, we agreed with Lira that the SPR Laredo would pay the cost of the project and that he would provide a legal receipt for the payment we made at JLB's office. The circumvention of tax payments by JLB's firm was linked to strategies to avoid any type of legal responsibility. To deflect attention, Lira said that it was not the right time to

consider these issues since the negotiations were already at an advanced stage and time was pressing; Gonzalo approved of this assessment.

The next day, another objection was made. Cristi urgently came looking for me to inform me that, apparently, my property did not meet the required dimensions of 20 meters wide and that I should check that with Lira. A few days before, I had confirmed this field measurements as 20 meters wide (although my property measured 19.89 meters, only 11 cm less than was required). Therefore, it would be necessary to draw another sketch, obtain another property title, anew permission by CONAGUA and a new endorsement of the collective authority to use that land. The SPR Laredo thus selected another field and, once the new documents were handed over to Lira, he looked at them and paid more attention to the sketch of the plot of land. This sketch was hand-drawn and gave a macro level picture, specifying the location of the greenhouse within the community. Lira asked me if it was more than half a hectare; I said that it was 5,600 m². He saw the elongated shape of the land and told me that the greenhouse would have to be a little elongated, but that there was no problem: he even suggested putting other measurements in order to meet the requirements of *Alianza*, and then I could use another field.

The FODA analysis presented consisted of two pages and, when I asked Lira about the meaning of the letter "A" (which stands for *amenazas* or threats) he consulted with Zepeda (SPR Agro-industriales), who was in another room. He was not happy because it meant going the extra mile for an activity, which would serve very little because the bureaucrats refused to read these lengthy comments when reviewing the files.

While the project file was processed at SEPLADE's office in Zacapu, Zepeda complained about the number of documents that he had to fill out for the project, since the members that he represented amounted to 200. Zepeda explained to Lira that he had previously consulted with the authorities of the CADER on the file of his SPR, and the officials insisted on a file of 200 members with the requested documentation. It was necessary that Zepeda settled the issue with the head of CADER so that he could sign as a representative of a group of 12 people participating in the project, therefore being able to complete that information. Zepeda stated that the greenhouse project was just one of many projects that the SPR Agro-industriales⁵⁶ participated in. Lira said that it was indistinct which partners of Zepeda's SPR were considered for the project. He expressed: "For me, this is business," implying that he was in it mainly for the money.

Alianza requirements were expressed in a table contained in the project documents made by JLB's firm for each SPR. The SPR representative would collect the documentation requested, and it was common that the all members of the SPR would attend the process to complete it to ensure that they would not have to travel back to the communities for missing data. However, Cristi requested the members' documents that had been previously taken

⁵⁶ This SPR had experience in project management related to the production and marketing of duckweed in the swamp. In addition, it had links with institutions such as the CADER, SEPLADE and some municipalities.

away, and emphasized the urgent need to deliver them, which resulted into a chaos with many members having to consult with Cristi on particular cases.

Jesús, the representative of the SPR Maldonado, was in the same situation. In an effort to cover his bonds as a senior officer in Zacapu, he was nominated to act as a legal representative of the SPR and get resources from *Alianza*. He now demanded a fee for signing the application. In these cases, Cristi was supported by Pancho⁵⁷ (SPR Comanja) and by Zepeda, who were both agricultural engineers with experience in SPR management. Both suggested reaching an agreement with the current representative. Once the funds had been obtained, it would be necessary to make an adjustment in the SPR management committee through an Assembly Act notarized and registered in the commercial registry. Chema (SPR Deyna) and Trujillo (SPR Cortijo), who appeared as legal representatives in their respective SPRs, had not had that problem as civil servants of the municipality of Zacapu since they were responsible for Sports, and the Cleaning department, respectively, and it seems they did not care about the conflict of interest with being members of the SPR.

Cristi often made recommendations to the SPRs without consulting the CADER. Consequently, the CADER rejected various documents in the file. This happened with Irma, who represented, along with her husband Armando, the SPR La Piedad Chiquita. Irma arrived from CADER and went to look up information about the water concession she shared with her neighbour, Espinoza (SPR Marijo). Irma and Armando had decided to sell a fraction of the farm they owned on the outskirts of Zacapu, and with it, a part of the water rights granted by CONAGUA; now the documents did not reflect these new conditions. Cristi claimed that Irma's SPR should present the authorization referring to the size that the SPR currently had - the latter being a requirement by *Alianza*.

Cristi and Lira also helped in shaping the file of the SPR La Jabonera of the municipality of Tlazazalca. Roberto⁵⁸, who represented the SPR, was accompanied by two members, and they were all dressed in the typical way of their region: hat, blue jeans, boots, and plaid shirts, just like the group members of Copándaro (SPR Purépechas) represented by Abelardo. Despite the one hour distance between Zacapu, Tlazazalca, and Copándaro members were eager to apply and quickly provided the documents and data for their file. Abelardo supported his son, an agronomist graduate based in Morelia; the SPR La Jabonera also had a similar support. As Roberto said:

For these procedures, an agricultural engineer from the community [Tlazazalca] used to help us [SPR La Jabonera]⁵⁹ but, due to the lack of opportunities, he eventually left to

⁵⁷ Pancho had been municipal president in Coeneo and, representing a SPR, he had participated in BANRURAL and sand mining projects in the Comanja community, municipality of Coeneo.

⁵⁸ He was also president of the Tlazazalca livestock association.

⁵⁹ The partners are identified with the term "community" instead of *ejido*. The latter was a construction of the Mexican State, and was associated with existing references. In this way, the community included features broader than the *ejido*, which is associated with the rights to the resources allocated by the State to the *ejidatarios*.

the United States. We've talked with him and he is waiting for a favourable response to manage the greenhouses so that he can come back (Roberto, *SPR La Jabonera*, Tlazazalca, 27/10/2003).

Tlazazalca is a municipality with high rates of emigration, including professionals. Tlazazalca belonged to another demarcation of CADER; the file of La Jabonera would have to be submitted to the CADER of Tangancícuaro. However, the operating rules of *Alianza* did not specify that municipalities should support an application. The CADER of Tangancícuaro insisted that the initiative should first be approved by the Municipal Council for Sustainable Rural Development (CMDRS) and incorporated into municipal planning, although the municipality did not provide resources for the project. Similar cases – like that of SPR Laredo - happened during the negotiations of *Alianza*.

The municipalities of Zacapu, Tlazazalca and Jiménez did not have any objection giving their permission to the respective SPRs, while the municipality of Coeneo, due to the political differences with some members of the SPR Laredo, did not agree to support the request of that SPR. The members thought that the current municipality of Coeneo denied the support to the communities that did not vote for PRI in the municipal election. This conjecture derived from the declaration of the then municipal union leader in the community of *Ojo de Agüita*. Before, Rafa (SPR Laredo) had submitted a request to *Alianza* to acquire a milking machine and was not notified by the municipality of the satisfactory process of the negotiations, so CADER had only notified the beneficiaries through municipality. CMDRS revised Rafa's request and determined that it could not be granted because the request did not need the support, although the beneficiary was committed to contribute with the specified amount - thus following *Alianza's* guidelines. This caused arguments between Rafa and the municipal president of Coeneo.

When I interviewed, together with some members of SPR Laredo, the municipal president of Coeneo (Raúl) and explained the benefits that the greenhouse would have for the municipality, he expressed his perception of municipal development, giving us as a reference a roof tile producer of the community of Matugeo, who was well accepted at the regional and state markets. Raúl explained:

A priest in the Comanja community produced honey and he did very well. However, other individuals, upon noticing the profitable activity of the priest, invested in the same, bringing in bees that competed and damaged the ones of the priest. This activity then stopped being profitable for him. Another case, the Agua Caliente [mushrooms] greenhouse supported by the same municipality: once it was working and producing, several people interested in producing mushrooms emerged, which, without a doubt, will flood the local market. The same happened with the fattening of calves for meat in several communities of the municipality, and now it stopped being a good business due to the saturation of the regional market. It is better that the tile producer does not disclose his activity because there are interested people who haunt opportunities of where to invest (Raúl, municipality of Coeneo, 3/10/2003).

The perception of the municipal president of Coeneo was related to the preservation of market niches without showing the strategies to consolidate a project. For the office on duty, the greenhouses should be introduced in Coeneo in a restrictive way, giving privilege to the SPR Coenenses that was already involved. With the intention of bringing the matter of the project in front of the other members of the municipality, the municipal president invited us to the next town hall meeting. That day, and after listening to that request, the council manifested that they knew nothing of the issue and that the settled commitments with *Alianza* from the municipality should only come from the CMDRS. The “endorsement” of the Municipal Council increased the autocratic levels, thus all projects in the suburbs that would involve a state and federal management should be registered and endorsed by the Municipal Council and the approval would proceed when the project was seen to be in accord with the Municipal Development Plan. In the process, the municipality reviewed the beneficiary’s records and then consulted with the *ejido* authority. After this, feasibility of the project was reasserted and resources were granted. When/if the *ejido* was involved in using collective resources, the *ejido* commissioners, the vigilance councils or municipal authorities would intervene as the trustees.

Meanwhile, trustee Elsa (from Coeneo) did not recognize *El Campeón* of SPR Laredo as an agricultural producer, and denied her signature on the requested document.⁶⁰ It was necessary for Rafa to go and see her so she could sign and seal the documents of *El Campeón*, arguing that the request was specified to belong to an “organization, group or be a producer”; in this case *El Campeón* belonged to a group (an SPR). In the document, it was stated that the person interested had worked in peace and in harmony with the community. Finally, the trustee acknowledged the inclusion of *El Campeón* thanks to the intervention of Rafa, who was a recognized trader in Coeneo, as well as the Ruíz and Lagunas families (the trustee's families) who were friends with each other. Obtaining the guarantees involved political action e.g. facing the municipal authorities. Some SPRs in the municipalities would manage their project outside the CMDRS. *El Campeón*, who was part of SPR *Laredo*, knew the requirements of *Alianza* and was committed to talk to the functionaries of CADER to look for a solution.

After delivering the documentation to Cristi, she insisted that there was information missing from SPR Laredo, so I proposed that together we would set up a file for *Alianza*. In a few minutes, we filled in forms and completed the application. After this, Cristi distributed this file so it could serve as a guide to the other SPR representatives. Gonzalo, who was aware of the advance payments and having noticed the deficiencies in the filling out of the files, now doubted of the efficiency of Cristi for this purpose. In Gonzalo's opinion, the actions of the managers delayed the process and generated confusion amongst the members. Lira, in a rush to complete the paperwork and be paid for his services, did not pay attention to details in the requirements requested in SAGARPA offices. After gathering the necessary documents, six SPR files were finished and ready for *Alianza*: Deyna, Maldonado, Laredo, Cortijo, Piedad Chiquita,

⁶⁰ *El Campeón* was not an *ejidatario*; he occasionally helped a farm owned by the Ruiz family.

and Purépechas.⁶¹ Lira added the number onto the applications; this number was held as a Professional Service Provider (PSP), recalling that with this, the SPRs' commitment would validate the USD 12,500 authorized funds, which would be contributed by *Alianza* in relation to the payment of the six projects. The next day, the representative of each of the SPRs would deliver the file to CADER.

The strategies used by JLB's office in the making and caring of the copyrights of the project's document would leave the SPR dependent on JLB's firm in front of *Alianza* and other associated agencies. The absence of the legal personality of JLB's firm contrasted with the constitutional requirements requested for the SPR by the involved instances, as JLB's firm did not exist legally. The State facilitated these mechanisms and even promoted them, establishing ambiguous regulations that, in practice, were salvable to private advisers who knew the *Alianza* programs in detail, adjusting the regulations and covering the necessary requirements through a payment at the expense of the beneficiaries. In the amount requested from government programs, the payment made in advance was not done to the advisers, nor was any authorization of resources ensured. Although the described negotiations appeared as linear and consecutive, they were not; instead, they were a series of coordinated processes that relied on links to networks involved as a firm or as PSP that were needed to validate the application.

Negotiations with *Alianza*

When it was agreed to process the *Alianza* request at the desk of CADER, Lira assisted as PSP associated with the project. It was foreseen that JLB's firm would support the representatives of the six SPRs in the presentation of the documents; the regulations stated that there would be a personalized negotiation. Donaciano was in charge of the desk of *Alianza* and a secretary helped him to capture the data from the applications in a computer system designed for this purpose. The officials would check the information of the manually completed forms, as print-outs, and would thereupon put them into a digital format. This task not only duplicated the work done previously by Cristi, it also made the processing task more time consuming, sloppy and tedious, given the little legible handwriting, and sometimes incomplete information. Entering the information into the computer system, however, enabled to compare the information with large databases from other government instances such as PROCAMPO, *Alianza*, CONAGUA, *Hacienda* (RFC) and Renapo⁶² (CURP), and look for compatibility and/or overlaps.

While this was happening, some SPR representatives conversed with CADER officials. Irma, who was a long-time friend of Donaciano, explained the situation related to the water issue to him. Donaciano checked Irma's CONAGUA concession and, after he consulted with CONAGUA's secretary, he finished and filed the water request of Irma's SPR. While awaiting

⁶¹ Movimiento Ciudadano de Mujeres was not filed and La Jabonera was not accepted.

⁶² National Population Registry.

their turn at the desk, Chema (Deyna) and Jesús (Maldonado) conversed cordially with Rojas, the person responsible for CADER. Chema knew him from a long time ago and he introduced Jesús to him. Rojas listened attentively to the story of the SPR - among others its wish to change the representative in favour of Jesús. Rojas suggested proceeding with the application as the nominee had signed it, and implement the change once the money was authorized. Rojas explained that money (for buying materials) would be allocated to the SPR and that, although the authorization letter would be issued with the name of the previous legal representative of the SPR, this could later be changed by means of ratification, which would be an internal procedure and would not alter the authorization.

Outside CADER's office, *El Campeón* (SPR Laredo) waited his turn to talk to Rojas. When he met him, he identified himself with his state government official's credential⁶³ and explained what had happened in Coeneo related to the endorsement of the Laredo project. *El Campeón* expressed that some networks supported him, including his relationship with Leonel Godoy (former secretary of the government of Michoacán and national president of the PRD), and governor Cardenas Batel's family - relationships that were established back in the 1970s. Once Rojas had superficially reviewed the file properly ordered and presented by *El Campeón*, he said he had no objection accepting *Alianza's* request. He explained that although it was intended to keep municipality coordination at the CMDRS, the negotiations with *Alianza* were independent. Rojas then interrupted Donaciano for a moment and asked him to properly attend *El Campeón*. By that moment, Abelardo (SPR Purépechas) was approached by Lira, who had noticed the attention given to *El Campeón* and expressing his dissatisfaction with the apparent attention he received. Rojas emphasized *El Campeón* was an agent of the government⁶⁴ and advised Lira "not to behave with arrogance". Once calmed down, Lira checked on *El Campeón's* relationship with me and the government, asking *El Campeón* about me. Skilfully *El Campeón* replied: "At this moment *Inge* Fidencio is having interviews with some people of the Morelia City Government". *El Campeón* said this in a loud voice so the people present could hear him. This made Lira even more nervous. It was a clever strategy of *El Campeón* to endorse me with the present SPRs and JLB's firm, seeking to facilitate efforts with CADER. Meanwhile, as we were at CADER's office, Lira did not stop telling *El Campeón* to be

⁶³ It was common for *El Campeón* to be present at CADER to manage or follow up third parties' requests.

⁶⁴ *El Campeón* worked at a gas station in Lázaro Cardenas city; there he met Cuauhtemoc Cárdenas' nephew, Cárdenas Solorzano. *El Campeón* then became a gardener at Cuauhtemoc Cardenas' house, where he related to Leonel Godoy. When Godoy was secretary of the Government (Lázaro Cardenas Batel's Administration), conflicts arose in the colony where *El Campeón* lived. People had bought plots and began to build their houses. After a few years, the owner who had sold the land died without issuing the corresponding deeds. Then the son of a local cacique tried to seize the land and evict the settlers. The struggle for the defence of the colony began. As the conflict grew, *El Campeón* was identified as leader of the movement, receiving threats and pressures. *El Campeón* relates: "I was arrested because of being identified as a leader [I do not consider myself a leader]. Since I was tortured and threatened of death, I didn't complain, I remained silent. Then, I forgot about the beatings and I got Goosebumps seeing 800 people cooperating to pay the bail outside the delegation. To cheer me up, people said I was being considered as a champion - "*El Campeón*". At this point, Godoy intervened and appointed *El Campeón* as government assistant.

quiet. After the application was admitted, a control sheet representing an initiated procedure to *Alianza* was obtained through CADER's office. This occurred to the six SPRs of the *Asociación* which attended the CADER located in Zacapu. The SPR Movimiento Ciudadano de Mujeres represented by Margarita did not present any documents for the greenhouse project; they had more interest in the mushroom project.

In contrast to the help provided by Zacapu's CADER, in Tangancícuaro the SPR La Jabonera's file was not accepted. At that time, the members of the SPR had assured Cristi and Lira that the file would not be accepted in Tlazazalca, because they were members of the PRD and the people responsible of Tlazazalca's CADER were PRI supporters. JLB's firm had not paid attention to these details, ensuring that the application would be submitted to CADER's office without problems. However, the head of CADER refused to receive the application arguing that the water concession did not meet the requirements for the project. The stakeholders had included a permit to use water from a dam close to the terrain supposed to be used to build the greenhouses. The water use permit was not issued by CONAGUA, but by the municipal authority. In an attempt to get the SPR's documents admitted, the municipal president of Tlazazalca⁶⁵ went to the CADER in Tangancícuaro to testify he had granted permission, but CADER'S official declined the document arguing that *Alianza's* terms specified the water authorization should come from CONAGUA.

Although the operational rules in *Alianza* program were established, there was evidence that those responsible for implementing them at CADER had the opportunity to interpret them in such way that they could support or reject applications according their own criteria. Of course, this decision was based on the relationship that existed between the actors. The power associated with those responsible for processing the requests of *Alianza* in both CADERs (Zacapu and Tangancícuaro) was different. In Tangancícuaro, the actors of SPR La Jabonera were aware of the inherent historicity of who would not accept their file (CADER officer). The capabilities of the SPR La Jabonera were not enough – and neither were *Asociación's* or, for that matter, JLB's contacts. The official did not openly deny support to the SPR - he only made an interpretation of *Alianza* procedures and rules in such way that he made them coherent with his political inclination.

The Asociación and its project

The 20 SPRs of the *Asociación* had the resources committed by the Secretariat of Agricultural Development (SEDAGRO) and SUPLADER. In the Constitutive Act of the *Asociación*, equal rights and obligations were established for all partners. Yet, inside the newly formed *Asociación* there were different perceptions and purposes: for the SPRs it formed a mechanism for representation and management, for some implementers, a strategy of how to meet the targets set in the projects; on his part, for JLB the *Asociación* meant a way to benefit from the funds of the authorized project. For planners such as Gonzalo, the *Asociación* should promote

⁶⁵ The municipal president of Tlazazalca participated in SPR La Jabonera.

regional development, while other partners considered the SPR and *Asociación* a way to access the cash flows from the project. Development intermediaries – like JLB’s firm – were also after the project money and the services they provided should be paid immediately, while the beneficiaries would have to wait for the results of the project negotiations to access the cash. However, a successful outcome of the negotiations did not assure obtaining project funding. There were no linear processes specified in the regulations which gave room for shortcuts to be used by actors and networks to reach their goal.

Due to comments made by officials such as the president of Tanhuato, it was suspected that Silvano (from SEDAGRO) was hesitant about JLB firm's intentions and would thus intend to keep track of what JLB was doing in the region. Apparently, JLB had a history of borrowing money from groups by using a standard project document, and make between USD 200 and 400 from each organized SPR with it (arguing that he could obtain resources from the government in order to build the greenhouses). However, once his strategy had shown not to be effective in one State, he had moved to other States and again worked together with the officials in charge. Despite these facts the *Asociación* recognized JLB’s ability to dazzle resources as Lino (*Asociación*’s secretary) said:

Let JLB work in order to obtain the project’s resources. He "weighs heavily" [he is important] there, and he is doing his job. Once he helps us obtaining federal and state resources, and based on proposals, we decide if we work with him or not (Lino, Road Zamora-Zacapu, 09/12/2003).

JLB’s firm was consistent with the required conditions of the project before they predicted that government funds would serve to endorse a loan from the European Union and the greenhouses provider. Now they stated the marketeer would follow that financing route; while for the project, it was proposed to open a trust fund to deposit the money authorized by FIRCO, FIRA, SEDAGRO, SUPLADER, *Alianza*, the Joint Fund for Industrial Development of Michoacán (FOMICH), as well as the partners’ contributions. The amount handled would be part of the Shared Risk Trust (FINCA). In talks held in August 2003 with JLB, he said:

Liquid guarantees with the *Fideicomiso de Riesgo Compartido* (FIRCO) will be achieved through the support of Mendoza Zazueta as CEO. By having these liquid guarantees we will head to FIRA to manage FINCA - they have already successfully evaluated the project (JLB, SEPLADE office, 22/08/2003).

This was reiterated by showing a letter signed by a FIRA officer residing in Morelia. To open the trust fund a minimum deposit of USD 800 was required by the *Asociación*, plus a monthly payment of USD 150. For this purpose, a form used by the trust obtained from the BBVA-Bancomer bank adapted to the *Asociación* and the resources SEDAGRO promised were presented. There were doubts about the trust JLB proposed for the *Asociación*, involving governmental offices. On September 9, 2003 a representation of the *Asociación* went to the Bancomer branch in Zacapu where bank manager Toño met them in a hurry since he was

about to go out to eat. Toño was a member of SPR Puerta Chica.⁶⁶ He said he had reviewed the agreement and although he was not totally convinced, he considered that this should be reviewed by the Bank's lawyer to get a better opinion. Ampa (from SPR Los Pinos) who was present, was not satisfied with the response of the executive of the Bank and said:

It is strange that a bank executive [Toño] shows such little interest in signing a trust for almost USD two million, arguing that he has to have lunch. I have worked at banks, and I do not understand how little importance is given to the *Asociación's* trust (Ampa, Bancomer-Zacapu, 09/12/2003).

The *Asociación* had agreed to request USD 100 per SPR to start a trust fund. The last week of 2003 USD 2,000 were collected and the *Asociación* opened an account at the BBVA Bancomer branch in Morelia. JLB helped to speed up the process of opening the account, which normally takes a month, achieving it in less than a week. With this step, members who had not yet contributed were put under pressure by making them understand that, within a few days, SEDAGRO and other departments would transfer the money to the Trust Fund; if they had not yet paid their contribution by then they would be excluded from the SPR project.

JLB sought to obtain an account for the *Asociación*. the financial resources would be deposited there, arguing that the price for steel (an essential element in greenhouse construction) would possibly increase by the end of the year, and that he wished to respect the price agreed with ULMA in Spain. Hence the haste for the opening of the trust fund, while in the meantime he requested a monetary advance from the treasurer of the *Asociación*.

The *Asociación* consulted about the trust fund with René from FOMICH. The official offered to review the trust documents and deliver his observations as soon as possible. Lino (Secretary of the *Asociación*) considered that JLB knew the document more precisely than René, who would not contribute much. Lino said:

At an earlier meeting, René [from FOMICH] and JLB have discussed the trust. JLB silenced René with his arguments in the presence of FIRA and FIRCO. After that, they went to eat all together (Lino, FOMICH office, 9/12/2003).

This hinted that JLB could better handle the situation because he knew how to persuade officials, and project negotiations would be carried out in a more informal way. As stated later, some officials felt comfortable establishing negotiations while enjoying a meal at restaurants in Morelia.

However, not all the institutions enrolled in the project considered JLB's leadership appropriate. Rogelio (from FIRCO), after a meeting in Zacapu, would later say that there was little participation from producers, and that they (FIRCO) would see from afar how this initiative (the greenhouse project) would develop. Gonzalo considered that Heredia, being the

⁶⁶ The group was named after the small town closest to Zacapu city.

Asociación's president, should participate in the *Asociación's* efforts to change the perception on institutions like FIRCO. Gonzalo explained:

Heredia after being municipal president [of Churintzio] adopted the habit of using others for his own affairs. If Heredia seeks to work with the *Asociación* he must do it like in any committee, and accompany JLB in the negotiations in front of the institutions like FIRCO, SEDAGRO, FIRA, and FOMICH (Gonzalo, SEPLADE office, 26/01/2004).

Gonzalo also felt that by allowing JLB to interact with the SPRs he was undermining their presence in the *Asociación* - which could cause the slow-down of negotiations due to lack of participation. JLB's stakeholders pledged to release the Letter of Intent about the USD 200,000 for the 20 greenhouses supported by SEDAGRO and to deposit them at the *Asociación's* trust. In this Letter, the names of the SPRs that would benefit were not mentioned, except Ruta de la Libertad USPR. At SEPLADE's level, the 20 SEDAGRO SPRs were already being considered, in contrast to the eight which followed *Alianza's* management.

Although FOMICH would give its reply regarding the Trust within three days (on December 23, 2003), JLB called for an urgent meeting in Morelia. The subject of the meeting was the signing of the Letter of Intent by SEDAGRO's secretary (Silvano). The form used for the document had been designed by JLB's firm, requesting that the treasury of Michoacán manage the payment of the financial resources committed to the *Asociación*. The document was signed by the *Asociación's* representatives and it was intended that SEDAGRO would sign it too. Gonzalo considered appropriate that I were present at the meeting were JLB, Lira and another engineer from the firm would be present. Foreseeing that my presence would have an adverse effect, I remembered Gonzalo about the incident with Lira several days earlier, motivated by the management in front of *Alianza*. Gonzalo was calm, and said:

Indeed, they told me you and Lira had an argument. I think you were right to know more of the project management. For this reason, some members of the *Asociación* agree that you should be present at this meeting in Morelia. First, you must listen carefully to the speakers and then raise a concern from your side. It is important that you are present on topics we don't know anything about (Gonzalo, SEPLADE office, 4/11/2003).

The enrolment process of SPRs in the *Asociación* was actively supported by the SPR representatives. However, the chain of intermediaries was reduced to a few spokesmen, in this case JLB's firm and the *Asociación's* managing committee. They would be responsible of negotiating resources for the *Asociación* with SEDAGRO. However, Gonzalo did not agree to this situation, so he recommended that I should travel with Ampa, treasurer of the *Asociación*, to the scheduled meeting.⁶⁷ We drove from Zacapu to Morelia, and during the trip Ampa agreed that the information about JLB's office was ambiguous. If the project did not prosper,

⁶⁷ At that moment, I better understood the strategy of the Ministry of Planning and State Development (SEPLADE) to enrol me in the project: namely as a means to counter the influence of JLB's firm.

Ampa planned to return to Querétaro. At the time, she sought to help manage the SPR, she presented herself without being a member of the Los Pinos SPR. This caused conflicts in Ampa's mind, because from the *Asociación's* perspective she had been foolish when she was appointed as the *Asociación's* treasurer without being a member of an SPR. Outside the *Asociación's* assembly, with the consent of Ampa and the managing committee, a solution was found by registering Gracian (SPR Puerta Chica) as title holder and a substitute for Ampa. Although the *Asociación's* internal regulations regarding the membership considered these changes (letting Ampa formally be the substitute treasurer), in practice she was the acting treasurer. This situation should have been referred to by the assembly of the *Asociación*; this, however, was not done because of Ampa's uncertainty as to be willing to appear even as a substitute.⁶⁸

Gonzalo and Heredia also travelled together to Morelia; Gonzalo had made Heredia aware about the events including the mistrust around JLB's firm. Gonzalo intended to inform the *Asociación's* partners before JLB's firm would urge them to sign a document. However, like Lino (the secretary), Heredia insisted that we would let JLB's firm receive the project resources because he trusted JLB's firm's contacts. When JLB arrived at the SEDAGRO offices, he was harsh to some members of the *Asociación* who had not been invited to the meeting, as he seemed aware of the mistrust aroused against him. While we were waiting for Gonzalo and Heredia, Ampa and I took the opportunity to eat at a restaurant across SEDAGRO. Lira was having breakfast there, and when he noticed our presence he asked: "And you, what did you come for? The meeting does not involve all members of the *Asociación*". We argued that we had been notified about it; Ampa said that we should be present in our role as deputies (i.e. as president and treasurer of the *Asociación*).

Gracian, who had just come to the meeting, signed the document form used by the Trust as treasurer of the *Asociación*. This document was given to SEDAGRO's lawyer, but the signatures of the three SEDAGRO officials appeared to be missing. It was signed by the managing committee only, while the missing officials never came to the meeting. So, the commission moved to the office of SEDAGRO's secretary, looking for Silvano (Secretary) or his assistant, Wilfrido, but neither of them were available at that time. After waiting for hours at the reception, Silvano's secretary appeared and told us that the meeting was postponed to the next Wednesday. This situation was expected, since there was no appointment confirmed by the officials, and it was difficult for them to attend and sign a document that had not yet been reviewed by SEDAGRO's legal department. JLB supposed that the document's management (after being signed) could easily be paid by the state treasury by moving the resources committed to the *Asociación* by SEDAGRO to the Trust. Apparently JLB's firm were managing resources that way, regardless of the regulations. In any event: the procedure appeared to be that the firms should get related to, and reach verbal agreements with, high level officials and then force the low-level ones to perform the operational actions – while also

⁶⁸ I found it after Ampa showed up on Credit Bureau, and I did not wish to damage the *Asociación* dossier by requiring where the information could be verified.

trying to formalise agreements in the Trust's template, thus imposing the production of an ambiguous document from SEDAGRO's Secretary.

Conclusion

The registration process described for *Alianza* corresponds with federal policies. State planning seem linear, developing in stages and with a scope aimed to keep continuity. Despite the regulations, however, the officers in charge (for example at CADER) are shown to apply personal and ambiguous criteria for the admission of SPRs. Informal relations with departmental officials appear more relevant, often bypassing bureaucratic hierarchies. An example of this was *El Campeón*, who was associated with both government and non-governmental networks.

Managing project resources involved negotiation in different arenas and institutions that were not considered from the outset, such as for example the municipalities and CMDRS. However, in practice the links between SUPLADER, the project and the municipalities were indivisible. The historicity of the actors and their political and ideological networks defined the support to certain SPRs in the project. The twenty SPRs recommended were favoured with the resources of their municipalities, SUPLADER and SEDAGRO, while the eight remaining SPRs had to find alternative paths to obtain sufficient resources. In the absence of a clear path, the eight SPRs depended on the services offered by JLB's firm.

In the case of the *Asociación*, JLB's firm and SEPLADE tried to organize the project. JLB's firm, especially, was relevant for the development of the project because of the firm's acquaintance with networks that facilitated the processing of the applications and the adequate structuring of the project; this, in turn, would guarantee funding from several government programs. Some *Asociación's* members hoped that the skills, knowledge, and links of JLB's firm with officials and program orchestrators would be beneficial to get the project money for the *Asociación*; others doubted the firm's strategy.

As the project progressed, the strategies used by JLB's firm became visible, especially their interest in project money. *Asociación* members were ambiguous: the management committee proposed that JLB's firm continue with the management on behalf of the *Asociación*, while other partners began to doubt the effectiveness of JLB's services. At the same time, actions of the eight SPRs that were not united in the *Asociación* appeared to require a lot of re-interpretation of their objectives, and needed to resolve unexpected obstacles.

CHAPTER 4 IDENTIFYING WITH THE GREENHOUSE

Introduction

Chapter 4 looks at the movements, feelings, and actions of the 28 SPRs of the *Asociación* and *Alianza* regarding the growing unease with the interventions by JLB's firm, and the need to search for alternative service providers. Identifying with their own greenhouse project includes understanding about what a greenhouse or hydroponic vegetable production is supposed to be and do. Since most members of the 28 SPRs of the *Asociación* and *Alianza* have no clue about this, visiting other greenhouses enables them to compare features, such as automation, food safety conditions, and the aesthetic quality of the buildings. However, when different groups meet and networks are extended, for example between Zacapu and Coeneo, it may also lead to friction – often because of individual behaviour. The visits however do have the important function of showing the gap between the reality of plant production conditions and human actions and the ideal greenhouse model proposed by an experienced firm like JLB's. Members of the *Asociación* started inviting other technical partners, which ended up in dividing the *Asociación* between SPRs that went along with ACEA which providing a “real” type greenhouse, and those who continued with JLB's firm and preferred to build on an “ideal” type greenhouse.

Exchange of experiences: Interaction between networks

In late 2003, the *Asociación's* members held a meeting at the SEPLADE offices; some of them expressed their feelings of distrust towards JLB. Gonzalo explained that in the Tanhuato and Ecuandureo municipalities, located in the SEPLADE region of Zamora, a collective greenhouse project had been implemented, which JLB had advised on. After a while, those involved had moved away from JLB and, in coordination with the municipalities, had taken control of the resources for the greenhouses. To find out more details about what had happened, the *Asociación* agreed to arrange a meeting with the municipal president of Tanhuato (Ramón) and the SEPLADE delegate in Zamora (Muñiz).

The president of the *Asociación* (Heredia) was visibly upset by the change of direction the assembly had taken by starting an investigation into the background of JLB's firm in another region, and argued he would be unable to attend the meeting on the day they arranged for him to talk to Ramón and Muñiz, due to prior commitments. Therefore, I was appointed to take up that task as acting president of the *Asociación*, and the secretary (Lino) offered to accompany me.

Tanhuato is located on the border with Jalisco. Upon arrival, we introduced ourselves at the local council and, as Gonzalo had suggested, we referred to SEPLADE of Zacapu. Ramón appeared to be a calm and receptive man and seemed to speak with sincerity. He explained that during a greenhouse exhibition he had attended, he had learned about other options for building greenhouses - different to those offered by JLB. In a similar way to Zacapu, JLB's firm

had approached the Tanhuato groups to manage the greenhouse project. The firm became involved using its network, which included officials from higher levels of government agencies. Ramón told us that JLB had also proposed in Tanhuato the 3.5% annual interest scheme to be managed by the European banks, with only a 30 percent liquid guarantee. This scheme was similar to the one proposed in Zacapu.

During the management period, Ramón had noticed a comment made by Silvano Aureoles⁶⁹ in relation to JLB saying that he had left discontented groups in Zacatecas. From that point onwards, Ramón together with the parties involved began to make inquiries about JLB; they asked at the Spanish Embassy and found no information that identified him as the ULMA agent or anything about a company called ULMA. Ramón recounted what had been said by Lupita Sánchez, private secretary of the governor (Cárdenas Batel) regarding JLB: Lira (JLB's partner) often showed off in front of Lupita Sánchez, who was his neighbour in La Piedad, Michoacán, bragging about the cars and the luxury homes he had as a result of working with greenhouses in Michoacán (Municipality of Tanhuato, 03/12/03).

Ramón said that the firm had also managed similar projects in states like Tabasco, Jalisco, and Aguascalientes, and he stated that they had pocketed money from producers (in his case it had been USD 250 per group). With the *Asociación*, the amount had even been USD 450 per group. The project document was the same, and several officials had already seen it; its review was mixed, ranging from good to a badly "cloned" project. The strategy of the Tanhuato groups had been to slowly move away from JLB and his firm, and not making a fuss about it. By doing this they had tried to remain on good terms with JLB.

Once the situation of the project funds in Tanhuato was analyzed, the partners decided to decrease the SEDAGRO resources by direct administration, and then allocate them directly to each group, without a bid or tender. Producers contributed 30 percent, which amounted to USD 80,000 for five greenhouses, by signing an agreement with SEDAGRO and then the FIRA-Banco del Bajío scheme was put forward. This strategy allowed them to directly reduce the money from the state treasury, avoiding to spend the USD 2,000 to form the Trust without JLB's interference. Now the partners sought the support of the Rural Government Bank (*Financiera Rural*), which did not ask for a liquid guarantee; in addition to this, they would participate in added value schemes such as canneries and a distribution company. At this stage, it was feasible to be supported by the Shared Risk Trust (FIRCO), leaving as collateral the invoice of a tractor or other personal property.

Lino listened attentively and, as usual, he wrote down every detail in his book. Ramón gave us reports on alternative suppliers of greenhouses like Inverca, ACEA, and MSC (Spain). Other companies, such as New Growing System (NGS) guaranteed the sale of the produce and stated that they could work with FIRA projects. In Ramón's opinion, ACEA (Agricultural Extension and Construction Consultants) offered the best price/quality balance. ACEA is a Mexican company located in Texcoco, with several years' experience in the greenhouse

⁶⁹ Ministry of Agricultural Development (SEDAGRO).

market. They offered half-hectare greenhouses for USD 118,000.⁷⁰ Ramón provided us with information about ACEA's representative, Vicente. He recommended discretion, as he did not want to have disagreements with JLB, who apparently had important links to the federal and state governments. Ramón had heard JLB mention his friendship with Mendoza Zazueta (SAGARPA), as well his links with the National Agricultural Confederation. After confirming to Ramón that the information would be used carefully in our project, we left for Zamora.

In Zamora, we had an interview with the SEPLADE delegate of that region, Muñiz. He was a man of about 45 years of age, who seemed good-natured and approachable, dressed in a suit and, although he had a political appointment, he kindly offered to take us to the Atacheo greenhouses. Muñiz put us in contact with Nacho, the project manager, whom we met a few minutes later. We introduced ourselves to Nacho and explained to him the reason for our visit; he also appeared attentive and approachable. Nacho had had a management training and was a specialist in irrigation systems. Nacho explained that the Atacheo groups were linked to PYMEXPORTA, a decentralized office, subsidized by the federal, state and municipal governments. PYMEXPORTA offered advice to groups for consolidating their commercialization plans through contact with Daniel Díaz Barriga. These types of services were mainly offered in Zamora for agricultural and vegetable production. We then heard him speak about "Soulfresh" for the first time, which supervised vegetable crops, and the government support provided prior to the sale of the product by means of working capital.

The National Institute of Forestry, Agriculture and Livestock (INIFAP) and FIRA had supported the training, while the integrating company was being formed. This included training, counselling and the reuse of resources within the company. The greenhouse project, as well as others in Atacheo, was driven by the priest of Atacheo, Father Marcos. In this case, programs like the 3x1 program⁷¹ with migrants' resources were available.

When we arrived at the greenhouses, we were surprised by their size and good construction quality. It was also the first time we had seen the production of vegetables in a controlled environment. Therefore, we were able to validate that what JLB had mentioned in theory (and which ACEA now showed in reality), and aligned with the needs of the producers in the region. The building was less automated, but it had mechanization. Nacho offered to give us a talk in the *Asociación* and to receive visits from the SPRs in Atacheo. Lino then said he was surprised by the greenhouses and that the news would be welcomed by the members of the *Asociación*. Personally, I was under the impression that the information learned that day did not surprise Lino at all. He was more interested in having the information to discuss or process it later on in order to draw conclusions. In my opinion, I considered it an achievement for the project to be able to cultivate products like tomato, eggplant and chili in the greenhouse in the way the producers from Atacheo had organized themselves to get the

⁷⁰ These greenhouses were semi-automatized; they did not have a computer nor the sensors they needed to carry out programmable tasks.

⁷¹ In this program, the migrants participate in the Economic Development Fund and put in a quarter, while three levels of government put in the other three quarters.

project's resources, based on the description from the municipal president of Tanhuato and confirmed by the delegate of Zamora.

When we arrived at SEPLADE in Zacapu, I had an in-depth conversation with Gonzalo about what we had learned in Tanhuato and Atacheo, and he said that it confirmed his suspicions about the project and that now we had reasons to refute JLB's firm and propose alternatives. Gonzalo had measured the political cost of doing so. Lino proposed that the greenhouses would be built with ACEA while JLB would manage the federal resources. Gonzalo looked at him and said, "You did not understand anything. The municipal president of Tanhuato has completely cut JLB out by ignoring him and they went their separate ways (SEPLADE, 03/12/03)". It seems that Lino had its own perspective regarding JLB's interference, and had decided to be on his side, despite the arguments obtained that day. This evidenced the different realities among the involved actors, Gonzalo, the municipal president of Tanhuato and Lino, and how they perceived JLB's interference in different ways.

Identifying with a greenhouse

During the interview with Nacho in the Atacheo greenhouses we established contact so that the *Asociación* groups could visit the facilities. Now the partners of the *Asociación* could compare preconceived features, such as automation, food safety conditions, and the aesthetic quality of the building. Most of the *Asociación* members who visited Atacheo had not seen greenhouses before, much fewer had seen greenhouses of these dimensions, nor had anyone seen hydroponic vegetable production. These facilities reflected the usefulness and space required to cultivate in protected environments. The initial interpretation of a greenhouse had come from the commercial results spoken about by JLB, but with the intention of being carried out satisfactorily under his management only.

To verify this point of view, the characteristics of the greenhouses visited were presented. At the end of an *Asociación* meeting in Zacapu, Rafa Lp (a SEPLADE technician) introduced me to his wife Margarita, representative of the group Citizen Women's Movement.⁷² Her sister, Violeta, and Reina, from the Naranja community, accompanied her. They formed the executive board for a group of 20 women, who sporadically attended the *Asociación's* meetings. This SPR wanted to do a tour of the Atacheo greenhouses, and we agreed to go the following Saturday morning (on January 4, 2004). We agreed with Polo (SPR Laredo) that we could take his truck to Zamora, and we picked up Rafa Lp⁷³ and the women's group at his house. The members arrived punctually for the appointment and while they waited, they chatted and drank coffee and tea. Rafa Lp and Polo already knew each other and

⁷² The SPR was referred to as the Women's group.

⁷³ Those that knew about Rafa Lp' background argued that he used the projects managed by the government for his own benefit.

had seen each other for political matters within the PRD party. The SPR Bajo Invernadero⁷⁴ (of which Rafa Lp' father was a member') also attended the visit.

Upon arriving in Zamora, Nacho and Vicente (representing ACEA) were waiting for us, and allowed us to shoot videos inside the greenhouses. They were interested to see how the progress was going for the selection of the company that would build the greenhouses. I told them we were still reviewing proposals from suppliers and that we would decide on one of them in a few days' time. I pointed out that, in the *Asociación* so far, the impact of the Spanish greenhouses had been notorious. To this regard, Rafa Lp' father, who had a small family business dedicated to processing plastic, stressed the importance of strengthening the creation of Mexican products to create jobs, economic impact and confidence in our own country's businesses. Those present agreed that we should design a joint strategy among stakeholders to boost the Mexican company ACEA. Vicente said that ACEA was certified as ISO 9000, and they would keep the cost the same as the greenhouses of Atacheo. Meanwhile, Nacho offered to train partners in Atacheo and pay them while learning.

When we left the greenhouse, another group from La Piedad was coming in that had more experience working with greenhouses. The atmosphere between the newcomers and their hosts was clearly easy going and stress-free. This visit seemed to convince even more members of the *Asociación* to get involved in the ACEA greenhouse project.

After showing the video to members of SPR Laredo, Rafa (SPR Laredo) proposed to collect ten percent of the SPR contribution for the project. Polo meanwhile proposed to invite more people from Coeneo to see the Atacheo greenhouses and, at the end, praised the participation of the women's group from Zacapu.

Seeing a real greenhouse had an impact on SPRs' members. Interaction with the greenhouse, the living entities and technology changed the perspective of those involved and helped to strengthen the project, at least in the short term. Later on, we would see the learning experience led to rearrangements to adapt to this new reality learning. It was in this way that the collective was continuously re-formed, in each instance needing to rearrange their conceptions of what they already knew, because the previous definition had lost relevance for understanding the current one.

Disagreements among the networks

Polo told Gloria and her daughter about the Atacheo greenhouses, showing them pictures of our visit, while Rafa did the same with El *Campeón*. A few days later, the greenhouse project was known about in Coeneo. This suited Polo, because the people in Coeneo considered Polo was supporting and looking for new projects like greenhouses⁷⁵. El *Campeón*, in turn, promoted the project among people with low socio-economic status. Several women were

⁷⁴ The family of Rafa Lp was part of the SPR Bajo Invernadero. They were well-known business people in the clothing industry in the city of Zacapu. His father managed a small plastic recycling plant.

⁷⁵ Polo sought the municipal presidency of Coeneo.

interested in visiting the greenhouses in Atacheo. In talks between El *Campeón* and Rafa Lp⁷⁶ it was agreed that there would be a visit for those interested on Sunday, February 1, 2004. The group that Margarita represented in Zacapu would be the link with the group of women in Coeneo.

Besides the visit to the greenhouses, we scheduled an interview with Father Marcos from Zamora, so that he could share his experience about the greenhouse project in Atacheo. Rafa Lp proposed to invite the group of women from Coeneo to see the Atacheo projects. Meanwhile, Polo sought to consolidate his networks promoting technological alternatives, and El *Campeón* sought to consolidate real and immediate alternatives for women of limited resources in Coeneo. Each of them talked to me separately. The three actors agreed that I should be the link between the group of women from Zacapu and Coeneo and Nacho (greenhouse administrator in Atacheo). I confirmed the visiting dates with Nacho, and a day before with the actors from Coeneo. As we had done the previous time, we would go to Zacapu and the two groups would attend Atacheo together. On the day we had agreed to leave Coeneo, I waited for a group of ten women at eight o'clock. El *Campeón* coordinated the group's departure, stating that several of the women who needed the support of the project were single mothers who would travel with their babies.

Given this new eventuality, we sought alternatives. The price of traveling in the combi from the Zipiajo community was quoted at USD 80 for less than a 200km round trip. We opted to take Polo's car and another one provided by Luz (one of the Coeneo group members), which her husband would drive. El *Campeón* said that Luz had not attended previous meetings. El *Campeón* warned that it was possible that the PRI would send some "ears" (informers), which was common in these movements. I consider that the municipal president of Coeneo recognized the interest of those promoting visits to greenhouses in Atacheo and denied any type of support for the greenhouse project, because his political position of the project.

When we arrived at the greenhouses in Zamora, Nacho showed interest and was as approachable as ever, and despite having another commitment, he postponed it to coordinate the visit to the greenhouse. While Nacho attended to the Coeneo group, I went to get the Zacapu group to let them know we had already arrived. The Zacapu group was surprised to see me. They were in the parish talking to Father Marcos, a man in his forties, tall in stature, with a frank and determined look. His motto was to support those who wanted to support themselves. He had managed to set up several productive projects that aimed to create better living conditions. Rafa Lp associated Father Marcos with liberation theology and claimed that he had a direct link with Martha Sahagún, a native of Zamora and wife of President Fox. The priest had been a liaison and an example of the progress of greenhouse projects in the region of Zamora. Father Marcos apologized, he had mass in a few minutes, and only could continue the conversation after two o'clock in the afternoon. Meanwhile, we could visit the turkey production project that he had been counselling. The group of women from Zacapu wanted Father Marcos to be one of their advisers.

⁷⁶ They met a long time ago in the Communist Party of Mexico (PCM), and then in the PRD.

When we were left alone and had let them know that the Coeneo group had arrived at the greenhouses, I had the impression that the presence of the Coeneo group was not wanted. That morning I had tried to communicate via cell phone with Rafa Lp to coordinate the visit to the greenhouses, but he did not answer - which I found odd since he was disciplined in that sense and tried to have his phone close by whenever there was a meeting. When in Atacheo, I asked Rafa Lp about the unfulfilled appointment; he apologized saying he had left his phone at home. Then we moved to the greenhouses and the Coeneo group was returning with several boxes of tomatoes and chilies that they had asked Nacho "for free". This was the first time it happened. When the Zacapu group arrived, the Coeneo group mistook them for government representatives, especially Margarita, because of her elegant dress and manner of speaking. Luz asked them, "How much support will you (the government) give me to build my house greenhouse? Will the greenhouses be given away?" Margarita (SPR Women's Citizen Movement) was upset and could not hide her anger; she asked me to move away a little with her and told me: "We must agree among advisors, this group will only be given the relevant information after we have talked" (Atacheo, 01/02/04).

Some Zacapu group members came to ask me about the behaviour of some of the women in the Coeneo group, and I told them that the relationship between the two groups should be established between them, and the support requests would be as they decided. However, some women of the Coeneo group had hoped to secure support there and then for the greenhouses, and some others expected distribution of cement or food, clearly searching for personal gain. Rafa Lp said: "René Sosa [SEPLADE technician and Rafa's colleague] was wrong to promise to give them cement in Coeneo, and apparently they are associating us with him" (Atacheo, 01/02/04).

It seemed that some women of the Coeneo group sought to frustrate the participation of their group in the initiative of the projects. The origin of that behaviour was associated with their individual networks. It had become an obvious strategy of some of the Coeneo women to avoid linking the Coeneo group members with the group of women from Zacapu.

Opinions about the day continued when we went to see the turkey production projects, bred in both a modern and modest manner. Various producers and stakeholders attended; the project served as a demonstration module. Luz' husband approached the place where the turkeys were kept and tried to take some to the trunk of his car; he went to look for the person in charge in order to do this, and when he was unable to find him, he gave up the attempt. When Reyna saw this, she said to me, "It is not appropriate that we take the Coeneo group to see Father Marcos. Luz confuses the other women, and access to Father Marcos is not suitable, not until we strengthen the group" (Atacheo, 01/02/04).

After spending some time on the farm, we decided to return to Coeneo and eat on the way back. We agreed that everyone would pay for his or her own food. We stopped at Plaza Tangancícuaro where they sold *birria* tacos. After eating, Luz asked Margarita loudly if she would pay the bill. This time, Margarita could stand it no more and was visibly upset. I did not hear everything said by Margarita because I was further behind with Gloria and her daughter. When we arrived, Margarita was seriously at odds with Luz and the Coeneo group in general.

They explained to Margarita that Luz liked to joke and she should get used to it. Gloria supported Luz, arguing that she was involved a lot, and that joking was part of her character. On the way back, Luz's husband filled up the tank of his car and asked for reimbursement. Some Coeneo women disagreed, arguing that the car could not have spent that much gasoline on such a short trip, insinuating that Luz husband intended to benefit himself. After everybody contributed, we returned safely to Coeneo.

When we were back in Coeneo, we talked about the events of that day with Polo, Rafa and *El Campeón*. Polo and Rafa considered that the organizational structure of the Coeneo group was established by the municipal political PRD affiliation, while *El Campeón* favoured a non-partisan social organization. Meanwhile, the Zacapu group was trying to integrate some of the Coeneo group members into their network, like Father Marcos. For this purpose, the women of Zacapu and Rafa Lp agreed to have a meeting the following Wednesday in Coeneo, only inviting the leaders (Sele and Gloria).

Reconciliation between the two groups of Zacapu and Coeneo described in this paragraph did not happen immediately. The rapprochement between the networks dealt with in this section show their fragility, dynamism, and diversity, as well as how each actor-network proposes its own strategy, taking into account its expanding network. It is unclear if the alleged links between Luz and other members with the municipal president of Coeneo have influenced the creation of premeditated friction with other members. In addition to this, there is the willingness of Sele and Gloria - close to Polo's strategy - to join the Zacapu group. The political actors from Coeneo (Polo, *El Campeón* and Rafa) felt that the participation of the women's group should be confined to the municipal level and be included as part of their networks. They were looking for immediate material benefits, such as tomatoes, food, turkeys, cement, and a greenhouse.

Reconceptualising the greenhouse

Over the following days, different groups from the *Asociación* continued to visit the greenhouses in Atacheo where they could see how the people in charge carried out the pruning using 3-meter stepladders, showing expertise when moving around at that height, and carrying out the trellising, managing the plant.⁷⁷ Several women were harvesting the tomatoes. In Nacho's assessment, they had better results when women did this, as they were more careful when harvesting and packaging. Each plant at the time had four bunches of gradually ripening fruits according to the market programming. Their ripening was being regulated and three types of tomatoes were being obtained, the first for export, the second for the regional market and the third to sell in bulk to the local market. The men carried the tomatoes and the remaining branches from the pruning in wheelbarrows. It was hot inside;

⁷⁷ The steel cables held up a series of laminated wires hanging from the cables, and with which the plants were wrapped around. The plant height could be more than 3 meters, depending on the programmed production cycle. After cutting the tip of the plant and pruning it, growth of the fruit was accelerated, and different nutritional components were used. This depended on the plant phase, variety and other factors.

there was drip-irrigation and the ferti-irrigation (fertilization from local irrigation) had been adapted by Nacho, whose company supplied irrigation to a large part of Zamora, with a different method of production, such as macro-tunnels, shade mesh and open-air. The units were five meters high and had been adapted for the area by the supplier ACEA. The overhead ventilation was reinforced with independent vents handled manually, like front and side curtains. The aisle was covered with gravel from the region (*tezontle*, a type of red volcanic rock that absorbs excess moisture). Armando (from SPR Piedad Chiquita) made the observation about the amount of water with nutrients seeping from the bags where the plants were supported by fine and medium grains of sand: "Is there no way to recover the water that is being wasted?". The technician answered that "about 20% of the water is drained inside the greenhouse, after being supplied to the plant by drip. Reuse would be very expensive; it is preferable to give the plant a new nutrient solution" (Atacheo, 17/12/03). Armando was not very satisfied with the response but did not press the matter further. Another member of the *Asociación*, Ampa (from SPR Los Pinos) asked, as we walked around the greenhouse: and pointing to a plant that looked less fresh: why is this plant so sad?". "It's caused by people brushing against it in the aisle", said the technician.

Later, in an *Asociación* meeting, Ampa stated that the greenhouse plants were sick and that for safety reasons, they had to limit our access to the greenhouse. Several members agreed with this comment. Armando also argued that a lot of fertilizer was being wasted and the recovery method was inefficient. As for the automation, it was inconceivable that it was manual when it could be automated, causing inaccuracy and potential human error due to weather contingencies. The height of the greenhouse was an issue that was given too much attention; it should be (according to the technicians from the firm) over five meters high. The greenhouses in Atacheo barely reached that height.⁷⁸ As for commercialization, this had been considered as an automated management area where the vegetable was collected in carts moving on a rail mechanism inside the greenhouse and collected in a separate space. This section should have had a series of mechanized devices to select the types of tomatoes and send them to the packaging area. Some members of the *Asociación* wondered: How is it possible for the Atacheo group to do this manually in such a small space, covered with tarpaulin?

In this improvised area for selection and packaging, the product was selected and packaged for sale, not in big freight trucks that came specifically to take them to large markets, but in small trucks belonging to the suppliers and partners that transported some of the boxes to the central market. They even sold tomato boxes in the greenhouse to whoever asked for them. One kilo of tomatoes costed USD 1, a higher price than that offered by JLB, who intended

⁷⁸ In Zamora, the temperature is higher than that recorded in Zacapu. The height of the greenhouse can dissipate the accumulated heat and reduces diseases resulting from excess humidity. Recycling nutrients, as proposed by Armando, would lead to a particular disease being spread from a plant, derived from the bag conditions where the fertilizer came from. This is in addition to the adaptation processes necessary to recover the substance in the entire greenhouse. The cement floor, as recommended by the partners, meant the drained waste had to be directed to a recovery section.

to buy them at 50 cents. For the Atacheo group, it would be the third harvest and forecasts were good in terms of price and market trends.

JLB had also dealt with the concept of food safety under protected conditions, relating it to the hygiene practices of greenhouse users. Unsterilized people would contaminate the greenhouse, bringing pests from infected farms or places where visitors had been before, and pathogens would be transported via their clothes. On our visit to the greenhouses in Atacheo, shoes had been sterilized, but clothes were not covered with specifically prepared robes; we did not have to use helmets or hairnets, nor had we been told not to touch the plants. According to the partners, these protective measures for food safety were not being implemented in Atacheo.

As for greenhouse interaction with the external environment, it was assumed that the protective screens and computerized and automated system insulated external elements from the greenhouse, ensuring food safety. However, this was difficult to obtain, because of human interaction and the lack of safety practices. The concept of biosafety was relevant here, especially if they wished to export tomatoes from the greenhouses to the United States, as it was necessary to meet the biosafety standards there. US companies that imported tomatoes from greenhouses in the region through brokers tried to keep a record of safety and biosafety conditions; this was related to bioterrorism. The product should comply with supervision via logbooks including those who had visited the greenhouse. Yet, we had not written down our personal details, entry time, or where we had come from. The members of the *Asociación* considered these procedures unnecessary.

The greenhouse was, at that time, a laboratory where food safety was important so that it could regulate itself. Fertigation would give the exact amount of nutrients to each plant, making it possible to have areas in different production stages, in accordance with market planning. It could also have different varieties of tomatoes or other plants. The ability to manage a greenhouse implied recognition of small imperfections of the crop, which in turn depended on the greenhouse's own environment. Humans should then help to make the protected environment work in accordance with a coordinated programming of humans, living organisms and machines, which would all carry out predetermined functions. Tolerance for mistake and error was not envisioned because those machines could do the tasks more accurately and efficiently than any human could. What would happen if the worker forgot to close the curtains to the level the crops required? The operator should be aware of the external and internal conditions and factors such as external and internal temperature, and find out, via complicated computer algorithms, the correlation of trends and impacts of handling. We had talked about implementing control mechanisms to transfer information to the human supervisor in the form of cameras, logs, and reports. These methods were incorporated by JLB to ensure proper functioning inside the greenhouse.

Elements that the system could not regulate or resolve by itself should be reported to a human expert to solve them. These would then be incorporated to become an intelligent system, independent of human interference. This included the control of vents, wind speed to avoid disasters, and regulating the amount of sunlight according to the sun's position. The

aim was to reach an optimal conditions for each phenological phase of the crop, relative humidity outside and inside of each area of the greenhouse and, of course, the recovery of nutrients (Armando's concern) that should be recycled into the system after chemical analysis.

The tomato plant is a living being that demands its place. Each plant, besides being part of a group, occupied a specific place according to area, row, and location number. The tomato plant in a sheltered greenhouse habitat was considered an achievement; other plants cultivated outdoors sometimes are attacked by underground pests that feed on the roots and by the time producers realize this, it is too late. When it rains, the cold water damages their leaves and stems leaving them battered; sometimes hail can hit them aggressively. Plants that survive these accidents are torn from the ground and die slowly. Afterwards, a machine cleans the ground, while the sad producers look on passively. Inside the greenhouse, the life of the plant is longer and producers seem happier. Plants outside enjoy a location in furrows, but not each plant can get the attention it needs, since the soil is responsible for sharing out the nutrients and water, supplied to other plants too. Instead, inside the greenhouse, each plant has its own independent space and, if necessary, certain plants can be given special treatment. Some of the plants, at the first sign of disease, are taken to "intensive care" spaces, following diagnosis from a specialist who inspects them carefully, and sometimes recommends playing classical music in the greenhouse, although this can cause sniggers among the workers who take care of them. A tomato plant, although genetically identical to another tomato plant, is not completely the same; each one is special because the environmental conditions to which it is exposed from birth make it unique. In seedling greenhouses, they remain heaped, increasing the competition between them. When some seedlings show a nutritional deficiency or they are too close together, they are removed by means of selection. They are then transplanted into a private space inside the greenhouse and offered the correct cultivation so that they can become healthy and produce good quality fruits. Once the fruits ripen, a female hand gently harvests them.

The seedling stage usually takes place in designated areas. Experts in the nutrition and handling of seedlings are not always the same as those in the production stage. Once the plant reaches a size of about 20 cm, it is ready to be transplanted and its origin is recorded. The bags are aligned in matrix form, which allows them to be attended to and placed inside the greenhouse complex. Irrigation is aided by the irrigation programmer that circulates nutrients through hoses and drippers. In each area, there are location references that allow the relevant reports to be made by experts, such as Valadez (tomato specialist technician), who generates a precise recipe for a group of plants or an individual one. New replacement plants should be compatible with what has been established, considering the progress of the group process, as it would be incompatible to put one in the development phase with one in the production phase. A solution to level out the population in both phases is to bring plants from another greenhouse to regulate the population.

Apart from the productive phase there are other factors related to the greenhouse which are carried out outside the place itself, corresponding to negotiations about the product, commercialization, continuous training and capital amortization; these would be the

tasks of specialist managers. For this, it was necessary for a firm to make the business plan foreseen for the project. In Atacheo consultants, such as Pymexporta, did just this. The integrating company, the abstract entity not present in the initial phase of the project, would provide supplies and could reconcile internal and external elements, material and human, with an overall logic for the project. Thus, the human factor was treated as an additional input for the greenhouse and considered as a human resource that is trained to keep the technology working; the human was considered essential but replaceable; another cog in the complex wheel of controlled production. The technician should have been trained as an agronomist or agricultural technician. That is to say, configured beforehand so that the investment in training and allocation of functions would consume a minimum of resources.

With regards to this, Chema (from Deyna) proposed that the number of technicians should be lower than the number proposed by JLB, in order to have fewer specialized technicians and provide niche conditions for those who had the knowledge, making them more difficult to replace. For this task, Chema already had in mind her son-in-law, Eliseo, and Mr. Abelardo (from Purépechas) thought about his son. For the technical training, I was proposed as a supervisor, while Cristi and Ampa would perform as administrators, referring to their experience and training as administrators. Others, like Manuel Urrutia, wanted to work in the greenhouse; like the other farmers, that is how they related with the project. The women who visited the greenhouse were given the option of working at the various stages of seedling selection, picking and pruning or of working in the distribution company where the product is purified and selected. They were the delicate, careful and sensitive elements, which allowed the product to pass from the internal greenhouse environment to the external world. The product was designed to meet the exquisite taste of the most demanding consumers, with different varieties of tomatoes for every occasion; the tomatoes would reach the customer with the highest quality presentation they could imagine.

Yet, seeing the workers at Atacheo bring in the tomatoes and pruned branches in rustic wheelbarrows, maneuvered by sweaty individuals and women in their everyday clothing, was a long way from conveyor belts and controlled climate, the optimum for the comfort of humans. This observation was not compatible with the usual cultural practices in Atacheo for growing tomatoes. The human factor was present in many aspects, such as the aesthetics of the shed's finish. Imagination and some photos hid the imperfections of the manufacturing, and the plastic and window shades which contrasted with the normal deterioration of the units; these materials suffered the harshness of the climate, seen from the facility. JLB said that the Spanish plastics would be impeccable for five years because they were made through complex biochemical processes.

From JLB's point of view, the *Asociación* partners (many of them producers) would be special guests at the greenhouse that should look radiant all the time. Whoever wanted to work in farming activities inside the shed could do so, although others could be hired too. The equity partners would be the owners and investors who would see the greenhouse as their source of income, without worrying about the imperfections of operation and logistics.

The social construction that JLB made of the technological layout of the greenhouse was in many ways very different from the real ones seen in Atacheo. ACEA could not build something that was beyond its technological reach. JLB argued that Spain was many years ahead in the construction of greenhouses. As Even-Zohar (2005:74) says:

There may be people who have not read poems whose authors have been responsible for introducing new elements from a foreign repertoire (either through translation or direct adoption), yet they "accept", so to speak, those products because they recognize the people involved as sources of instruction, leadership or who reprimand certain actions.

Thus, JLB moved away from the Atacheo sheds, arguing that they did not meet the conditions required for the project he promoted, and arguing that he had the solution for satisfying what the collective's imagination had built: the ideal greenhouse, able to adapt to each actor, in any way to their imagination.

The choice of the greenhouse: Partnership according to the supplier

In early 2004 the *Asociación* members visited different types of greenhouses built by FIRA and located in Morelia. The partners that went there agreed that the facilities were mostly abandoned and neglected. FIRA boasted to have the latest technology, but after reviewing in detail, the partners admitted that national greenhouses, in general, were not at the level of those coming from abroad – according, that is, to what they had heard from JLB. Some *Asociación* members led by Carlos (from SPR del Campo) also organized to attend and see the greenhouses of ULMA exhibited at the fair Expo Culiacán, Sinaloa, and greenhouses Expo in Irapuato.

After the members saw some models of greenhouses, the *Asociación* was ready to receive proposals and options by their respective suppliers. In the offices of SEPLADE in Zacapu, greenhouse companies such as the French company Richel, ALQUER (from Almería, Spain), some from the United States and ACEA from Mexico itself, presented their plans. The Banco del Bajío and three firms that presented their business plan attended the meeting. PYMEXPORTA (from Zamora, Michoacán) also attended in order to strengthen agro-business, and Nacho from irrigation systems was also there. They all showed their products and services to us. When JLB learned that the *Asociación* was considering other greenhouse construction companies, he suggested that "as long it is not ACEA: it's like comparing a 'vocho' (ACEA) with a Mercedes-Benz (ULMA). I will also present options, I am interested in marketing and you can build the greenhouse with whoever you choose" (JLB, SEPLADE, 11/12/03).

With that kind of comment, it seemed that JLB had adapted to the dynamics in the *Asociación*, and sought to minimize the presence of ACEA and Mexican technicians – yet still he conditioned marketing to his proposal. JLB claimed he would not buy tomatoes that did not meet the quality necessary to comply with the market; also, he claimed copyright of the project and invalidated any modification thereof. Furthermore, he stated that he had the

backing of the agencies. However, and despite these warnings, the *Asociación* decided to look into other options.

For a month, the greenhouse company's representatives were showing their models and options, replying to customers' queries, and passing on to them their experiences with the model elsewhere. One of the first suppliers was Mr. Alonso (Almería, Spain), representative and manager of the company ALQUER. Invited by JLB, the manager visited Zacapu without knowing the project. He visited just to gather information, but the partners were upset that Mr. Alonso did not resolve specific doubts. JLB suggested Lino and Heredia to help Mr. Alonso and his partners to explain to him their technical questions, but not the financial and cost concerns. However, at this point, the partners knew the project better, and could compare it with what Alonso said. A mesh shade, for example, was ruled out due to the cold conditions in the region of Zacapu. Richel, which had greenhouses in Querétaro, invited the board of the *Asociación* to visit its place in the following days.

The owner of ACEA (Toño) turned out to be the husband of Thalia, one of my co-workers at the Colegio de Postgraduados.⁷⁹ Toño had been involved for 15 years in adapting greenhouse technology to the national needs. Before the meeting I had the opportunity to chat with him about the project and its technology, and Toño said that this project was a pioneer and that the model of organizing and consolidation could be used in other parts of the country. ACEA had greenhouses in La Piedad, Atacheo and Numarán. Toño suggested that we visit those located in La Piedad, because of the good management practices by Valadez; however, he warned me that it concerned a greenhouse of higher cost than those of Atacheo.⁸⁰ Malla (Los Pinos) said that Toño inspired her confidence, while Ampa, a member of the same group, insisted during Toño's presentation on the participation of ACEA in the Trust. Toño agreed to deposit five percent as collateral and participate as a shareholder. This method had already been talked over with Malla and how the scheme could be analysed and insured in shared risk, similar to what FIRCO did.

Toño recommended Valadez, a specialist with nearly 20 years' experience of growing tomatoes in hydroponic greenhouses, for crop management. They had collaborated before and Toño trusted him to support this type of social development projects. Valadez would also become responsible for training for greenhouse production. Toño considered it was appropriate to take the minutes of the last and reconsider Valadez's participation. While heating and irrigation were proposed by Nacho in collaboration with ACEA, the *Asociación* would recognize Nacho's management capacity, and despite collaborating with ACEA they would assign him his own negotiating area. This time, Nacho attended with a group of partners from Atacheo, who recommended to produce with ACEA because of its experience in greenhouse technology.

⁷⁹ On a visit to Thalia's home, she talked us about Toño, and how proud she was of her husband and his business.

⁸⁰ The partners associated the low cost of greenhouse ACEA to low quality standards. For this reason, Toño offered to visit a greenhouse that competed in cost and quality with those offered by (foreign) competitors. It was paradoxical that he proposed a shed of high cost, without the necessary funds being there. He probably hoped the project could somehow manage to pay the extra.

Before the meeting scheduled to choose the supplier of greenhouses, I spoke by phone with key project actors to lobby in favour of the proposal of ACEA. Cristi, which was a good ally, invited the partners to SEPLADE and told them of the benefits of supporting a national greenhouse. Cristi had apparently convinced Mr. Abelardo of Copándaro (SPR Purépechas) to support the proposal of ACEA, but Chema argued that the son of Abelardo wanted to build with ULMA because of training opportunities in Spain.⁸¹ Ampa spoke with Espinoza (SPR Marijo) and also convinced him to vote for ACEA.

When the vote took place, Heredia and JLB proposed that the assembly would be entitled to vote only for the 20 SPRs who had SEDAGRO funding. These actions were intended to block the eight SPRs that had been included after the project. Heredia stated: "The *Alianza* groups [the remaining eight] are in another financing scheme and they should respect the project as it is set for the *Asociación* [the 20 groups]" (SEPLADE, 12/03/04). This made clear that, for the managing committee and JLB at least, the *Asociación* was composed of 20 SPRs, although in the formation there were 28 SPRs specified, all with the same rights and obligations (see Chapter 3). The group of Margarita (Citizen Women) did not attend the meeting; Rafa Lp' father (SPR Bajo Invernadero), arrived in the end, like Pancho (SPR Comanja).

Those who supported ULMA highlighted the nationality of the builder, arguing that greenhouse technology came from Spain and that the full cycle - from management to marketing - would be guaranteed by JLB's office. The nationalist feeling was expressed by some members who felt that financial resources should be spent in Mexico and not in Spain. SPR Purépero would go with ACEA. Irma and her husband Armando (from Piedad Chiquita) said there was no experience in Mexico with ACEA, that the Spaniards were the ones who had the experience. They felt that ACEA greenhouses were "crappy" and that it was appropriate to accept JLB's proposal (which also guaranteed access to the international market). Moreover, we would be partners with 49% of the shares. Members who had attended to see the ULMA greenhouses in Culiacán were in favour of this provider, while the group of Saúl and Carlos chose the French greenhouse Richel, but then cast their vote for ULMA with the argument that, although they were twice as expensive as ACEA, it would be worth the investment. The position of Mr. Saúl (from Sabor del Campo) voted for ULMA saying that: "If I have to spend my little money, it's better to spend it on something good because the materials are brought from Spain" (SEPLADE, 12/03/04).

Saúl accepted the technological dependence on Spain in matters related to the production of greenhouses and how we should work with the "*originals*". Although he and his nephews would go with JLB's project, they said that if it was a guideline to support the Mexican company ACEA, they would do it in the end, because there would not be more options. If necessary he could negotiate with Silvano Aureoles of SEDAGRO. Ampa no longer mentioned the option of the US company because greenhouses with plastic shade mesh did not fit well with the prevailing cold climate in Zacapu, so he supported the option of ACEA. Heredia

⁸¹ Abelardo's son was an agronomist engineer and worked in a village near Zacapu.

expressed the agreement of the four SPRs from Churintzio and voted for ULMA, although he said he would negotiate a final offer with ULMA, and if it was not good, he would go with ACEA.

Chema and Jesús supported the option of ACEA. Manuel Salas (partner of the SPR Bajo Invernadero) consulted me and waited until the end to choose for ACEA. In the absence of Julio César, the representative of Biotecnológicos, Cristi from the same group voted for ACEA. She also spoke in favour of Mexican companies and the commitment to support them. Irma and her husband at the end lined up with the ACEA group; although they were not convinced about the quality of the greenhouses, when they noticed that the majority were against, they opted to join the majority. When the partners chose a provider, disagreements were generated and opinions polarized.

Some partners who selected ULMA as a supplier complained with Gonzalo about his position in favour of one of the providers when he as a delegate should have remained neutral. Some partners, particularly Heredia (of Churintzio) got into lengthy explanations, arguing that there was no fixed plan to go with ACEA, that the negotiations of the greenhouses had been started by the Spaniards, and that now there was this other company to make use of what had been achieved.

At this meeting, 16 of 28 SPR were present. Before the meeting, 10 SPR had been in favour of ACEA, and the other six intended to choose ULMA. The final decision thus depended on the choice of the 12 SPRs which did not attend the meeting. During the following days two possible options surfaced: ACEA with 17 SPRs and ULMA with 11 SPRs. For the group of 17 SPRs the option entailed immediate construction (like I had discussed with Gonzalo), reusing resources to build more greenhouses administered by the *Asociación* or by the group that decided to provide for the construction under that mode.

Delegates linked to JLB said they would not share the authorized support for their SPR with the other eight groups. This polarized the situation: of the 20 groups that had resources of SEDAGRO, ten supported ACEA and the other ten supported ULMA. JLB's plans to manage the totality of the resources could be modified knowing they would not be fully invested with ULMA and his project. It was then agreed that the 17 groups associated with ACEA would carry out their paperwork apart from JLB, and the remaining 11 groups would continue with JLB's firm.

To give continuity to the project of 17 I talked to Toño (ACEA), who suggested accessing a plot of land for the construction of the greenhouse owned by the *Asociación*, which would work with ACEA and the 17 SPRs. I told him that we were in the process to acquire some land which belonged to Chava, partner of SPR Maldonado, and that we had the granting of CONAGUA in order. Some days later, we invited Toño to walk the land in the company of some partners, and Toño expressed his satisfaction. The plan was to build independent sheds on half a hectare of the land. The next step would be to have it surveyed, and to submit to the *Asociación* a formal proposal of the modules with the technical and engineering design completed by ACEA.

Thus, most of the partners of the *Asociación* chose to build the "real" greenhouse proposed by ACEA, and not the "ideal" greenhouse proposed by JLB. The 17 SPRs of the

Asociación which, for pragmatic or political reasons tuned to the preferences and needs of the project, represented a sub-project derived from the first, and if they would continue with joint or dissimilar actions between factions of the *Asociación*, the organizing links would be present. This notwithstanding, a divisive factor could be JLB's firm, which had its own perception of the project. The *Asociación* had been formed as manager, and now was involved in managing financial resources and emerging from as a network of capabilities and resources able to enrol actors in its project. However, the choice of the provider and the type of greenhouse had polarized the situation in the sense that the material aspect associated with the interests of the partners showed a different picture than expected.

The *Asociación's* choice in favour of ACEA as the supplier of the greenhouses modified the financial scheme of the project. The changes were not compatible with the proposal of JLB's office, which inconsistently kept on increasing the price of the greenhouses, - justifying this with external factors such as the fluctuation of the Euro and market prices for steel. After the split-up, the *Asociación's* management would be independent from the 17 SPRs identified with ACEA. This fraction of the *Asociación* (still identified as the *Asociación*) won the backing of governmental institutions like SEPLADE and FOMICH, which knew about the bad track record of JLB's firm in other parts of the country.

The *Asociación's* managing committee sought to take control of the project negotiations. However, the dynamics proposed by the SPRs linked to ACEA prevailed and gave a new direction to the organization: 17 SPRs were in support of the project's option for real greenhouses, while the others continued with the greenhouse proposal of ULMA, and persisted in the imaginary rhetoric of its representative. The different expectations about the project's definition of goals led to a split between the SPRs. This gave independence to the 17 SPR that identified themselves with ACEA, and allowed to visualize a self-administered project along the way. The institutions involved in the project expressed their support and willingness. The SPRs that remained with JLB sought their way to complete their project - leaving the initiative to the firm. Is this a case of omission by convenience?

Conclusion

The members of the SPRs united in the *Asociación* by now had identified with the greenhouse as an alternative livelihood, the expectation of an improved income, and a development opportunity. An adviser (like JLB) used his cultural repertoire (Even-Zohar, 2005) as a resource to position himself as the undisputed choice. This strategy caused technological and managerial dependence, but seemed useful as long as there was no alternative. However, when members visited the greenhouse in Atacheo where they could interact with partners and actually touch the tomato plants, they realized that the concept of food safety was a long shot, and so they reconsidered. After these events, some SPRs preferred to stick to the image of an ideal greenhouse presented by JLB and stay with his firm, while others chose to redefine their image of a greenhouse, adapt it to real-life conditions, and accept the challenge of transforming the image of an "ideal" greenhouse to real, local circumstances. Through

subsequent visits to greenhouse in other locations, new scenarios of acquisition and reinterpretation of knowledge became possible. After they had already identified themselves with that abstract entity called “greenhouse”, further exposure to real greenhouses as laboratories of living beings (tomatoes, insects, and micro-organisms interacting in an open system) did the rest.

Some SPRs, driven by the need to land the project, now decided to get involved in the management of a greenhouse that was different from the one proposed by JLB’s firm, while other SPRs preferred to continue with the more advanced technological option that JLB provided. Since the beginning of the project, JLB had generated an “ideal” configuration of a greenhouse that included technological, social and cultural qualifications in terms of safety regulations, automation, and the high demands of an international market. This perception was far removed from the real project conditions of the greenhouses the SPRs had now observed in other projects in the Ciénega. When they learned about the alternatives, support for JLB’s technological package decreased. As a result, a split occurred between the 28 groups in the *Asociación*, with 11 SPRs joining the and USPR *Productos Inocuos* and continuing with the original project proposed by JLB, and the remaining 17 SPRs remaining with the *Asociación* and now partnering with ACEA.

CHAPTER 5 IN SEARCH OF A FINANCIAL SCHEME

Introduction

In the previous chapter I described how the *Asociación* split into a collective of 17 SPRs that remained with the *Asociación* and 11 SPRs that moved over to the USPR *Productos Inocuos*. After the *Asociación* had broken away from JLB's firm early in 2004, the partners initiated a restructuring of the *Asociación*. This phase is known as the mobilization phase of the *Asociación*, led by the groups that chose to build the greenhouses with ACEA. The USPR *Productos Inocuos* continued with JLB's firm. This chapter zooms in on that division, and the organizational processes concerning the *Asociación's* relationship with the government agencies FIRCO, FOMICH, FIRA and SEDAGRO, as well as the issue of the distribution of project funds between the two USPRs. In May 2004 an important step was taken when SUPLADER considered all 28 SPRs involved in the greenhouse project eligible for funding. It looks like the technical process can finally start.

FOMICH: Reviewing the *Asociación's* project

At the beginning of 2004, the president of the *Asociación* (Heredia) and representatives of some of its SPRs, namely Purépero (Esperanza), Los Pinos (Ampa), Biotecnológicos (Cristi), Jiménez (Lino), Laredo (me) and Huaniqueo (Norberto) had a meeting in the FOMICH offices in Morelia. René Garcia and Efraín La Madrid (FOMICH), Gonzalo (SEPLADE) and Abel (SEDAGRO⁸², the executing agency) were present. Efraín acted as moderator and explained that FOMICH and SEDAGRO had requested references of the ULMA company, and the articles of incorporation for JLB's firm, but that so far no data were available. Now the officials were interested in the relationship and the commitments the *Asociación* had made with JLB. We explained that JLB's firm was interested in two aspects of the *Asociación*: the first referred to the payment of USD 4,200 for paperwork expenses and file management, and the second to USD 8,400 for credit management with a European bank, as specified in the project. Financially, the project included a liquid guarantee of 10% (equivalent to USD 420,000) covering both the working capital and the contribution in kind that the partners would make. The FOMICH representative clarified that, in the event of requesting credit from European banks, the *Banco de México* would not provide liquid guarantee. This appeared to be JLB's first omission: he had defined a project that was attractive and expensive, without high contributions from the beneficiary.

How far did JLB want to go? In principle, he was willing to "clone" and manage the same project which had already been submitted to the government institutions dealing with requests for greenhouses and training. To this effect JLB would use his relationships in the different levels of government and try to handle the money for greenhouse construction with

⁸² SEDAGRO was in charge of the validation and technical feasibility of the project.

ULMA by separating the SPRs through the trust, so that JLB's firm could manage and administer the resources in the trust. Finally, he would manage the commercialization in order to be involved in the trading of the tomatoes. In this way, the SPRs would be the target for obtaining government resources from the financial institutions as well as from the stakeholders.

In clear disagreement with the proposal from JLB's firm, René mentioned the documents showing the firm as guarantor, in particular the letter of commitment to work with ULMA, the greenhouse construction company. ULMA ambiguously committed to buy "the product of the greenhouses of México", without including information of how to contact the company. The logo of ULMA appeared at the top of the letter, and René pointed out how easy it was to plagiarize a logo of that kind. We asked ourselves if this was how ULMA presented itself: with the signature of somebody called "Inker" as manager?

During the meeting, the members of the *Asociación* asked SEDAGRO and SEPLADE to clarify their position in regards to ULMA and to JLB's firm. The members explained that they seemed confident about participating because of the governmental agencies that, according to JLB's firm, were involved in the project. Gonzalo made a fuss and said that the governmental institutions should not be held responsible for this project; that if the officials had been the spokespeople from the beginning, the decision now would have to be made by the *Asociación*. Meanwhile, Efraín gave the impression he did not want to involve SEDAGRO, and did thus not engage in the conversation. The officials explained that JLB's firm frequently showed intolerance in meetings with them, and urged to put alleged "verbal" commitments made with government officials on paper.

The alleged participation of FOMICH (30% liquid guarantee) in the project was also discussed. René explained that the rules of FOMICH considered a maximum liquid guarantee of 10%, in coordination with other institutions such as FIRA and other banks; this would have to be contributed once the credit line was authorized, and served as backup for the loan provided by the financial institution. FOMICH recommended concentrating the project resources in a trust. FIDEX (simplified trust) represented the simplest and least formal way to manage financial resources. Efraín recommended the *Asociación* to "not get more involved with a project that could turn out to be risky for us. You [*Asociación*] are representing a group behind you [he didn't specify which group]" (FOMICH, 03/11/03). Efraín seemed to say that there were interests outside the partnership that were defining the project. This perception matched with officials from SAGARPA, with whom the *Asociación* had had a meeting some days before. The partners stated that, once the process would start, they would seek the project funds.

Norberto (SPR Huaniqueo) impulsively intervened and accused the officials present of being bureaucrats that were stopping the progress of the project, adding that this would be done any sort of means. Efraín asked him not to get angry. With this intervention, the meeting ended. Although the meeting was not encouraging, Lino was still optimistic and expressed: "This does not discourage me; on the contrary, the points raised here strengthen me". This indicated that the partners of the *Asociación* were interested in carrying out the project despite the opposing or discouraging position from some government agencies. At the end of

the meeting, the credit request letters were delivered to FOMICH, addressed to Tranquilino Nájera, the FOMICH representative. The *Asociación* requested a support of 10% for liquid guarantee, and that FOMICH appoint a representative for the *Asociación's* trust. Nájera accepted the request, and appointed René as the liaison with the *Asociación*.

Upon returning to Zacapu, alternatives to JLB's model were discussed. Members of the *Asociación* argued that after a little more than a year the negotiations had shown minimal results. In the *Asociación* there existed were two positions: the first was to let JLB's firm continue with the negotiations and be assisted by the *Asociación's* managing committee when required. Under this proposal, the *Asociación* should transfer control of the shares to JLB's firm. The second position implied that the *Asociación* would initiate the negotiations. Two partners (SPRs La Mesa and Sabor del Campo) who sympathized with JLB would ask SEPLADE to release the resources, saying that they would go with the option offered by JLB's firm. Gonzalo answered that the requirements concerning the completion of the financial resources proposed in the project had to be met and submitted to SUPLADER. Pancho (SPR Comanja) and Norberto presented their point of view, but they seemed disconnected from the project. Heredia perceived this and accused them of slowing down the meeting.

Irma proposed to punish the absentee groups (who rarely attended meetings) and even proposed putting them at the very end of the list of the *Asociación's* privileges - with the clear intention of putting in their place the SPR that she represented (Piedad Chiquita). This would ensure a place for Irma's SPR in the event that the *Alianza* negotiations of her group were unsuccessful. To solve this point, Heredia suggested to make minutes of the meeting's proposals. Cristi, who was responsible for arranging this, clarified that all representatives of SPRs had been informed by phone or notified through a family about the meeting.

At the end of the meeting, Lino (the *Asociación's* secretary) asked Gonzalo to repeat the five requirements requested.⁸³ After writing them down, Lino proposed a work schedule to accomplish them, but this did not work out. There was a need for direction in the actions by the representatives of *the Asociación*; furthermore, its leadership lacked initiative -which made them more dependent on JLB's firm (SEPLADE, 03/11/03).

FIRA: Financial feasibility first

As part of the activities to make links with governmental institutions, on January 22, 2004 a group of five SPRs went to FIRA's office in Morelia. Chema (Deyna) got an appointment with his son-in-law Eliseo Landín,⁸⁴ who had links with officials from FIRA and FIRCO. That day, we travelled in Chema's truck, and Jesús accompanied us. Jesús had worked with Chema in Celanese⁸⁵ and the latter had encouraged Jesús to continue studying industrial engineering.

⁸³ a) Obtaining the credit line that would support investment; b) Providing technical advice; c) Getting commitment letters for commercialization and supplies; d) Having a business plan and administration plan for the *Asociación*; e) Releasing the resources from the agencies.

⁸⁴ Agronomist engineer, graduated from Chapingo.

⁸⁵ Textile factory located in Zacapu, identified as Viscosa Mexicana S.A.

During the trip, we talked about the *Asociación's* situation, especially about the groups that continued with JLB's firm. Chema, due to his experience with Celanese and his knowledge of social organizations, took advantage of this time together to sound out our points of view.

When we got to FIRA, the delegate (Monroy) welcomed us, and then led us to Eliseo, (partner of SPR Deyna and SEDAGRO technician, and technician in charge of the greenhouses in FIRA). The intention was to give us a talk about FIRA and to inform us of the support that we could have for the project. The talk was general, but it focused on the ways in which FIRA gave support to associations like ours. However, the technician expressed himself ambiguously. It seemed like this type of talk was generic and prepared for visitors without any specific requests. When we asked him about the *Asociación's* case and how to land the resources concretely, he said that FIRA would be interested in the *Asociación's* project once we had obtained the bank's credit line authorized for this purpose. He referred to PROGOMICH⁸⁶ and an SPR called of Guayaberos located in the eastern region of Michoacán; they had already obtained such a credit line through the Banco del Bajío.

To find out more about the matter, I contacted a former colleague named Abraham who had more than 20 years' experience working in FIRA organizing groups. Abraham had participated in the consolidation of PROGOMICH. After the meeting with FIRA, the partners of the *Asociación* met with Abraham in a spa near Morelia together with other FIRA officials and their families; it was a social gathering. Abraham said that FIRA was an extremely rational and practical institution that worked in an apolitical way and with a perspective of seeking economic efficiency. Abraham said: "FIRA uses 1.3 billion annually, but it does not appear in the press. Other institutions release 5 million and they appear frequently on the front page of the newspapers." (Abraham, 20/01/2004).

When we asked him about the greenhouse project of the *Asociación* and the way JLB's firm had managed it, Abraham assured us that, until now, FIRA had not yet taken into account the greenhouse project of the *Asociación*. To be completely sure, he insisted on checking it with advisor Polo Valenzuela, responsible for that region. The technician in question (Polo) knew the *Ciénega* of Zacapu, and had relatives in the *ejido* of Primo Tapia.⁸⁷ Spurred by the occasion and a little drunk, he confirmed that he did not know about the project, and said that he would not bet on greenhouses: "They are a risky investment and there have been big failures. In Jalisco, a company failed in the technological management of the greenhouse, and they went bankrupt" (Polo Valenzuela, 20/01/2004). In turn, Abraham recommended that we forget about the "leverage" (the State subsidy), and consider the project as a profitable unit. During his career, he had seen groups that had received much leverage but could not stand drastic changes in profitability: "To avoid creating false expectations, you must expect low income at the beginning, and wait for three to four years for the groups to be consolidated. That is the challenge" (Abraham, 20/01/2004).

⁸⁶ Guava Producers from eastern Michoacán.

⁸⁷ This place was previously known as the Chirimoyo, the place where Primo Tapia was murdered.

Abraham gave good advice about the functioning of the organizations in terms of the financial resources, institutions and commitments; he promised to get information regarding organizations similar to the *Asociación* and how they achieved the funds from FIRA; also, he would make an appointment with the directive board of PROGOMICH. He suggested not to include bureaucratic institutions in the trust, and also stated that there were actors who wanted to make their own projections of the organizations. To obtain the support of FIRA, the project should be profitable and have a credit line by a bank; in addition, groups such as the Association should be consolidated.

Interfaces between FIRCO and JLB's firm

After the meeting with FIRA, we got together with the group that had travelled to Zacapu to meet with FIRCO⁸⁸ (Morelia). Rogelio (a FIRCO technician) met with us, and we asked him about the participation of FIRCO in the greenhouse project. FIRCO was contributing – in the same way as FOMICH and producers – 10% of the liquid guarantee with the purpose of making up the 30% JLB's firm had foreseen in the project. After listening to us, Rogelio suggested that we have a meeting with the *Asociación* in Zacapu to explain the position of FIRCO in terms of the project.

On January 22, 2004, there was a scheduled meeting with FIRCO in Zacapu attended by the majority of the *Asociación's* members. The meeting was fundamental, since it had been clear that there were different stances taken in previous *Asociación's* meetings. Before starting the meeting, Chema told me briefly that people at JLB's firm were upset about our visit to FIRA and FIRCO, and that Lira (from JLB's firm) had told him about meeting with these institutions without JLB's firm being present.

We waited a while for the president of the *Asociación* to arrive, and when the managing committee was set up, the meeting started. Lino gave the floor to JLB's firm – which had been invited to present the commercialization project. JLB started with an attack against those who, according to him, had retraced a big part of the road that he had achieved with FIRCO. As far as we knew, JLB's firm's dealings with FIRCO consisted of phone calls, meetings and private meals with the national director of FIRCO. To our knowledge, there had never a formal agreement. Rafa (SEPLADE) interjected and explained good-naturedly that we had met with FIRCO due to a last-minute invitation and that, since the *Asociación's* members did not have enough information, they had decided to let us know the requirements about how to participate in the project. FIRCO, Rafa continued, stated that this conversation had already taken place with Heredia as representative of the *Asociación*. However, up until now Heredia had not passed on this information to the *Asociación's* members. In order to present the information, Rafa explained, this meeting had been called for.

⁸⁸ The objectives of FIRCO included establishing lines and technical guidelines for the making of management plans of studies and projects (SAGARPA, 2003; SAGARPA, 2001).

JLB was clearly not pleased with Rafa's explanation. JLB asked for an explanation from those who had met with the institutions without his approval. Lino encouraged JLB to request an explanation. I responded to JLB that there were situations that did not necessarily need to be discussed with his firm, and that this was a matter for the *Asociación* and that later, if the assembly thought it relevant, they would give a detailed report of the actions taken during the visits to FIRA and FIRCO. This made JLB even angrier; he said he could not be excluded in this way since he was the interested party who would build the commercialization company. Although JLB was a clever man, I think I had caught him off-guard. Rafa supported me and, in a diplomatic way, clarified that there were some matters that we should handle independently from his firm. At that moment, we were told that the FIRCO officials had arrived. They were represented by engineers Domingo Ruvalcaba and Rogelio Martínez. JLB went out to meet them; they greeted the people from the JLB's firm and chatted amongst themselves. JLB treated the new arrivals with familiarity to show off to the other attendees of the meeting. The officials appeared both cordial and formal, in particular Rogelio Martínez.

The FIRCO officials showed willingness to directly clarify the progress of the *Asociación* developed by the JLB firm with FIRCO, and the agreed commitments. Domingo Ruvalcaba intervened in the assembly and immediately contradicted JLB. He affirmed that so far there had not been any commitments between FIRCO and the *Asociación*. JLB defended himself by presenting old documents from FOMICH and commitment letters from SEDAGRO and SUPLADER. Domingo Ruvalcaba clarified that FIRCO should be in contact with the producers, then he made a proposal of how we could access 10% of the resources to obtain the liquid guarantee of the credit line and get support on the agribusiness side. FIRCO required, according to its regulations, the cost of the greenhouse to be quoted by three companies, as well as a commitment to commercialization through Letters of Intent, a business plan and a detailed description of the process and materials of the greenhouse. After this intervention, the FIRCO officials ended the meeting and established that the management processes would continue in the Morelia offices. Obviously, the links between JLB and FIRCO officials were fragile and susceptible to change.

At this point, the secretary of the *Asociación*, Lino, the representatives of the SPR Del Campo (Carlos) and Jaime behaved aggressively towards Gonzalo and me, since they blamed us for the fact that JLB's firm had shown up at the assembly. They confirmed that ULMA's greenhouse was expensive due to the software and they would continue working with the original project proposed by JLB's firm. In previous meetings, JLB had said that the cost of the software was between USD 5,000 and 6,000. However, now some partners knew that it was more feasible to obtain one semi-automated greenhouse instead of the "ideal" greenhouse proposed by JLB's firm (see Chapter 4). Faced with the imminent defeat of representing the *Asociación*, JLB refused to leave the commercialization document that he had presented in the meeting, in virtue of the decision that he would not participate in it, and that it would be presented only afterwards to the SPRs that collaborated with his firm. Then he said, surprisingly: "I accept that in business sometimes you win and sometimes you lose".

Even so, JLB still requested USD 15,000 for each SPR to continue managing the distribution company with resources from a credit with Spanish banks, which implied a trip to Spain to manage the training of some partners. He would leave aside USD 10,000 for living expenses. At the time, some partners joked about the proposal and showed how a firm could try to obtain money in exchange for promises without any foundation. Lira (from JLB's firm) spoke to me to clarify that part of the resources to be obtained from the dealings with the *Alianza* should go to JLB's firm. In particular, they should assign what had been specified in the project, since the information would be verified by the governmental agencies. I answered that we would wait for the corresponding notifications from CADER (part of SAGARPA) and then revise the allocation of those resources. After this, the assembly was asked if the decision of whether or not to work JLB could be postponed, since it was after 11 pm and everybody was tired. In the end, JLB still offered to pay Gonzalo's ticket to Spain - the rest of us had to pay for our own tickets. JLB also said that, regardless of whether we worked with him or not, we would remain friends. He then shook hands with all of us. JLB knew that he had lost the battle, but not the war, and he would not give up all the achievements he had obtained with the *Asociación*. After all, 11 out of the 28 (39%) of the SPRs were still with JLB's firm. Besides, there were still some negotiations going on with *Alianza*.

The reconfiguration of the *Asociación* and its resources

On February 16, 2004, without notifying the *Asociación*, Lino had requested permission to create another USPR named *Productos Inocuos de Michoacán*. There were already rumours inside the *Asociación* of this new USPR, but there had not been any certainty. On March 5, 2004, we met with Lino and Heredia in the offices of SEPLADE in order to clarify the matter. At the beginning, they did not admit creating it, but when faced with the information from the notary Ernestina, they had to acknowledge it. It was then agreed with Heredia and Lino that they would have to request a license for an indefinite time period as representatives of the *Asociación*, with the argument of having other matters to attend to in order to avoid showing the internal conflicts to other institutions, which might consider the fission as a weakness in the project.

The permission for the *Asociación's* representatives went ahead. Thus, the managing committee was assumed by the substitutes: me as president and Esperanza as a secretary, with all grants that the previous representatives had had. It was also suggested that it would not be suitable to create another USPR by the SPRs members of the *Asociación*, since it had the same objectives as the *Asociación*. April 30, 2004 was set as the deadline for the permission of the president and secretary to decide whether or not to continue in their positions within the *Asociación* or to quit permanently. In this assembly, the pending SPRs: Deyna (Chema), Cortijo Nuevo, La Jabonera, and Movimiento Ciudadano de Mujeres (Margarita) also attended, and it was agreed by majority of votes to exclude SPR Agroindustriales, for its non-participation in the greenhouse project.

On March 23, 2004, another *Asociación* meeting was held. One of the objectives was a change in the *Asociación's* treasurer. The assembly had the intention of sharing information about the previous managing committee (Lino and Heredia), and taking a decision about it. Before this meeting, on March 17, 2004, Heredia and Lino sent a letter to the governor, which they signed as representatives of the *Asociación*. In said document, they declared that they represented a new USPR called *Productos Inocuos de Michoacán*, with 10 member SPRs. The SPRs making up *Productos Inocuos* were Sabor del Campo (Jaime), Purépechas (Abelardo), Presa Azteca (Saúl), Jiménez (Lino), La Mesa (Avelino), Provech (Rodolfo), Los Sauces (Manuel Pimentel), Heredia (Heredia), Tomates (José Calderón). In the letter, Lino and Heredia requested the resources committed to these SPRs, since these represented the new USPR. The *Asociación* consulted a renowned lawyer on this matter, who gave his opinion:

It is common to look for more than one option (USPR) to amass benefits. This highlights the idiosyncrasies of the Mexicans. I advise you to hold an assembly and to rule, based on the regulations of the *Asociación*, to expel the involved SPRs, specifying the reasons for doing that. All this can be sustained by the articles of the internal rules of the *Asociación*. (López-Méndez, Zamora, 22/04/04)

The partners considered that, at this time, the priority was to continue with the project, and engaging in a conflict was not beneficial for either party. As evidence of good faith between the two USPRs, the economic contributions of the SPRs that made up the USPR *Productos Inocuos* were returned to Carlos as treasurer. A letter addressed to SEPLADE was then drafted (with a copy to the institutions involved in the project) where he explained that it had been an initiative of the SPRs - the ones that now formed the USPR *Productos Inocuos* - to leave the *Asociación*. Each of the USPRs would seek to implement the greenhouse project with their own resources, adding that there was no conflict of interest and that the separation was by mutual agreement due to the type of greenhouse that each of them wanted. The SPRs that continued with the *Asociación* remained with ACEA, and ULMA worked with the SPRs of USPR *Productos Inocuos*.

The USPR *Productos Inocuos* was established on March 9, 2004, and from this point onwards they no longer participated in the *Asociación*. The first formal division originated from the disagreements with the proposal of JLB's firm, when choosing another provider. The power relations did not favour the managing committee that supported JLB's firm, nor the groups that tried to obtain resources from SUPLADER in a fast track. The decision of the SPR's that formed the *Productos Inocuos* was to benefit from the resources of SEDAGRO that had already been committed. Therefore, JLB's firm's expectations of obtaining the resources from the *Asociación* were fading; the *Asociación* validated the authorized proposal of the commitment letter and this was recognized by SEDAGRO. The SPRs united in the *Asociación* did not avoid conflict to keep what had already been achieved. In view of these events, the 28

SPRs of the *Asociación* proposed that the SPRs that remained in the *Asociación* should be more involved in the project.⁸⁹

On April 30, 2004, the *Asociación* reached the deadline for Heredia and Lino as President and Secretary, respectively, to decide if they wanted to continue in the *Asociación's* management committee. Inside the *Asociación* the legal actions were discussed that would demarcate the 10 SPRs who were moving out. They were looking for the division to be circumscribed by the internal rules of the Constitutive Act and validated by a Public Notary. The financial credit that was managed by the *Asociación* would now be shared among 17 and not anymore the 28 SPRs, as was still specified in the Constitutive Act. This implied that the commitments, obligations, and rights were only for the participating SPRs and not for all 28 SPRs registered with the *Asociación*.

To probe the problematic situation that could be generated by the legal scission in the *Asociación*, Gonzalo proposed to meet on April 27, 2004 in Santa Gertrudis with Saúl, a member of SPR *Azteca* (part of *Productos Inocuos*), since according to Gonzalo he had experience and vision. That day, Saúl received Gonzalo and me in his house, and he invited us for dinner. At 75 *Don Saúl*, as he was called, was considered one of the regional leaders. At the beginning of the meeting with him, he seemed to be sceptical, complaining about the bureaucracy and the amount of procedures with FIRCO. He explained that in the 1980s FIRA had supported them⁹⁰ with credit for pig cooperatives. Don Saúl told us that:

I remember about the different cooperatives and groups created during the government of President Luis Echeverría; in those days, it was only necessary to get organized and to form a group. That was the case of the Hungarians that suggested technological packages, in which using fertilizer with optimal doses increased the production. Nevertheless, organization was not reached and the group divided. The government bets on the lack of unity; it is like asking for a residence permit at the United States Embassy: they do not deny it, you only just cannot get all the requirements together. The greenhouses project is similar: we must contribute with around USD 40,000. To lend us a similar amount, the bank asks us for a guarantee of double this amount. If I had what the bank asks me as a guarantee [smile] then why should I ask for money and pay interest over it? (Don Saúl, 10/06/04).

Although Saúl betted on collective work, he accepted that the conditions to get it done were not present. Instead, he proposed to work with family groups and in that way, maintain cohesion. “If I have to fight with my old lady [wife], it will be only with her” – expressed Saúl emphatically.

⁸⁹ One of the arguments made to continue with JLB was that the firm had prepared the project that had involved the institutions, and had implications for what he had already dealt with them. *Alianza* had approved resources for six groups, SUPLADER for 20 SPRs, SEDAGRO came with USD 2 million for the *Asociación*, while FIRCO, FOMICH and FIRA knew about the project.

⁹⁰ In the 70-80's Saúl had participated in cooperatives. The result had been poor management and partners' corruption.

Saúl perceived fissures in the *Asociación* and the SPRs. Gonzalo admitted that mistakes had been made, clarifying that JLB's firm was clearly co-responsible for this. As Saúl rightly observed: the majority of the members must have taken the decision of not dividing the *Asociación* at that time. The solution for the project would lie in cohesion and common interests, even if the strategies that each of the USPRs followed enhanced the negotiations, so now it was time to be reunified again.

After the meeting, Saúl said he would be willing to re-join both networks (the *Asociación* and *Productos Inocuos*). I agreed with Gonzalo in appointing out Saúl as a key figure inside the SPRs advised by JLB's firm. The outcome of talking with Saúl were reflected in the visit that his nephew Carlos made to the *Asociación*, intending to probe the position of some of the members and negotiate the funds to build the greenhouses. The intention was to release the resources of both USPRs into a joint venture.

A few days after approaching the counterpart (*Productos Inocuos*), and despite the previous negotiations with Saúl, some of the *Asociación's* members still considered the option of a legal rupture with *Productos Inocuos* on grounds that, according to the *Asociación's* regulations, the SPRs that were not collaborating could legally claim the resources given to the *Asociación*. For this purpose, a committee was designated to analyse, judge, and propose to the meeting the consequences of this rupture. On April 20, 2004 the committee met, including Armando (Piedad Chiquita), Cristi (Biotecnológicos), Ampa (Los Pinos), Mare (Puerta Chica), Chema (Deyna) and Jesús (Maldonado). The next step would be to talk with each SPR of *Productos Inocuos*. Jesús and Chema, who were members of Celanese's Labour Unión⁹¹, analysed in detail the possible consequences of the scission and the way to overcome them.

Once the committee had discussed the options - either to expel all the SPRs together or only some of them - it was decided that Lino and Heredia should be expelled due to a bad performance of their *Asociación's* functions. They had signed a letter as representatives of both the *Asociación* and *Productos Inocuos* with the intention that the resources authorized by SEDAGRO and assigned to the *Asociación* would be transferred to *Productos Inocuos*. Ampa proposed to dismiss the SPRs as a group, arguing that they did not comply with the original social objective of the *Asociación*. The last word about it would come from the members' general assembly.

The meeting held on April 28, 2004 was announced ex professo and all 28 SPRs were invited. The atmosphere at the start of the meeting was tense. Lino was very defensive, as he could sense his imminent destitution- even if it was explained to him that this was not the intention. The president and the secretary of the *Asociación* had to state a position related to their participation in *Productos Inocuos*. With project consolidation in sight, this was the chance of re-joining both USPRs. When the committee stated its position, it considered that negotiations had been conducted by the former representatives of the *Asociación*, with the consent of the dissident SPRs. These SPRs were looking for benefits from the resources

⁹¹ In 1960 Chema was part of the Organization and Propaganda section of Celanese's Labour Union, in 1963 he had been part of the General Secretariat of this Union (Domínguez, 1998).

released by SEDAGRO to transfer them through *Productos Inocuos*; hence, the SPRs involved accepted the authorship of the letter that was sent to the institutions. Carlos – *Productos Inocuos*' treasurer - defended *Productos Inocuos*' foundation, keeping his right to respond and giving some additional information. Ampa said that the SPRs mentioned before would only be in the USPRs that was more convenient for them and expressed:

Productos Inocuos partners ensure they do not require a bank credit for their project. I highlighted to them the existence of a credit request signed by Lino and Heredia at *Banco del Bajío*. The bank executive [Toscano] also explained that this action was against both USPRs' management rules (Ampa, Zacapu, 28/04/2004).

At that moment, a harsh discussion started that went to the point of discussing the convenience of expelling Lino and Heredia. The central argument was that they occupied higher ranking positions of the same level in both USPRs and that this duplicity would bring inconveniences to the credit line management of the *Asociación*. Malla (Los Pinos) and Mare (Puerta Chica) agreed with the need of expel them from the *Asociación*.

Cristi, who had supported them before, now argued that she was being pressed by Gonzalo and the *Asociación*'s management committee to carry out "irregular actions". Gonzalo proposed to reduce the conflicts until the resources arrived, and then to allow each USPR to go forward with their own project. Ampa criticized the mediators' role of some members of the *Asociación* and suggested to expel them as a group, including Abelardo for being "too loose-minded".

It was decided by majority of votes to expel all SPRs that participated in *Productos Inocuos* from the *Asociación*. It was also decided to ratify the management committee for three years. Once the corresponding assembly's certificate was formally registered in front of Ernestina, the Notary, the current management committee formed by myself (president), Esperanza (secretary), and Mare (treasurer) was formalized. From the bank's standpoint, these last actions gave more certainty to the project and allowed to proceed with the negotiation to obtain the credit line.

Each group would deposit USD 1,000 in the *Asociación*'s account; this was considered the economic contribution for its 17 SPRs. In May 2004, the BBVA, Bancomer Zacapu's office account received USD 17,000. The authorized signatures (two of three) to use the money in a collective way were Mare, Chema⁹², and myself. Another account on *Banco del Bajío* Morelia *Las Americas*' office had a balance of USD 108,500 in May 2004, while the authorized joint signatures were those of the management committee.

Chema warned the management committee by telling them: "Be careful when we start to manage some money because at that moment the conflict will start". Financial administration was certainly a complex issue. For some of the *Asociación*'s partners, to

⁹² Although Chema was not a member of the administrative board of the *Asociación*, he received the support of some partners of Zacapu to be the third person.

contribute with financial resources to the project implied a formal commitment that could cause internal conflict within and among the SPRs.

At some point, it seemed that the formal ejection of some of the SPRs from the *Asociación* was necessary in order to enhance the project. But this also caused conflicts between both USPRs. The intention was that the resources managed by the 17 SPRs should not be shared by the SPRs that promoted an alternative project (*Productos Inocuos*). Within the *Asociación* there was uncertainty about the project, particularly among those SPRs that had so far participated little in the *Asociación*.⁹³ That is why the SPRs that had already made their ten percent contribution to the project briefly demanded the rest of the SPRs to do the same - causing conflicts and power within the *Asociación*. Some actors like Ampa, Mare and Chema proposed deadlines for the SPR's contribution (USD 15,000), which was used as commitment to continue in the project. The disparity between the SPRs with economic resources and those without them was too evident. Even if the project specified the corresponding contribution of each SPR, the differences in planning, management, investment and authorization of the resources caused uncertainty.

From my point of view, the *Asociación's* split had its origin in the different ways of perceiving the project. Some SPRs linked with JLB relied on his network, resources and development perception, while the SPR's who remained in the *Asociación* sought an alternative development path.

SEDAGRO's funding

The *Asociación* representing the 17 SPRs continued negotiations with the institutions to find the necessary USD 110,000 per greenhouse, as stated in the proposal of ACEA. There appeared to be some incongruence with the original document elaborated by JLB's firm that indicated projected financial costs of more than USD 200,000, while ACEA's greenhouse costs were quoted to be significantly less. On the other hand, SEDAGRO had already authorized USD 200,000 for the *Asociación*, so now *Productos Inocuos* claimed part of that money for its SPRs. That is to say, they claimed USD 100,000 – which corresponded to the 10 SPRs now with *Productos Inocuos*. They anticipated that SEDAGRO's resources could have been delivered to the *Asociación* "by mistake"; in this event the *Asociación* would have to share the money with them, assuring that SEDAGRO would label the amount for each SPR. The members of the *Asociación* considered that "...only those resources that are labelled for *Productos Inocuos* would be destined for its SPRs" (SEPLADE, 28/04/04).

At first, the commitment letter of SEDAGRO was addressed to the *Asociación*, not to *Productos Inocuos*. When the latter separated from the *Asociación*, it sought to ensure that resources might arrive under a general label, and not specifically for each SPR. At the same time, the partners of the *Asociación* wanted to ensure that the resources assigned to this USPR remained there. Norberto (SPR Huaniqueo) stated: "It is very difficult that the funds released

⁹³ These SPRs were not willing to invest resources in an uncertain management, and adopted a wait-and-see position.

are labelled for an USPR like the *Asociación*. SEDAGRO as an executing instance should have specified the amount for each SPR applicant” (Norberto, SEPLADE office, 28/04/04). On the other hand, and as Norberto said, in the *Asociación* there was no conflict about identifying the 20 SPRs that received funds from SEDAGRO, as long as they were specified or labelled for each SPR in particular. Furthermore, it was clear which SPR had been initiated by *Alianza* and which one by SEDAGRO.

To speed up the process, the *Asociación* contacted Javier Torres, director of Hortofruticultura of SEDAGRO in order to negotiate with him the letter of commitment that SEDAGRO would have to sign with the *Asociación*, request the speeding up of *Alianza’s* process,⁹⁴ and a clarification of the relation of JLB’s firm with the *Asociación*.

In the past, another letter had been sent to Silvano Aureoles, requesting to speed up the management of the project. The letter had been channelled through Juan Portillo, the assistant of Torres Téllez. Juan proposed to build greenhouses of 1,000 m² to learn how to produce in a small and cheaper greenhouse. Most of the partners considered this a joke since it represented only a fifth of the planned area. Juan referred to an individual named Salvador as the link between SEDAGRO and SUPLADER, and who was in charge of writing the project reports of the *Asociación’s* progress. It appeared that there were inconsistencies between the versions of the facts and the reports, but also with the director’s instructions which were transmitted to the *Asociación*. Salvador informed us that SUPLADER had supported five SPRs on behalf of *Alianza* and that we had requested the support of nine SPRs as part of a compromise with SEDAGRO. He also mentioned the alleged split up of the *Asociación*, resulting in another USPR formed by the 11 SPRs that still belonged to the *Asociación*, and represented by the previous president and secretary of the *Asociación*. Now the new USPR (*Productos Inocuos*) requested the resources from SEDAGRO for their own SPRs. We explained to Juan Portillo that the information submitted to him was incorrect, and that there was no formal separation yet of the SPRs that formed *Productos Inocuos*. Juan Portillo indicated that the official source of information to him was Salvador (representative of SEDAGRO in SUPLADER Zacapu) and that we should correct these imprecisions with him. Ampa specified: “To those who are here, we know that Salvador had asked Heredia, in the SUPLADER meeting the day before, how many SPRs he had out of the 20 original SPRs, and that they should be supported by the verbal commitment of Silvano [Aureoles]” (Ampa, SEDAGRO, 13/05/04).

Salvador mentioned that the requirements specified in the project should be covered before extending the letter of commitment concerning the resources of SEDAGRO. It was necessary that the producers and other institutions involved provided the corresponding funds, including the final endorsement of the bank. They had the impression that Salvador was betting that the project would not be realized.

Later on, we talked with Torres Téllez about the technical validation of the project,⁹⁵ as well as the support through the letters of intent. About the first aspect he said that there

⁹⁴ SEDAGRO is part of the Rural Development Council.

⁹⁵ SEDAGRO as the executing agency should provide technical validation for SEPLADE to release the resources.

was no problem, since the project had been evaluated favourably and the corresponding report would be generated the next Monday. As for the committed resources and the letter of intent, Torres Téllez recommended that the funds be requested through *Alianza*, due to the operational flexibility of the program. Juan Portillo added: “Because the commitment letter signed by Silvano [SEDAGRO] has not been updated, the financial resources committed to the *Asociación* have already assigned to other projects since last January [five months earlier]” (Juan Portillo, SEDAGRO, 13/05/04). Torres Téllez considered the possibility that financial support would be granted through *Alianza*, and that this was supported by resources from the agriculture subprogram. This involved speeding up the procedures and documents required in order to bring them to CADER before the application’s deadline. The subprogram of agriculture varied slightly with the Program of Rural Support Investment Projects (PAPIR) of 2003, and it was necessary to understand the operational rules.

Negotiations with CADER

Of the eight applications submitted to CADER in 2003, six had been authorized. Although one authorized group, Purépechas, was part of *Productos Inocuos*, there were five SPRs which had *Alianza*’s support; the approved amounts were between USD 25,000 and 28,000. They were also authorized 2,500 of the subprogram PRODESCA; that money should be delivered to JLB’ firm as Professional Service Provider (PSP).

In the 2004 promotion, ten SPRs applied for funds from CADER of Zacapu, and two SPRs in Tangancícuaro, namely the SPRs of La Jabonera and Purépero – for a total of twelve requests. In the previous phase, La Jabonera had paid management costs to JLB’s firm; yet, he had not provided the corresponding documents to Tangancicuato’s CADER. The SPR Movimiento Ciudadano de Mujeres (Margarita) had not submitted their file to CADER since they had no interest in the greenhouse project. They were interested in mushroom production and preferred to remain an independent SPR. However, Rafa Lp, an official of the SEPLADE Zacapu and husband of Margarita, had invited and included them in the *Asociación*’s project.

For the 2004 promotion the relationship with the CADER in Zacapu was good. Cristi (Biotecnológicos) talked to Donaciano, responsible for processing CADER’s requests of *Alianza*, and he was aware of the new applications for ten SPRs. Donaciano pledged to support whenever necessary. Based on previous experience, the *Asociación* improved the logistics, validating partners’ data and quickly completing the application. Also, the documents of the SPRs Purépero and La Jabonera were gathered and submitted to the CADER of Tangancícuaro.

Cristi, responsible for completing the records of *Alianza*, showed no significant progress. Errors when filling out applications were committed, and although occasionally some partners despaired due to the load of paperwork, they were still seriously following the instructions that Cristi gave them. Cristi deftly managed to involve members of other committees, particularly women, so they ended up supporting Cristi in her work. It was necessary to make modifications for eight SPRs, such as changing the location, partners,

FODA,⁹⁶ municipality resources, infrastructure, and so on. I did all this paperwork and it took me almost a week. Lupita who served as secretary of the *Asociación* and the other members helped me entering the project data into the computer. Meanwhile, Vicente gave us the necessary letters and signed the complete application files as construction company (ACEA). Through Toño (ACEA) I contacted Valadez to obtain the necessary letters for training in crop management. With the support of Cristi, we obtained commercialization engagement letters with Pymexporta; meanwhile, Nacho (supplier) quoted the irrigation system and heating. In about ten days, we completed the eight SPRs' files that would apply in Zacapu's CADER⁹⁷; the Purépero and La Jabonera SPRs did it in the CADER of Tangancicuaro. Having learned from previous negotiations with CADER, the *Asociación* easily submitted the application files to CADER by a committee headed by Cristi and Lupita (Secretary of the *Asociación*) who, this time closely working together, avoided mistakes in capturing and processing information while using the computer system of *Alianza*. In this second application to CADER, the partners no longer went there but signed the required documents at the *Asociación*, which in turn submitted them directly. At one point, CADER even came to seek the support of the *Asociación* to process information requests outside the *Asociación*, establishing a kind of convenient collaboration.

Only a few days before the closure of the promotion, Roberto (SPR La Jabonera) arrived at the *Asociación's* offices and reported that the CADER of Tangancicuaro had given the PAPIR's form, when the *Asociación* had agreed that they would receive the format given by Agriculture, as it was requested by us. The SPR La Jabonera had shown their willingness to find solutions, but without results; Roberto also stated that CADER had for a long time refused to receive the request of La Jabonera. We identified a couple of requirements that were lacking, and which prevented the records to be received from this institution.

The *Asociación* decided to support the SPR of La Jabonera, and the next day we met in the CADER of Tangancicuaro with the managing committee of this SPR. We awaited Roberto's, and Humberto (a CADER official) told us to hand over the documents, and suggested to Roberto that the application had to be submitted to PAPIR - arguing that there were more resources in CADER's program. Apparently, in Tlazazalca the applications had not been submitted to PAPIR.

After negotiating for a while with Humberto, he agreed to review Roberto's application. After waiting half an hour, the official said that the land-use agreement signed between the owner and the SPR had not been endorsed by a notary public. The municipal president of Tlazazalca ratified this document and Roberto told me that the owner of the land was in the United States. Although the owner would arrive in a few days, the deadline for submitting the complete application would close the next day. The possibility that the public trustee ratified the agreement was quite unlikely since there were frictions of a political nature between the municipal president of Tlazazalca - who was a member of the SPR of La Jabonera

⁹⁶ Strengths, weaknesses, opportunities and threats analysis.

⁹⁷ The SPRs Margarita and Bajo Invernadero decided not to submit a request.

- and the public trustee who belonged to SPR Tomates Michoacanos (from *Productos Inocuos*). The only viable option was Ernestina (the notary). That same day, June 28, Roberto went to see her with a copy of Tlazazalca's deed, together with a copy of the land title where the greenhouse was to be established. In that document, the measurements and boundaries were written down. Malla (Los Pinos) negotiated with Ernestina to obtain the signature of the owner of the land, with the possibility to send him the document by courier.

In the afternoon, we went to Tlazazalca and explained Roberto about the document. He had a good relationship with the owner of the land and her family. The son of the owner, knowing the situation, had proposed to talk to his mother by phone; she suggested that, given the urgency, Roberto had her absolute trust, and his son could ratify the land-use agreement. The son ratified what the owner had previously signed without even reading the document, saying he was aware of the deal between his mother and the SPR La Jabonera. The next day (the deadline) the notary approved the signatures. We travelled to Tlazazalca to deliver the document, while by mistake Roberto went to pick it up in Zacapu. We spoke with Humberto, notifying him that we had the land-use agreement signed by the notary. We proposed to bring the missing document to CADER, but Humberto refused, indicating that only the legal representative of the SPR could. We requested that we could allow Roberto to take it the next day, and appeal to SEDAGRO's officials to advocate in receiving the documents of the SPR. We said this because Humberto himself had previously hinted that the missing documents could be submitted the next day.

The next day, when Roberto tried to deliver the documents to CADER, Humberto refused to receive them, stating that the deadline had already passed. That day Roberto found Esperanza of the SPR Purépero, who had handed in her application a week earlier, without including the corresponding land-use agreement. A farmer from the town of Coeneo who had overheard the conversation said: "When it comes to simplify the filling out of forms in the CADER, I better give a tip to its personnel. I do not know how to do it." (Alvaro, 29/06/04, SEPLADE). This was evidence that there was room for maneuverer with CADER officials, and that it was preferable to maintain a good relationship with them, which simplified the necessary steps - as we had already experienced in the CADER of Zacapu.

Roberto (SPR La Jabonera), who had joined the PRD and chaired the local livestock association of Tlazazalca, attributed Humberto's lack of cooperation to his and Humberto's political preferences. According to Roberto, Humberto favoured requests of PRI and frustrated PRD ones. On the other hand, teacher Esperanza (Purépero), military and president of the PRD in Purépero, without any problem had handled SPR Purépero's file in the same CADER of Tangancícuaro. Esperanza attributed it to the successful management of her network, which included officials of SEDAGRO, and in particular Pedro Loya (close to Silvano Aureoles) - but also because her SPR was from Purépero (another municipality).

SUPLADER: The arena where the private transcends the public

At the beginning of May of 2004, we held a meeting at SUPLADER in Coeneo. This time, the SPRs were consolidated and had redefined the negotiations with SUPLADER. Heredia and Lino (*Productos Inocuos*) had put on some pressure through the municipal presidents of Churintzio (a nephew of Heredia) and Jiménez to hold this meeting and include the draft of the greenhouses' project in the agenda. The meeting was attended by Lino (Jiménez), Saúl (Azteca), and the municipal presidents of Tlazazalca, Jiménez and Coeneo (our host). There was marked polarization and tension during the meeting, mainly among members of the USPRs. We had been invited by Gonzalo to strengthen the position of the eight SPRs that did not have financial resources from SUPLADER and to defend the already approved funding for the project. The meeting indeed addressed the issue of the project of the greenhouses, but the municipal president of Coeneo suggested this issue had to be discussed in a special meeting. His proposal intended to block the participation of the members of the two USPRs from SUPLADER's agenda.

Faced with the intervention of Ampa, the president of Coeneo twisted and changed his path, inviting everybody to continue the session in good terms. When Heredia and Lino participated, they tried to convince the audience that they had been subject to pressure in their USPR (*Productos Inocuos*) from Zacapu's SEPLADE. Gonzalo (delegate of SEPLADE) clarified the situation by showing some documents that there had been no such pressure, arguing that the SPRs themselves had chosen different providers of greenhouses (ACEA and ULMA), and that this could not be interpreted as a division within the *Asociación*; instead, it had been due to different projects set up from different perspectives. Gonzalo read a letter sent to Silvano Aureoles and another to Torres Téllez, secretary and head of Hortofruticultura (SEDAGRO) respectively, referring the matter. Meanwhile, the president of Coeneo claimed that he had not been taken into account, and more than once he alluded to the political overtones of the project. Meanwhile, Carlos (a member of JLB's firm) demanded the payment for the *Alianza* dealings (PRODESCA). Carlos implied that he could sue the SPR for not complying with the provisions of the project. During the meeting, the support of Salvador (SEDAGRO's link in SUPLADER) to JLB's firm was evident. Salvador recommended negotiating the debt with JLB's firm and pay the part that could hinder the procedures for authorship and committed resources from the project. Gonzalo told Salvador it was *Productos Inocuos*, working with JLB's firm, that had gone its own way. It would be desirable to respect each USPR in their choice of project and selected supplier; and that each SPR – through its representative - analysed the construction options and the commitments outlined by the requirements of the agencies.

After discerning the conflicts of the *Asociación* in front of SUPLADER and clarifying this point, SUPLADER ratified the 20 SPRs that already had regional financial support, remembering what belonged to the *Asociación*, as well as the amount authorized. In order to evaluate the finances that were already authorized for other SPRs, it was proposed to also support the eight SPRs managed by *Alianza*. The vote was favourable to accept this proposal and it was agreed to assign each of the eight SPRs an amount of USD 20,000 for the greenhouse project. Gonzalo

left happy after the meeting: 28 SPR had been considered for funding by SUPLADER. An important step in the project had been taken.

The committee meeting proposed by the municipal president of Coeneo at the meeting of SUPLADER in Coeneo was held two weeks later in the SUPLADER in Huaniqueo. The idea was to analyse the problem of transferring funds from the institutions for the greenhouse project. In order to analyse the progress in the greenhouses project of both USPRs, SUPLADER appointed a special committee composed of Janet (from the municipality of Panindícuaro) who represented civil society, and the municipal president of Huaniqueo (Armando Hurtado) who represented the government. This committee met with two representatives of each USPR, Irma and Jesús from the *Asociación*, and Carlos with another member of *Productos Inocuos*. After reviewing each file of the SPRs in both USPRs, the committee concluded that the *Asociación* showed significant advance. Carlos expressed: "Experience in the dealings of the *Asociación*, is a door that we (*Productos Inocuos*) can open in the meantime" (Huaniqueo, 30/05/04).

Some members of SUPLADER agreed to start the construction of the greenhouses with the available resources from SUPLADER, SEDAGRO and *Alianza*. However, other members intended to associate the negotiations to a private credit line. After evaluating the intervention of JLB's firm, Gonzalo was convinced that JLB's firm intended to keep the dough for them. To prevent this from happening, Gonzalo suggested reporting the situation in the *Asociación* to all members of each SPR. Gonzalo stated that JLB's firm could still influence some groups of the *Asociación*. When I asked which SPRs he was thinking about, he replied: "the SPR *Los Pinos*", adding that the project's success or failure depended on the *Asociación*.

Struggling with bureaucratic processes

The *Asociación* listed the urgent issues: it was necessary to gather the necessary documents to release the credit line from the Bank - including the legal aspects and the implications of handling a credit line for its members. The best alternative plot would be identified to build the greenhouse, as an option for the SPRs that did not meet the criteria of their respective field. The accounts of the *Asociación* and the SPRs as a whole should be in order to complete the pending applications to the *Alianza* program. To this effect, the *Asociación* formed commissions. Ampa and Cristi would be in charge of the marketing letters with Pymexporta, Nacho (irrigation provider), Malla (Los Pinos) and Mare (Puerta Chica) collaborated with the accounting firms for the documents the bank requested, while Julio César (Biotecnológicos), Norberto (Huaniqueo), Campeón (Laredo), and others supported us occasionally on the project adjustments of each SPR. Vicente (ACEA's technician) would provide an advisory and training plan.

The institutions requested a more specific document than the one presented earlier. The new project document intended to stick to the different standards and operating rules of the institutions involved, particularly of FIRCO. Inside the *Asociación* there was a debate about the claim to intellectual property of the project made by JLB's firm. The SPRs that were with

JLB's firm affirmed that the *Asociación* did not own it and that authorship belonged to the firm, while the *Asociación*'s members asserted that the payment made to this firm gave them the rights to use it. As a result, it was proposed to elaborate a new project according to FIRCO regulations, and in which the needs of the 17 SPRs were reflected. This new document was used for the negotiations with *Alianza*, and served as a reference to the institutions involved in the project. This meant elaborating 17 different project documents, in accordance to what Rogelio of FIRCO specified. This institution's office would back up ten percent of the bank credit line requested. Vicente (the ACEA technician) and me would prepare a project that included the financial requirements for ACEA's greenhouses. Also, the costs from another three companies were included, as well as commitment letters for input supply and commercialization, and water permits from CONAGUA. For this purpose, work meetings were held with Rogelio (FIRCO). Project validation of the 17 SPRs in front of FIRCO was conducted in stages; the *Asociación*'s partners provided the necessary documentation to rearrange the project, while the management committee made the adjustments according to FIRCO's regulations. The workload was exhausting. Due to the efforts made with *Alianza*, Irma's project was the first one to get an evaluation. Her group, La Piedad Chiquita, had almost completed the record. Ampa did not agree on the order of attention, and argued that:

Current partners of La Piedad Chiquita started after other groups, and they also bought the actions (SPR's) through a partner substitution, and they are not aware of the *Asociación* with their administrative expenses payment (Ampa, Los Pinos 03/12/04).

In fact, Ampa had exercised the function of treasurer of the *Asociación*, and she was aware of the contributions of each SPR. Although Irma and Ampa knew each other from school, they fought against each other in order to obtain a satisfactory validation for their own project. Each time the technician reviewed Irma's record, he pointed to new adjustments. For example, in Irma's SPR four partners were included that were not accredited as agricultural and livestock producers. Irma presented letters written by the municipal authority stating the contrary, but according to FIRCO these were not valid: they should have been issued by a collective, like an *ejido* authority, or by a small land-holding authority. Rogelio also verified CONAGUA's permission and the financial proposal for greenhouse' production. In this respect, the project elaborated by JLB's firm mainly contained gross estimations and did not give any details about the interaction between supply and resource flows during annuities. FIRCO also requested to have three different quotations of greenhouse costs and letters of support to ensure commercialization next to signed agreements with technicians specialized in tomato cultivation. After the third version of the project was delivered to Rogelio, he said we had 75% progress in FIRCO's negotiations. Irma was alarmed and argued that other institutions had previously validated the project, without considering the things FIRCO pointed out. She said: "There are so many project requirements and remarks of not meeting them. I hardly see how FIRCO will give us the validation before the end of this month [there were 20 days remaining]". Some of the partners were evidently under pressure due to the dates stipulated by SUPLADER to obtain all documents endorsed by the competent instances.

What happened with FIRCO was repeated in the negotiations with Banco del Bajío. After having overcome many obstacles during the project negotiations with institutions, and due to the time pressure to apply for the resources, members partners expressed the need of contracting an advisory firm that could support our actions and help interpret the different regulations. Vicente had been told about this since early March 2004, but he had expressed that Toño from ACEA considered that the *Asociación* should be working with Valadez,⁹⁸ a tomato cultivation expert. According to Vicente:

Valadez is working with an advisory firm called Abaco, integrated by Fernando and Félix. They advise people about the projects, and they also offer to negotiate to get the necessary resources. Once the project is being executed, Valadez is in charge of the training, production and cultivation management. I think that Valadez would participate only with Abaco, as they are a team. (Vicente 03/11/04).

Through the trust bonds established with ACEA, Vicente proposed a new strategy. He knew about JLB quitting the *Asociación*, and about the need of adjusting the project document to proceed with the financial proposals. Abaco, like JLB, was hunting for projects related to greenhouses, and both firms' business cards were usually distributed among government offices. Unlike JLB's firm, Abaco was referred to the ACEA network via Valadez. The *Asociación* needed to be able to count with the support of an advisory firm to conclude the project and to understand the different regulations. Therefore, Abaco appeared to be a viable option for the *Asociación*.

In March 2004 Vicente (ACEA's representative) had been contacted in order to finish a work plan, which included greenhouse quotations, authorized letters by *Alianza* to ACEA's providers. The work plan included training and supplies included. Vicente (ACEA) said:

I understand that Nacho wants to be included in the greenhouses construction and in tomato cultivation. From my standpoint, Nacho is careless about greenhouse management [production], so I recommend Gerardo⁹⁹ as production expert. He already manages greenhouses in Morelia's region and he could be the group's head and coordinate the advisory group's performance related to the *Asociación* (Vicente, 05/23/04).

Vicente thus expressed his interest in enhancing his network by showing deficiencies of others who could compete against his proposal. I explained to Vicente that until now, the *Asociación* was only considering Nacho as irrigation and heating provider. This arrangement was made at an assembly where both Toño from ACEA and Nacho had been present. I highlighted that the commitment and the trust of the *Asociación's* partners were with ACEA. At the end of May

⁹⁸ Contact of ACEA as an expert on crop management of tomato.

⁹⁹ Chemical Engineer Gerardo was focused on tomato production and commercialization. Gerardo had acquired a greenhouse from ACEA. Gerardo's specialty was the nutrition of vegetables inside greenhouses, especially tomatoes.

2014, I talked with Vicente again and he confirmed that he wanted to leave ACEA to start his own greenhouse business, and that he intended to establish his customer network with clients like those of the *Asociación*. Days before, five SPR beneficiaries of the *Alianza* program (see Chapter 3) had agreed with Vicente on a meeting in Zacapu's CADER in order to sign the contracts to build the greenhouses that had the authorized resources by *Alianza*, and to endorse the corresponding letters to the greenhouses' provider. The appointment was scheduled on June 2, 2004. Five SPR representatives waited for Vicente for more than an hour, but he never arrived. When Rojas (CADER's responsible) received us, he expected to see an ACEA representative to sign the contracts and to release the commitment letters at that moment. A letter would be written to the Operational Technical State Unit (UTOE) as this ensured the correct use of *Alianza's* resources involved in the project. During the meeting, Vicente texted me that he would arrive two days later. This bothered the partners, who expressed that ACEA was not that serious about the project. Thalia, Toño's wife, told me that some technicians were leaving the institution and it seemed that the relationship between Vicente and ACEA was not good at all. This partially explained Vicente's behaviour - acting outside of the agreements between the *Asociación* and ACEA. Apparently, Vicente wanted to add the *Asociación's* project to his network.

Conclusion

After the 10 SPRs had left the *Asociación* to join *Productos Inocuos*, rearrangements were made within the *Asociación*. There was a verbal agreement of not harming each other at this stage of the project. Moreover, SUPLADER appeared to agree to the funding of all 28 SPRs. The strengthening of the *Asociación*, collaborating with institutional networks, boosted the capacities of the actors as collective. Together, members liaised with all sorts of actors within the circle of government institutions, specialists, and decision makers. The collaboration also incorporated political, economic and knowledge resources.

For some of the projects' actors, the institutional intervention process sponsored by SUPLADER represented a common development strategy in La Ciénega, as interventions were supported by the institutions involved in projects - sometimes favouring the private above the collective. Some of them, such as FOMICH, FIRCO, SAGARPA (CADER) and FIRA had been enrolled by JLB's firm in an attempt to get *Asociación's* resources delivered to the trust fund. The meetings described in this chapter constituted the first contacts between the *Asociación* and these institutions without JLB and, unlike the firm, the *Asociación's* partners were serious about meeting the requirements expressed in the institutional regulations. Struggling with bureaucratic complexities, the *Asociación* sought to enrol a new firm, Abaco. Unlike JLB, though, Abaco was backed by its partner, ACEA. The problematic relationships with Abaco and JLB's firms will be taken up in the next chapter.

CHAPTER 6 BREAKUPS, ASSOCIATIONS AND NETWORK RECONFIGURATION

Introduction

As the SPRs started to get involved in management actions, existent controversies about the project became noticeable. We have seen earlier how 17 SPRs remained with the *Asociación* and ACEA as the technical firm, and 11 SPRs joined *Productos Inocuos*, choosing to go ahead with the greenhouses proposed by JLB's firm. In this chapter, I describe the network actions and the actors involved in different projects which generated rearrangements, showing the translations and historicity of the actors' associations. The sections of this chapter show the significance of all the information, which sometimes means that the chronological order of the narrative has to be sacrificed. As the project progresses, organizational conflicts become more prominent, some caused by Abaco's technical firm stirring up strife between SPRs and their members inside the *Asociación*. Despite all kinds of conflicts about finances, on July 1st 2004, SUPLADER agreed on starting a pilot of five greenhouses as proposed by the *Asociación*.

Negotiations and conflicts on *the Asociación*

A particularly relevant subject in governmental resource management is the influence of external agents or advisers, public or private, on the accomplishment of the projects in which they take part. These actors, even if they are limited by formal guidelines from programs and projects, have discretionary room for manoeuvring in the case of resource distribution. For these reasons, some functionaries involved in the project identified themselves with the *Asociación*; hence they advised to continue the project without JLB's firm, while other functionaries were less outspoken.

However, as the inception phase of the project consolidated and resources started to be managed by the *Asociación*, actors appeared to become more interested in boosting and concretizing their own projects. This showed, among other things, the nuances and political interests that were caused by the splitting up of the *Asociación*. Conflicts within the SPRs and actions closely related to the project pervaded the *Asociación* and reflected dissimilar objectives among members. This illustrated that organizing processes were not restricted to the *Asociación* only, but that external networks were also involved. Factions emerged from the SPRs and individual goals came to the fore, creating new and unexpected dynamics related to the different meanings associated with pursuing the dough (*la lana*).

The *Asociación* had started direct negotiations with the institutions specified in the project document (see Chapter 5). To release the credit line it was necessary to know in detail the guidelines and interests of the institutions, and to strengthen networks with banking agents. This work was key to unlocking the credit in accord to SEDAGRO (the executing institution) guidelines. Meanwhile, the financial institutions responsible for facilitating the credit line required from the SPRs that they mustered organizing experience, productive

capacities, economic resources, and financial solvency. These elements were cautiously evaluated by SPRs' members, in the expectation of obtaining a lower interest rate.

The negotiations and learning processes generated disagreement among the *Asociación's* members and, when reviewing the scope of the project, it seems they were going full circle and back to square one. Some partners even considered that their separation from JLB's firm was a drawback to the negotiations. Meanwhile, the fact that the adviser's firm remained working with eleven of the SPRs in the new USPR was not totally in line with the *Asociación's* decision of cancelling its services and choosing a different provider for the greenhouses. Nevertheless, the *Asociación* considered that it was inconvenient to make the conflict transpire to the institutions during their project negotiations, so it sustained a relationship of respect with the 11 SPRs (and with JLB), looking for a way to end the project in a decent way.

It was expected that by the time the administrative requirements to establish the financial basis of the project would be fulfilled, the resources would be obtained. Nevertheless, every step in the process demanded an endless labyrinth of actions. When this problem was put in front of ACEA, Abaco was recommended as a new firm that seemed a good alternative, with reliable personnel. The choice was validated by the *Asociación* members' assembly.

Valadez, Toño's close collaborator at ACEA, suggested the new firm to complete the negotiations with the financial agencies, which became Abaco's task. In this chapter, Abaco's new proposal for a central, joint greenhouse for all SPRs together created tension between collective and individual SPR projects.

Abaco's agency

The *Asociación* had to validate Abaco, which was based in Querétaro. When we had met on November 3rd, 2004 with Toño (ACEA) about Valadez and Abaco's likely participation in the project, we told him about the earlier conflicts with JLB's firm and our interest to avoid them in the future.¹⁰⁰ Toño told us that Valadez suggested working with Abaco and that he trusted it a lot, so the *Asociación* assembly proposed to contact Abaco and to request a work proposal.¹⁰¹ Later, we communicated with Abaco by phone and posed them some technical questions. Besides, we sent them (via fax) FIRCO's observations, specifying that the most important thing for the *Asociación* was to adjust the project.

Félix and Fernando represented Abaco, both being specialized technicians on greenhouses sales and management. Valadez, an expert on tomato cultivation, also had 20 years of experience in hydroponic cultivation. Félix and Fernando presented themselves as experts in many areas and ensured us (the *Asociación's* management) that they had attended

¹⁰⁰ The service companies already existed before the privatization of the State's technical advisory functions (Diego, 1995) and had been part of a clientelistic policy promoted by the Mexican State, and associated with the institutions that offered services to the rural sector.

¹⁰¹ The partners did not know Abaco; its recommendation was based on Toño's recommendation.

similar projects across Mexico. Abaco made a commitment to elaborate a proposal that would be approved by the institutions with which the *Asociación* had negotiated the funding, including *Banco del Bajío*.

Also, an estimate for their services was requested to Abaco, and once it arrived a month later we checked it with Ampa and Chema. They were charging USD 12,000, which seemed excessive for the adjustment of a document that was generated within the *Asociación*. From our standpoint, Abaco did not know about the completion of the document presented to FIRCO. Days after our review of the Abaco proposal, however, the *Asociación* decided to contract Abaco. To elaborate a contract, Abaco's Federal Taxpayer Registry (RFC) was requested to provide proof of their legal status, but it appeared that they were not registered under that name. Even though it was a legal impediment to contract a company that was not properly registered, many members in the meeting decided to proceed to sign the agreement, through the managing committee. After a long discussion between some of the partners, the prepayment of USD 12,000 to Abaco was authorized. The amount paid protected the document's authorship and some actions in front of *Banco del Bajío*. Abaco requested the version of the document be modified and validated by different institutions to make the adjustments. In general terms, the original document incorporated information of the management and cultivation process provided by Valadez, and financial requirements established for a half hectare greenhouse.

Suddenly, and without consulting us, Abaco modified the project, by proposing to build one large, central greenhouses together, and concentrating the resources of all SPRs to build greater sheds. Abaco argued that this project would be more profitable and easier to manage because it would have a single administration. Earlier, Abaco had had a meeting with Gonzalo and got his approval, but now Gonzalo was not only less convinced about building common sheds and save resources, but he also argued that Abaco had made the project, so they would have to propose how to implement it in terms of infrastructure and business administration. In my perception, this SEPLADE delegate did not clearly see the impact of the original project, which was considered to extend technological knowledge in different communities of the Ciénega.

Abaco probably reckoned that it was more likely to get the technical validation from the institutions for a single project than getting 17 separate authorizations. The proposal intended collaboration as one society, which would bring opacity to the greenhouses' functioning, administration and participation. Abaco wanted to disassociate the SPRs and to focus on the *Asociación*, in order to influence the reorientation of previous objectives and to negotiate a modified project with the institutions that, on paper at least, offered economic and technical advantages. The modification to have a central project was against the meeting's agreements and what was already accepted until that moment by the institutions involved. The *Asociación's* autonomy was fragile and it was unstable vis-à-vis imminent intervention and organizational reconfiguration. Formerly it had been considered that each SPR could manage its own greenhouse in a local field, but now a financial run was included for joint production in a collective space.

Abaco's proposal was not in agreement with the Asociación and the SPRs, so the SPRs rejected it at first. Nevertheless, Zacapu's SPR, especially Chema (Deyna) and Jesús (Maldonado) supported the proposal for a joint greenhouse building and offered a field that was the property of Jesús's family. Ampa (Los Pinos) was reluctant about it, saying the original idea was different, as each SPR should get a greenhouse, and that the agreed allocation of the money to the 17 groups had to be respected. Chema tried to explain himself with Ampa in a very detailed way to convince her to accept the joint greenhouse. Ampa seemed to be convinced when they explained to her that there was no intention of keeping the authorized money for SPR Los Pinos; it was only about a project adjustment to optimize the resources.

In the management committee, the need to keep the 17 SPRs together was emphasized, and the joint building was proposed as an option. On March 19, 2004, in a meeting it was proposed that the discussion of the new project should be made within each SPR. To this purpose another meeting was scheduled three days later. During this meeting, the SPRs from Purépero, Huaniqueo, Tlazazalca and El Fresno expressed that, apart from the greenhouse itself, the social impact on their municipalities had to be considered. A joint building implied that resources from many different SPRs would be put together for one large greenhouse, while the regulations of some institutions forbid to unify their goals. After this was said, a voting was carried out and most members agreed to build a joint greenhouse, but allowing the four SPRs mentioned before to build separately.

The project adjustments proposed by Abaco presented different edges and interests which developed into some conflicts afterwards. Joining the project implied that the project management of every SPR would be concentrated in the *Asociación*. Until then, the *Asociación* had served as a resource manager, but the new proposal implied that members of individual SPRs submitted themselves to one organization - the *Asociación* - in effect bringing about a hierarchical organization.

The partners, under the guidance of the *Asociación*, decided to support the option to concentrate the greenhouses in a single location. An element of consideration was that the majority of the SPRs were located in Zacapu and surrounding areas, and that the rest were geographically distant. These SPRs (Purépero, Huaniqueo, Tlazazalca and El Fresno) would have absorb the expenses resulting from marketing, transport, administration and construction requirements, and CONAGUA permissions, amongst others. Gonzalo (SEPLADE) considered that business consolidation would reduce the initial risks of the project; this perspective was shared by some institutions as well as by the bank, while others like FIRCO and FOMICHO were not convinced by the idea.

When the first version of the project was presented to the national FIRCO, it generated a controversy about Programa de Apoyo para Acceder al Sistema Financiero Rural (PAASFIR)'s ¹⁰² interpretation of the regulation referring to the maximum amount to be supported by the federal level (15%) and the state level (10%). Abaco skilfully decided to consult the person who had elaborated the regulation at national level, Arronte of FIRCO. Arronte was invited to

¹⁰² Support Program to Access the Rural Financial System.

Zacapu and participated in an *Asociación's* meeting in April 2004, where Monroy, Rogelio and Humberto (state FIRCO technicians) were present. The PAASFIR as a guarantee fund contributed with credits to supply seeds, transportation, and working capital. Arronte explained that the financial support was up to 15% of the project's total cost; while at state level the maximum was 10%. The FOMAGRO program was useful to expand business capacity, and to constitute a para-financial rural intermediary, which and was also considered. Arronte offered to also support a tomato packaging project.

The meeting with Arronte solved the "apparent" inconsistencies in interpretation of the project document, and made the project validation procedure with FIRCO more expedient. Arronte talked with Toscano (*Banco del Bajío*) to suggest the *Asociación* should get a credit line. By obtaining the bank's endorsement, the bank would concentrate on the liquid collateral trust of FOMICH, FIRCO, and FIRA (Chapter 4), which would in turn support the amount resulting from the bank loan. On its part, the *Asociación* negotiated with the executive of *Banco del Bajío* (Toscano) to take out the mortgages of the SPRs' goods and release the loan. The different institutions involved in the project considered this as an advancement to the management and, even if depositing the authorized resources was not in their regulation, the project's specific objectives could be adjusted.

When Abaco presented the final version of the project to Rogelio from FIRCO, Rogelio took up contact with the *Asociación* to express his negative views on the building of a joint greenhouse. FIRCO supported the individual greenhouses in the communities, privileging agricultural extension through pilot greenhouse construction. Although Abaco ensured that FIRCO would support the benefits of the agro-business, Rogelio (FIRCO) declared that such support would not be given, so FIRCO and FORMICH in the first instance withdrew their support to the new project formula proposed by Abaco.

Abaco's capabilities to shape the *Asociación's* project were effective. Abaco's experience with similar projects allowed them to break with the previous schemes proposed by JLB's firm. However, Abaco's proposal to centralise the greenhouses, with the *Asociación* as collective manager, was incompatible with the SPRs' wishes of having a greenhouse each for themselves - like in JLB's proposal. However, their position changed with time in favour of a joint greenhouse. FIRCO required 17 different versions of the project document, but in the new setup this was impossible. FIRCO and FOMICH were therefore temporarily removed from the project document. According to Abaco, these institutions would be incorporated later - after obtaining the credit line.

Land acquisition: expanding the collective resources

The decision of working in a joint project made it necessary for the *Asociación* to access land that would become property of the 17 SPRs. A committee was formed to search for a property with the corresponding CONAGUA permit (an authorization for sufficient water supply required for greenhouses). Gonzalo suggested buying a ten hectares plot of land (USD 100,000) located in Zacapu that was for sale by Espinoza (SPR Marijo) and had a CONAGUA-

authorized treadmill. The owner requested a down payment of USD 5,000 with a 2.3% monthly interest until the payment was fulfilled. When Abaco visited the water source that supplied Espinoza's treadmill, it determined that it did not offer the daily quantity of five cubic meters of water that was needed. Espinoza argued that Abaco had calculated the volume in the dry season and that the treadmill could be expanded to cover that volume.

Plots of land in communities near Zacapu were also proposed, with costs up to USD 3,000 per hectare, but negotiations with the community authorities about the water concession of a deep water well would be necessary. Some, like Chema (Deyna), Rafa Lp (SEPLADE) and Abaco were against this option, arguing that the 25 minutes distance from Zacapu and the need of negotiating water use with the authorities was problematic. Chema offered land in Zacapu (a property of 30 hectares of a friend), with a cost of USD 10,000 per hectare, but without availability of water.

Apart from the *Asociación*, Abaco was negotiating with another seller, Chava (SPR Maldonado), who offered a plot of 12 hectares for USD 25,000/ha. Chava justified the high cost of the land with the fact that it had CONAGUA's permission, which would serve if necessary to cover the needs of the 17 sheds. The owner had acquired the land in 1998 for less than USD 850/ha, and thanks to his contacts in CONAGUA he had obtained a deep water well concession near to Carátacua in Coeneo's municipality. Now the owner argued that he had invested more than USD 100,000 in digging the well.¹⁰³ Chava expressed that the investment in electric infrastructure had been his, like a triphasic pump fed by a network of posts and a low-price transformer installed by the power company (CFE). The *Asociación's* partners considered the price to be too high, arguing that it was rural land, so Jesús (Maldonado) negotiated the cost with his brother Salvador, and then offered it at USD 12,000/ha.

Chema (Espinoza's *compadre*) was inclined to build the greenhouse on the land offered by Chava, because of his friendship with Jesús. Chema tried to convince the partners (with Abaco's help) about all the advantages of Chava's land. Despite the cost difference with the other options, the majority of Zacapu's SPRs chose to acquire 10 hectares of this land and to sign the corresponding letter of agreement (05/11/04).

Subdividing of the land¹⁰⁴ was a very expensive and a long procedure; the process should be conducted by a specialized agent that would generate a new map that had to be attached to the document. The involved parties – the *Asociación* and the seller - trusted that the measurements indicated in the document were correct, and they drafted an agreement in which the owner received two cubic meters of water per day from the well for his farm. Ten of the 17 SPRs ratified the agreement before it was signed by the seller and the *Asociación's* management committee. Upon the agreement's signature, USD 12,000 were paid which was

¹⁰³ The high cost of the use of water was a contradiction in the region. This was the collector of liquid and the tributaries were at a few meters. CONAGUA denied the new drilling permits, taking care of groundwater reserves that feed the river Lerma and committed to the state of Guanajuato.

¹⁰⁴ The landowner decided to keep two hectares with a farm he had built, also with right of way and the right to use water from the well.

the equivalent to 10% of the commercial price of the land. Some of the SPRs had to get into debt to obtain this amount of money. Gonzalo proposed them to go to the *Cajas Populares* and get a loan that included the land's payment and their contribution to the project (USD 15,000), arguing that the governmental resources would be released very soon. Following the advice of a notary to reduce taxes, Chava specified the total cost of land being only USD 3,000.

For the agreement's signature, a local lawyer accompanied Chava. The lawyer was reluctant to modify some provisions and had even taken the freedom to include some of them related to the water use and right of way. Finally, the private deed Number 409 was registered at the notary office's Book 119, which ascribed the property of the land to the *Asociación* - the land on which the greenhouses would be located. The document was registered in the Public Property Register located in Morelia (Michoacán), a prerequisite which allowed the *Asociación* to obtain a credit line from the bank. Once the deed procedure of the *Asociación's* land had been formalized, a copy was attached to the bank record, and now Toscano (bank) saw the project to be more real and thus convincing. The same thing was expressed by Toño (ACEA), who instructed a technician (Vicente) to start the design of the plans for the real locations of each one of the sheds that would be located on the land. Both visited the *Asociación's* land and let the *Asociación* know that they considered the project to be a good prospect.

The property acquisition was unfavourable for those who had wanted to locate their greenhouse in the locations originally proposed (i.e. Purépero, Cortijo Nuevo, Puerta Chica, Huaniqueo, Los Pinos, El Fresno). Some of them modified their position, saying that they would be on the joint land, but in separate greenhouses. Abaco used the argument of profitability, that building the sheds with common walls could save materials. This idea was later modified by larger, jointly administered sheds. The situation ignited some conflicts among the SPRs. Acquiring the land for the *Asociación* caused a change in the project's perspective, now that institutions like *Banco del Bajío* gave financial and organizational security. From this perspective, concentrating the resources of the *Asociación* was adjudicated as effective control over them, at least from a financial point of view (as it minimized the risks of the project).

The groups that had acquired the common land pressured the others by warning them that potential risks should be shouldered outside of the *Asociación* and its resources. At the same time, some activities were promoted that resulted in conflicts of interest about the control of resources. Until then the *Asociación*, as a second level (USPR) organization, had allowed some independence to the SPRs in terms of their internal organization and autonomy. Now the *Asociación* would be subject to several controls, and the SPRs would pass to a second level decision-making with respect to the structure of the common greenhouse.

Conflicts with the consulting firms

After the breakup with JLB' firm, the relationship between the *Asociación* and them was respectful and distant. When Abaco started collaboration with the *Asociación*, the conflicts with JLB's firm reappeared. JLB spread a negative image of the *Asociación* within governmental institutions, characterizing it as a conflictive organization. In order to 'clean' the *Asociación's*

reputation, Abaco offered – without a request from the *Asociación* – to mediate in the so-called conflict between JLB’s firm and the *Asociación*. At first, the members were not aware that a negative campaign against them was being carried out.

Abaco and JLB’s firm met about the issue of the *Asociación*. In the minutes of the meeting, they specified that the *Asociación* had to pay USD 30,000 for the work and effort JLB’s firm had carried out for them. At this point, JLB’s firm put forward a demand (using a billing office) which threatened that all the goods of the *Asociación*’s partners would be seized, and again Abaco offered its services to negotiate a reasonable ‘discount’ with JLB’s firm - an offer the SPRs rejected. As a billing strategy, JLB’s firm communicated by phone with Gonzalo. JLB’s firm explained to him the so-called debts the *Asociación* had with the firm. When JLB asked for the *Asociación*’s president, Gonzalo skilfully answered JLB that I was the current president, not Heredia. JLB thereupon asked me to communicate with him and to come and see him in Mexico City. There, he said that during the negotiations with the *Asociación*, the office in his charge had spent USD 70,000 on tickets and now required the corresponding repayment. Because the *Asociación* rejected to pay, JLB’s firm threatened with suing the *Asociación*’s and its members and to list them as debtors at the Credit Bureau.¹⁰⁵ Besides this, JLB told he wanted to nab the project and withdraw the authorized resources from PRODESCA.

Later on, JLB communicated by phone with Malla, lawyer and advisor to the *Asociación*. He expressed to her that the claim against the *Asociación* was ready and that he could show it to her. Malla told him that the legal claim could not proceed, as there were no commitments to his firm signed by the *Asociación*. JLB allegedly had answered: “If it is war you want, it is war that you’ll get”. Gonzalo, seemed to be a little worried about JLB’s movements, as his threats could transpire to governmental institutions and obstruct project negotiations. Vicente (ACEA) and Félix (Abaco) exchanged some strong words (05/12/04):

Vicente: – JLB has a modest office with a secretary in Mexico City. His stuff can be carried in a suitcase. It would be a good idea (joking) to put a chip on JLB and to monitor his failed projects, and then give them continuity.

Félix: – JLB said, “If I had a gun in my hand, and I would be in front of Fidencio, I would kill him!”

Evidently, Félix intended to highlight a conflict between JLB and me and spread this perception among the *Asociación*’s partners. A few days later, and as a result of this situation, JLB’s firm notified the governmental institutions and *Banco del Bajío* that the *Asociación* had a debt with that firm. In those days, I met with Toscano (*Banco del Bajío*) to estimate the influence JLB’s firm could have and the obstacles he could pose to the *Asociación*’s negotiations. Toscano was clear by saying that *Banco del Bajío* was not worried about JLB firm’s insinuations. To counter the effect of JLB’s intervention to block the project’s development, Gonzalo suggested to close lines and to calm things down with the State government’s institutions while maintaining a

¹⁰⁵ Financial debts are registered at the National Credit Bureau. Although there were no legal elements for this to happen, partners recognized the capabilities of JLB to carry out his threat.

very close communication among the *Asociación's* members, showing the intention to stay united. JLB's firm's strategy did have an effect when his financial office pressured some members of the *Asociación*. Lira, accompanied by a lawyer, was in charge of delivering payment requests to the members of some SPRs (Marijo, Purépero, Biotecnológicos and Laredo). Without giving any legal proof, Lira demanded payment of USD 3,000.00 by each SPR. These events clearly confused and created conflicts among members and their families. Fortunately, the threats to designate them as debtors of the credit bureau did not have any effect (apart from the fact that most members did not understand the meaning of being classified as debtor of such bureau).

JLB's firm also intended to withdraw the authorized resources (USD 12,500) for five SPRs from PRODESCA (*Alianza*). To frustrate this intention, Pedro Loya (a SEDAGRO technician) suggested updating SAGARPA's data to the new PSP (Abaco). Even if the resource would be reclaimed by PSP, it would then require authorization by the SPRs authorization to release the funds to the PSP. The resources from PRODESCA had a close expiration date and were destined for training and production purposes in the greenhouse. The beneficiaries (the SPRs) tried to negotiate with Abaco to get their money back, and to reduce the expenses spent on the project. Nevertheless, Abaco intended to assign the amount (the USD 12,500) to elaborate a commercialization project. The *Asociación's* management committee clarified that the resources from PRODESCA belonged to the SPRs which negotiated with *Alianza*, and that these would not serve to elaborate any project. Abaco conditioned the negotiation of replacing a PRODESCA's PSP in exchange of economic benefits, and the SPRs qualified the action as 'unethical' blackmailing.

In fact, Abaco charged its services in cash, immediately and unexpectedly. For example, at the beginning of May 2004, Félix (Abaco) charged the *Asociación* USD 2,000 in addition to travel allowances. To avoid conflicts that could affect project management, the partners authorized this payment. However, a few days later, Abaco intended to charge another USD 8,000 to cover expensive dinner bills. Similarly, Abaco intended to charge USD 10,000 to the four SPRs that decided to build their greenhouses in their municipalities. The affected SPRs did not agree with the additional payment, arguing that they had already paid their contribution to the USD 12,000 of the joint project cost that was being used to manage the resources; nevertheless, Abaco required payment by these four SPRs as a condition for negotiations with the *Asociación*. For the payments, Abaco pressed the treasurer (Mare) and Ampa (Los Pinos) who agreed to its demands; they moved fast to demand members to pay the corresponding amounts to Abaco, while Esperanza (secretary) expressed firmly her refusal to authorize more money to Abaco. Some partners did not agree with Abaco's charges, and argued that there were inconsistencies in the payments.

In the contract signed with the *Asociación*, Abaco seemed to be a moral person without providing evidence of it. Malla (Los Pinos) argued that working with moral persons gave more certainty to the project. Institutions like FIRA required the adviser's firm of the *Asociación* to be registered as a moral person. Malla's explanation did not convince Mare nor Ampa, who insisted on the payment to Abaco. Cristi who supported them both went looking for Chema

at his home – as he had been sick for the last few days - and when Chema came, the situation was calmed down. Mare and Ampa required that the management committee take a position concerning the requested payments. After probing the situation, Chema established a strategy, talked about his experience managing the Celanese's Labour Union, and suggested to first make an analysis of the events, and then present a consistent alternative as management committee.

Mare agreed to the additional USD 2,500 charged to the four separate groups, and proposed that all 17 groups within the *Asociación* pay the USD 20,000. Abaco intended the payment to be taken from the *Asociación's* contributions, and to charge internally for the four SPRs. Some partners of the management committee were against the proposal and no agreement was reached. Malla¹⁰⁶ stated that she refused to pay additional resources for services already contracted, while Ampa and Mare's SPR pressed the assembly to negotiate the amount Abaco requested to the SPRs from Tlazazalca, Panindícuaro and Huaniqueo, and trying to make the municipal presidencies absorb the expenses. Purépero refused, however. After visiting the town halls of Huaniqueo and Panindícuaro, they agreed to pay the debt, while Tlazazalca was on standby. Now the activities of the *Asociación* were directed to get the resources to Abaco, and this activity was considered a priority in the project's development - without noticing though that this implied an unfair treatment for the SPRs involved, and who wished to establish a greenhouse in their municipalities.

Those who demanded payment were only visualizing the benefits of their own projects at the expense of others. This strategy to keep control of resources and concentrate them in the *Asociación's* property, was carried out formerly by the SPRs of Chema and Jesús, and was later supported by Irma and Armando (Piedad Chiquita), Espinoza (Marijo), Mare (Puerta Chica), Cristi (Biotecnológicos) - all of them from Zacapu. Because of this situation, the SPRs from Purépero, Huaniqueo, Panindícuaro and Los Pinos considered the alternative of joining the collective land in Zacapu.

On the other hand, a relationship of convenience was established between Vicente (ACEA) and Abaco. Vicente stated that Toño (ACEA's owner) was quitting the business to get some rest, and had neglected the greenhouses' quality. By promoting a deficient image of the services offered by ACEA, Vicente was looking to enhance himself as a free agent and open the range to other providers; he imagined that through the agreement he had with Abaco, he would provide the supplies and Abaco would control the *Asociación* by making it fully dependent. Then, the advisors would negotiate the greenhouses' selling with a provider chosen by them, moving away from ACEA. The strategy began to have an impact, some of the members distrusted the quality of the ACEA greenhouses and the seriousness of its collaborators; also, the prices changed among different greenhouse models which created confusion about the kind of greenhouse the *Asociación* required. The greenhouses offered by JLB's firm covered all the needs 'key in hands', and the ACEA greenhouses were seen as 'rustic greenhouse' full of investment risks.

¹⁰⁶ Malla had worked in BANRURAL and she had work experience in firms.

In early June 2004, Abaco made changes in the greenhouse equipment, replacing the gas heaters by diesel-fuelled heaters, which increased heating and irrigation costs to USD 600,000 for the joint project. The Spanish suppliers proposed by Abaco would provide the heating; these changes increased greenhouse costs to USD 150,000 per unit. Abaco blamed the ACEA provider for increasing the costs. Vicente agreed to the proposed changes and argued that ACEA did not work with that kind of heaters. The *Asociación* followed the technical recommendation from Abaco. The next step of Abaco was to offer greenhouses for USD 145,000 with Richel (France) and Inverca (Spain), claiming a better quality compared to ACEA greenhouses, and justifying their preference on the basis of the visits to the Atacheo greenhouses. Rafa Lp (SEPLADE), who was influenced by the project's instability, advised the SPRs of Salas (Bajo Invernadero) and Margarita (Movimiento Ciudadano de Mujeres) to better quit the project.

The positioning of Abaco in the *Asociación* resulted from an excessive ambition and changed very soon the "business" relationship it had with Vicente, who even went to the point of expressing himself against Abaco. Vicente was ready to denounce the lack of moral integrity of Félix (Abaco) at an *Asociación's* assembly. These events showed the split between them. An extraordinary meeting was called for by the *Asociación* on April 7, 2004 where the need for breaking up with Abaco was expressed. Ampa defended the adviser's position, while other partners like Cristi (Biotecnológicos) and Irma (Piedad Chiquita) just said that they trusted the management committee of the *Asociación*. Vicente (ACEA technician) said:

Félix' path as Abaco's representative has been full of breaking ups of projects in which he had participated. This firm [Abaco] tries to get the maximum benefit of the companies [organizations] that are still in the consolidation phase. Félix is a greenhouse seller, that is his major business (Vicente, Zacapu, 07/19/04).

Abaco associated with organizations that already had resources and advancements in the negotiations. In the final stage, Abaco seemed to generate instability and conflicts, when the partners had already invested a lot in the project and would not want to abandon it. On the other hand, the bonds between Félix and Toscano (*Banco del Bajío*) made it easier for the former to be a part of the Trust Fund of the *Asociación*. Vicente entrusted to me a talk he had had with Félix, in which the intention of bribing me was clearly expressed. Vicente now admitted that formerly there were agreements between Abaco and himself to work as a team, but now he admitted that it was impossible to negotiate with Abaco. Vicente stated: "Félix was egocentric, and made sure that the *Asociación's* project would not be carried out if they were not included. Abaco had the intention of visiting the institutions and generate instability in the project." (Vicente, Zacapu, 07/19/04).

The responsibility of the management committee became increasingly greater as the project headed its final stages. Among others, the committee had to evaluate the feasibility of completing the project without Abaco, as well as finding another advisory firm for the *Asociación*. From his side, Armando (Piedad Chiquita) said that whatever I decided would be fine, that maybe I had seen things the others had not. After voting, it was decided to end the

working relationship with Abaco. This second breakup would have consequences for the collective.

Organizational conflicts

Abaco promised a well-paid job to Cristi and Ampa in the *Asociación's* administration. But, since both of them wanted to be in charge, rivalry between them ensued. In this context, Abaco spread the rumour of a so-called preference of the *Asociación's* management committee for Ampa, to which Cristi reacted by disqualifying Ampa professionally, arguing that Ampa was not the right person to manage the *Asociación's* administration as she was incompetent and an irregular partner of her SPR (Los Pinos). (Ampa expressed her interest in receiving a good salary by being in charge of the administration and leaving the position as treasurer of the *Asociación*. Cristi on her side proposed that the administrative profile must be designed by a specialized office, as provided in the quality scheme of the *Asociación*. Cristi proposed the advisory office headed by Demetrio Sosa, a friend of Cristi's, to be in charge of the administrative structure of the *Asociación*, with clear intentions of obtaining a favourable position in the administration.

Mare (treasurer) did not agree with Ampa occupying an administrative position either. At some point, Mare required preparing a financial balance of the *Asociación*.¹⁰⁷ Ampa suggested an accountant friend of hers, who was asked to review the documents and prepare the budget. When he reviewed the financial documents of the *Asociación* for the first time on April 6, 2004, he found inconsistencies and legal and taxes omissions. At that moment, the SPRs had not yet made their tax declaration at SHCP and this clearly showed a lack of compliance with tax obligations. After communicating with the bank, the accountant suggested to include the SPRs on the accounting. The bill was up to USD 60.00 per SPR to state a zero declaration; the package included an individual file for each SPR. Despite the low cost, Mare disqualified the proposal arguing:

If the recommendation [of the accountant] comes from Ampa, we must take it as a red flag. I propose the Pátzcuaro company that charges USD 1,000 and delivers the documentation of the 17 SPRs within 24 hours (Mare, Zacapu, 06/01/04).

Ampa, as a third option, proposed a couple of accountants from Zacapu, whom she contacted a day before. On her own, she delivered to the office a copy of the requirements to prepare the income statements of the bank. Mare considered that Ampa had compromised her function as the *Asociación's* treasurer. This generated a hysteric reaction from Mare, who ended up crying, picking up her things and asking Malla (the alternate treasurer) to be discharged as the titular, as under those conditions she would not participate anymore.

¹⁰⁷ This process formed part of the management of the credit line to the *Banco del Bajío*.

Meanwhile, Ampa stayed in silence; her strategy seemed to be to make Mare quit from the treasury, aware as she was that her sister Malla would put her in control instead.¹⁰⁸

The administrative structure of the *Asociación* constituted a requirement requested by the bank. To that purpose an assembly was organized in the middle of June 2004. The assembly gave a trust vow to the management committee to propose an administrative structure. Ampa invited Abaco without informing the partners, just stating that the presence of an adviser's firm was required. Abaco offered their "integral" services including administrative training. The assembly agreed on accepting the proposal, which considered USD 10,000 to make the project "integral", USD 15,000 for credit management, and USD 7,500 to design the administrative structure. Abaco requested the management committee not to follow the assembly's decision, and furthermore demanded that I be excluded from the proposals' review to choose a firm. I expressed that my participation would be the partners' decision and that no firm could take the *Asociación* as a hostage; also, I told them that we would inform them about the result of their proposal. Abaco abandoned the assembly and Ampa also did, but later on she came back, just when the assembly authorized the management committee to design the administrative structure.

Ampa did not agree with the way Abaco was treated, arguing that they had solved some problems. I clarified to the assembly that by choosing a firm, particular interests could be affected. The partners knew about Ampa's and Cristi's aspirations to have a position within the *Asociación's* administration. To solve this problem, the assembly should be the one to propose the administrative structure and to allow the management committee to invite advisors to present their alternatives.

When Jesús and Malla entered, they strengthened the position of Armando (SPR La Piedad Chiquita) who was moderating the assembly. The general opinion was that they should not put partners on administrative positions. The case was mentioned of a Zacapu pasteurizer¹⁰⁹, and how a very bad administration had forced it to close. Irma pointed out that the partners had become employees of the company, even the accountant (Irma's sister) was on the payroll of the company - and she was trying to avoid this. Trujillo (Cortijo Nuevo) added that he, when being in charge of the waste disposal department of Zacapu, he once had to take out workers who had privileges in the town hall's current administration. He thought that the ability conferred upon the management committee should be used to modify the administrative structure, if necessary. In opposition to her sister Ampa, Malla defended the position of not mixing partners' business with the SPR, while Mare did not agree either with the idea of the people familiar to the partners to become administrators, and Marco, a partner of Mare's SPR, suggested to both of them to rethink the issue. Only Manuel (SPR Las Delicias) considered the aspiration of both Cristi and Ampa appropriate.

¹⁰⁸ Before the arrival of Mare, Ampa had conducted the finances of the *Asociación*, she appeared in the bureau of credit. The file presented to the Bank involved all partners, and Ampa did not appear as a partner of the SPR of Los Pinos.

¹⁰⁹ Irma told how her sister had been a manager in an SPR for milk pasteurization, were Mare's father had been the treasurer. The pasteurizer received government resources and had internal problems, derived from conflicts of interest among the members and management.

With the purpose of protecting the investment, it was unanimously decided to exclude family relations from the *Asociación's* administration. The task of consolidating the administrative structure was assigned to Malla. Ampa expressed that she could not believe the meeting was turning its back on her and felt very offended by the situation. She did not understand that, despite her time invested, the *Asociación* did not assign her a position in the administration. As much as Cristi, Ampa looked for a position in the *Asociación*, just because of her support to the organization. René Sosa (the SEPLADE technician) linked this event to earlier cases: "During the past 10 years Ampa and Cristi have failed to consolidate a job; in the beginning they supported the actions, and then they asked to be supported themselves". Malla also considered this to be the case.

Even if it was very clear that Cristi was looking for personal benefits too, unlike Ampa, she seemed to understand the assembly's agreement very quickly. The next day Ampa also had second thoughts and considered it to be a mistake to make her personal interests visible at the assembly, and was aware that it could affect her aspirations to an administrative position. Malla suggested Ampa to present an administrative proposal together, but Ampa refused the offer. These conflicts would have consequences for the *Asociación* because Mare, Ampa, Cristi and Malla were in charge of fundamental tasks in the project. After what happened, Ampa felt herself unprotected and she needed to team up with someone she trusted. I tried to calm her down by clarifying that there were different stages in the project, that the administrative phase should be discussed in due time, that the important thing was to consolidate the project, and that it would be the partners' decision to define the administrative structure. Now the confrontation between them was very clear. Cristi was very cold-blooded and rude to Ampa, who intended to take Malla off the organization and blocked her in a clear way.¹¹⁰ Malla, from her side, did not want to have a prejudice against the *Asociación's* partners at that moment. When Chema rejoined the *Asociación* after his illness, he expressed his support to Malla, considering her more competent than Ampa (both had known each other for a long time).

Mare, who confirmed that Malla was serious, expressed her doubts and worries about the project; for several minutes, the members of the management committee listened to her because she was sincere in expressing the pressure she felt to have to represent her task as a treasurer, how she had analysed the situation and come to the conclusion that there were personal interests that defined the project. She talked about Abaco, and how they were looking to increase the fear of failure. Mare also mentioned JLB's firm intentions to block the *Asociación* in the negotiations. Gonzalo thought that there were talks going on between JLB's firm and Abaco to stir up conflict and that a greenhouse provider was involved (he did not tell which one). He said he came to these conclusions after seeing some minutes sent by Abaco, and suggested to stay together until they would receive the resources.

For some weeks Chema fell ill again and stayed at home, but Mare, Cristi, and Ampa gave him their versions of the events about breaking up with Abaco. At the end of June 2004,

¹¹⁰ To select an alternate for Treasurer, Ampa had voted in favour of Cristi and not of Malla.

during a meeting to ask Esperanza to talk to SPR La Jabonera to pay its contribution, she refused, arguing that she had to do other activities. During this assembly, Chema pointed at the failures of Esperanza when taking the minutes of the assembly. Chema was asked to suggest the nomination of an alternative to Esperanza as secretary, and Armando was chosen. Esperanza seemed disappointed and little motivated as she did not believe in the project anymore. Esperanza said that the partners of her SPR were not motivated and that it was a risky thing, so she asked me to talk to them in Purépero. Then Chema told me that he had thought about some things, among others the *Asociación's* dynamic support by the women. Chema was right in being worried, as he had not any experience in female teams, and neither did I.

Abaco had shown how it could influence the behaviour of the female partners and attract their support. In many occasions, I had listened to the comments of the women in the *Asociación* (Cristi, Mare, and Irma): they considered Félix a handsome man, and they liked his expressions and gestures, which influenced them. Others with a stronger personality, like Malla and Esperanza, seemed not to bother and expressed their concern noticing the influence of Félix on their companions. Félix once expressed that the key to influence in Zacapu was through gossip. The *Asociación's* former president, Heredia was said to think that “the women from Zacapu” were part of the causes of the *Asociación's* splitting up.

Associations, displacements and network rearrangement

While the trust fund was tried to be created, expecting the contribution of 10 percent of greenhouse cost (USD 15,000 for each SPR) to be deposited before the end of July 2004, SEPLADE argued that after that date they would not be able to stop the process, and the SPRs that did not get the credit line would be excluded from the project. For this reason, Ampa and Mare put pressure on the rest of the SPRs, demanding their respective contributions, particularly the SPRs of La Piedad Chiquita, Bajo Invernadero, Comanja, Movimiento Ciudadano de Mujeres, La Jabonera de Tlazazalca, Cortijo Nuevo and Huaniqueo. The ways in which pressure was exercised caused tension within the *Asociación*; some of them even proposed to deny those SPRs the right of voting in the assembly. This process would differentiate the SPRs that had the economic resources to contribute to the project from those who did not. Mare was being rude with Irma, who did not have available resources. Chema, Jesús, and Víctor (Maldonado) agreed with me in making a pact with each SPR to specify the deadlines.

From my point of view, the contribution was unjustified until the credit line from the bank was authorized. Gonzalo agreed with this; however, some officials (like René of FOMICH and Abraham from FIRA) considered that one way to test the commitment of the partners to the project was through their financial contribution. Following this approach, regional development imposed conditions that would exclude some actors and favour others. Still, the organizing incompatibility of some of the SPRs obstructed the mobility of others who did invest in the project. For example, the SPRs of Cortijo Nuevo, Bajo Invernadero and Movimiento Ciudadano de Mujeres one day accepted to be part of the *Asociación's*

management, and a few days later threatened with their withdrawal. The inconsistent behaviour of these SPRs affected project planning, so Chema and Jesús demanded these societies to comply with the required commitments to the *Asociación*, and analyzed the situation of the SPRs that were moving away from the project. Chema proposed not to give back the contributions to any of the SPRs that choose to move out, his main argument being the necessity of completing the payment for the *Asociación's* land. Besides, by keeping the contributions in the *Asociación* account would give more certainty in credit line negotiations.

Through Malla we pleaded to the SPRs that wished to get their contributions back – and this caused disagreement with Chema. For example, Trujillo (Cortijo Nuevo) complained about paying interest for a credit he had taken up in order to pay his contribution. The members of Cortijo Nuevo did not want to continue with the project, and Trujillo expressed his withdrawal before the assembly, requesting the return of his contribution. Chema and Jesús (Trujillo's companions on the Zacapu town hall) thought that Trujillo had been irregular and should be expelled from the *Asociación*. The letter sent by the Salas' SPR (Bajo Invernadero) was also read, which stated that they also quitted the *Asociación*. Then Gracian presented the withdrawal of the Puerta Chica SPR on grounds that there wasn't any progress and that the necessity of an advisory firm to support the negotiations was put aside. He talked about the exit of Abaco, and requested their contribution to be returned. The assembly stated that these things did not justify their withdrawal, and reminded them that commitments were made to buy the land. Chema had good thoughts about the SPR Puerta Chica; he considered they had a strong fighting spirit because they all wanted to participate. Irma and others considered that by their withdrawal the *Asociación* was being affected, and this could start the "stampede" of other SPRs in the *Asociación*. It was agreed to give an answer within a few days to the SPRs that put forward their wish to withdraw.

For several days, the SPRs were approached to finally agree on the return of their contribution. The next assembly served to release tensions and to look for the cause of their frustration. Ampa mentioned that some differences among the *Asociación's* partners had been overcome and that now things were moving forward in benefit of the project. From the *Asociación's* standpoint this would allow maintaining the project's negotiation with the bank and the institutions.

The first replacement of the partners in an *Asociación's* SPR had occurred in 2003 with La Piedad Chiquita. The procedure implied organizing an assembly between the former partners and the new ones, to introduce them and give them the SPR's representation. In the same meeting, the former partners presented their withdrawal so the transfer of SPR actions took place immediately and, finally, the act of the assembly was registered in front of public notary. A year later (May 2004) a similar situation occurred in Comanja's SPR, as Pancho quit as its representative and René Guizar took over, while Rosario stayed as treasurer and Sebastián Loya, brother of Pedro Loya and Baltazar from Tirindaro, joined. On June 24th, 2004 the economic contribution was returned to SPR Puerta Chica and the replacement of the partners took place, with Martín representing the new partners who were Carátacua. With the withdrawal of Mare (Puerta Chica) as treasurer, her task was officially transferred to Malla.

The Bajo Invernadero group represented by Salas left its position to a SPR from the Bellas Fuentes community, represented by Juan Luis. The rapporteur endorsed the replacements, which were then formally registered with the notary public.

With the replacement process inside the SPRs, it was intended to keep consistency in the organization of the *Asociación*. The translation process modified the SPR internal structure, thus avoiding a revalidation of the records as a new SPR. Gonzalo suggested that achieving cohesion with the new groups would be done in a similar way as the organizing process that had involved the pioneer SPRs in the project. Nevertheless, the perception of the new members towards the project caused a rearrangement and detachment of other actors and formerly associated resources, generating a new version of the *Asociación*. This changed the project perspective among the new partners and promoted some exchanges among those already participating. Displacements in the actor-network show that the repertoire of translation is not only designed to give a symmetrical and tolerant description of a complex process which constantly mixes together a variety of social entities. It also allows an explanation of how a few obtain the right to express and to represent the many silent actors of the social and natural worlds they have mobilized (Callon, 1986:19).

Conflicts resulting from getting the credit line

The credit line amount established on the project document was USD 2.3 million, and the negotiations were with *Banco del Bajío*. Some institutions, such as FIRCO, expected the *Asociación* to have the authorization of the credit line to release the resources. At the end of June 2004, *Banco del Bajío* met with the *Asociación's* partners at Zacapu. Even if the *Asociación* was the agent for the credit, the bank required to establish specific agreements among each SPR and the *Asociación* in order to support the latter. Thus, the contractual obligations and rights agreed with the bank would be also the responsibility of the 17 SPRs.

The negotiation of the credit line also included several joint guarantors¹¹¹ and a statement of financial position, without any guarantee required; the joint guarantor was considered a moral support, more than an economic one. Because of the reticence of some of the partners to be the joint guarantor for the *Asociación*, Toscano (the bank agent) argued that if we were sure about our project, we could bet on the credit. Irma, Armando, Manuel and Esperanza agreed on working with joint guarantors, under the condition of having a contingency fund during at least two years; the fund would allow softening payments and interests at the beginning of the project. Then the bank proposed to consider a liquid guarantee of one to one, the release of the FIRCO, FIRA, and FINCA resources, and to elaborate agreements between the *Asociación* and the SPRs.

To reduce investment risks, the *Asociación* proposed to the bank to start with five greenhouses, which Toscano considered appropriate. He asked to visit the *Asociación's* land, where the greenhouses would be installed, and be allowed to review the water permissions. During the trip to Carátacua, Toscano asked about the specialized technician on tomato

¹¹¹ The partners of each SPR support others in their SPR.

cultivation, and we explained to him that it would be Valadez, who had already collaborated with the *Asociación* in the project elaboration phase. After giving his approval to the site, Toscano came back to the *Asociación's* assembly and gave us the good news that in a few days we would get the bank's proposal about the specific amount of the authorized credit line. He suggested signing the agreements with Valadez for the final picture of the project, with the SPRs involved, and that picture would not change anymore.

Toscano parted and everything stayed in harmony in the *Asociación*. The happiness, and the feeling of certainty could be perceived after so many years of hard negotiations; the end of the road became visible. When the assembly ended and the partners were leaving the place, Cristi and Ampa avoid leaving the place. Then, Félix (Abaco) appeared and started to detract ACEA company works from La Piedad greenhouses, ensuring that there was inappropriate management of the cultivation by Valadez from inappropriate conditions of the greenhouse. Félix said: "We've talked with Toscano and he puts as a condition to release the loan that the *Asociación* signs with the same advisory office that prepared the project, to follow up and consolidate the trust fund" (Felix, SEPLADE hall, 5/7/2004).

I spoke to the partners to inform them that the assembly was finished and that the bank's representative had spoken directly with them on the meeting. The members abandoned the meeting room, while outside Ampa and Cristi tried to gather money to cover the expenses for bringing Félix from Querétaro. The amount they asked for was about USD 900. They pressured the Tlazazalca group, which gave them USD 50. Esperanza, Cristi, Manuel, Armando and Irma were in favour of collaboration. Eliseo, representing SPR Deyna SPR, said that he did not have money. Malla was against payment. Ampa and Cristi were very emotional and tried to vote to decide by majority – even if we were dispersed and already in the parking place.

In the hall, Félix claimed to have the power to change the rules whenever he wanted to, and that the bank would not support the *Asociación* if Abaco did not participate. Abaco clarified that they would not support the *Asociación's* for as long as I was the president. Félix reacted by suggesting to go and eat something to calm things down. At the meal were present Ampa, Armando, Malla, and Zavala.¹¹² Félix proposed to save USD 300,000 for the project and leave them as a fund for the *Asociación*. Abaco did not specify how the saving would be done. It was evident that he was trying to sell us something; his benefit was there, he mentioned something like "hidden vices", and to achieve it the credit amounts were increased to "soften" the occurrences. Félix said that this was very usual in projects; for those present the proposal did not hold any surprise. Félix's lack of professional ethics was very clear at the end of the meal, when we were coming back and, in front of his colleague Fernando, he asked me: "In what colour would you like to have your car?", with the clear intention to buy my loyalty to favour them on their re-contracting. After looking at him straight in the eyes through his

¹¹² Zavala had a consultancy office in Morelia, and we asked him to present us with an advice during the visit of the Bank. After the meeting Malla would say "Zavala is like a vane, sometimes supporting Félix, sometimes the *Asociación*. Although Félix excluded him in an evident way".

glasses, Félix said: “We all need a piece of the cake”. I turned around and left (Restaurant Aleman, 5/7/2004).

From my point of view Abaco’s interest did not match with the *Asociación’s*. That afternoon I had a conversation by phone with Toño (ACEA) and told him what had happened. Then Toño talked with Valadez, who criticized Félix’s attitude which had caused a professional rupture between them. To validate his skills in tomato cultivation using ACEA greenhouses, Valadez invited the *Asociación’s* partners to come and see “La Piedad” greenhouses. Two days later some partners visited “La Piedad” and found that the greenhouses’ quality was up to standard, and found out that Bañales (the owner of La Piedad) was happy with ACEA. After the visit, the *Asociación* confirmed the moral integrity of Valadez as technical advisor, as his technical capacity in the tomato cultivation under hydroponics had been proven to be safe and was supported by greenhouse companies such as AGROS in Querétaro.

On June 30, 2004, Banco del Bajío authorized 50% of the credit line for the initial stage of the project. The amount was USD 1,275 million, with an annual interest rate of 12.9%¹¹³ and the estimated amount destined for each SPR was around USD 75,000. With the initial stage completed, the rest of the credit would be managed. As the institutions had the resources conditioned to the authorization from other financial sources, and these depended on the credit line, the answer to the bank was integrated into the file that each SPR had with SEPLADE.

After completing the files, the *Asociación* authorized the construction of five greenhouses in two modalities (Figure 6.1). The modality considered the authorized amounts by *Alianza*, joining the investment with the contributions of the *Asociación* and SUPLADER. The bank loan would be used as working capital¹¹⁴ and the payments would be made at the end of each productive cycle, estimated at six months. The partners supported the proposal and agreed on starting the greenhouses’ construction as soon as possible. To expedite the process the resources would be assigned to the producers, as was done in Tanhuato.

Figure 6.1 Investment (in USD) required for building a half-hectare greenhouse

Source	Modality 1	Modality 2	FIRCO and FOMICH would support the Bank loan’s liquid guarantee.
<i>Alianza</i>	28,000	12,000	
SUPLADER	25,000	30,000	
ACEA (10%)	11,000	11,000	
SPR (10%)	11,000	11,000	
Subtotal	75,000	64,000	
Bank (credit line)	35,000	46,000	
Interest rate	4,515	5,934	
	110,000	110,000	

¹¹³ This type of preferential rates was only managed by FOMICH (12%) annual on social loans.

¹¹⁴ Seed, labour, fertilizer, energy payment and water.

The *Asociación* would start building five greenhouses, with SPR Purépero, SPR Los Pinos, SPR El Fresno, SPR Maldonado and SPR Las Delicias as the candidates. Those SPRs had fulfilled the requirement of the 10% contribution to the project, so the *Asociación* would provide the support and authorized credit line. The strategy was to start using the capital that did not generate interest before, and using the loan to equip the greenhouses as this would allow starting the production stage immediately.

At SUPLADER's meeting in Churintzio on July 1st, 2004, and after revising the corresponding documentation of each one of the 17 SPRs, SUPLADER agreed on starting the five greenhouses proposed by the *Asociación*. Salvador from SEDAGRO (executive agency) also supported the proposal. To process the negotiation, SEPLADE 02 (through Gonzalo) requested the release of the authorized resources by SUPLADER to the State's SEPLADE. On 1/7/2004 the project negotiations were successfully completed.

Conclusion

In this chapter I have described several conflicts resulting from the different perspectives on the right strategies to follow in the greenhouses' project. As progress in the negotiations became noticeable, personal interests became more prominent. This was evident in the struggles between SPRs, and between the *Asociación's* president and Abaco. The temporary alliance between JLB's firm and Abaco was strategic and convenient to both parties in their search for profit from the project (either as intermediary advisors or as sales managers for greenhouse products). As I have shown, each firm came equipped with its own networks, which included greenhouse companies, agencies, organizations and credit negotiators. The advisory firms did not share their networks, but only the services they offered to obtain resources from the SPRs in exchange, promising them to compensate the elevated costs at the end of the project's negotiations. This attitude was incompatible with some of the *Asociación's* members, causing the withdrawal of some and the inclusion of others. After a partial rearrangement, the Banco del Bajío agreed to provide the credit line. Finally, a pilot of five greenhouses could start.

CHAPTER 7 FINAL PHASE OF SUPLADER IN THE ZACAPU REGION

Introduction

After complex negotiations and conflicts within the *Asociación* a credit line that complemented the project resources was obtained. In early July 2004, SEPLADE Zacapu sent the request to release the authorized funds from SUPLADER in order to start the first phase of building five greenhouses. Within the *Asociación*, the battle to decide the final participation scheme caused friction among those members that were able to finance the project (contributing with USD 15,000 each), and others that did not have this amount of money.

At this time, Gonzalo left his position as SEPLADE delegate to put up his candidacy for Zacapu's municipal presidency. Project conditions changed in the relationship with the new delegate, and the *Asociación* had to face interventions from external actors. The organizing experience of key actors, such as Chema and Jesús who had participated in Celanese's Labour Union, and the close relationship between the members of Zacapu's SPRs allowed them to hold onto the project. Nevertheless, in order to finish the project, it was necessary to keep the actors and the resources together in the network, focusing on the building of the five greenhouses as the pilot, proposed by the *Asociación*. In the *Asociación's* game, its SPRs were merely interchangeable elements that were used and synchronized to achieve one single goal: to obtain the project money or the dough (*la lana*). In this chapter, the perspectives of the different actors about the meaning of the project are set out.

SEPLADE's delegate's replacement and its consequences for the *Asociación*

In order to have a wider understanding of the project, it is necessary to view the political context. The PRD political system of Michoacán was to be continued what had consequences for every region, particularly the Ciénega de Zacapu region as a stronghold of the PRD. As a result of the political processes that had taken place in the re-election of the local councils in the eight municipalities that formed SUPLADER Zacapu, the actors involved in the process began strengthening their networks. At the same time, some actors that had obtained political and negotiation experiences in the *Asociación's* networks decided to put forward their own candidacies for the public elections. There were also the promoters of development that were involved with SUPLADER, like civil servants, outgoing municipal presidents, and organizations.

In this section, the events and conflicts that disrupted the project are explained. In the SEPLADE of Zacapu, different governmental trends coexisted, ranging from Julio Moguel¹¹⁵ who was close to Cárdenas Solórzano, Octavio Larios, with a PRI background, to Pedro Velázquez, a former collaborator of the President, Vicente Fox (PAN), when he was governor

¹¹⁵ Advisor to the Zapatista Army of National Liberation (EZLN) from 1994-1997; he participated in the dialogue table with the federal government for the San Andres Larrainzar agreements (1994-1996).

of Guanajuato. Some SEPLADE officers like Julio Moguel, Pedro Velázquez and Leoncio Lagunas were not convinced of the organizing processes regarding the Alternative Agricultural Model (MAA) that Gonzalo had promoted in the region of Ciénega de Zacapu. When he stepped down from his position in Zacapu, SEPLADE directors saw it as the right moment to change the SEPLADE strategy.

The central offices of SEPLADE appointed Leoncio Lagunas as the new delegate for region 02. Rita (SEPLADE Morelia) was named as Resident. Lagunas had been the delegate of region 03 (La Piedad), and had disagreements with Gonzalo. These had started years before in the Federal Congress, when Leoncio was personal secretary of Enrique Bautista, ex-federal deputy and now state Government Secretary; an entrepreneur that was linked to the federal deputy at the time from PRD, Cárdenas Batel. Before Octavio Larios, Enrique Bautista was the Secretary of SEPLADE. His ideology highlighted the influence of *de facto* powers in Mexican society and showed how necessary it was to reconcile with them to achieve social change. His perspective did not fit well with the socialist perception of Gonzalo, who promoted bottom-up development. As the new delegate, Leoncio Lagunas established alliances in the MAA organizations with actors that went against Gonzalo and offered them the opportunity to be beneficiaries of SUPLADER resources. An alliance was established with Samuel Campos, for which Chema (Campos' godfather and official) would serve as the link. Leoncio Lagunas and Francisco (SEPLADE) contacted the directors of *Productos Inocuos*; the latter now supported the new delegate and did not acknowledge the favourable parts of the project proposed by Gonzalo.

Organizations like *Productos Inocuos* that had been lagging in the processes, now reappeared to question Gonzalo's performance as leader of SEPLADE 02, but also his expertise as technical secretary of SUPLADER. During his management, Gonzalo had not used the first USD 200,000 from the 2003 budget for the Alternative Model projects (see Chapter 1), even though the release of the resources depended on SEDAGRO as executing institution, since it was responsible for giving technical guarantees for the project.

Leoncio arrived with the intention of breaking up the MAA, and most of the municipal presidents agreed with this. But while in Coeneo it was decided to abandon it, the rest supported their own SPR's. The SPR Movimiento de Mujeres Ciudadanas, which had recently been consolidated, Comanja and Bajo Invernadero which had been restructured, and those associated with Gonzalo were left out of SEPLADE.

In the first SUPLADER meeting, held on July 1, 2004 in Churintzio, the goal had been to dismantle the Alternative Agricultural Model, with close to USD 600,000 being returned to the SUPLADER funds. Francisco (from SEPLADE), Samuel Campos and the municipal president of Jiménez attacked the *Asociación* and suggested increasing the investments in roads. The partners of the SPR Invernaderos y Hongos were against this and were supported by Heredia and the municipal president of Huaniqueo. Thus, a favorable vote was achieved in order to keep the authorized amounts in the Invernaderos y Hongos' projects; the rest of the resources were reassigned for other purposes.

New connections in the network: the fight for the *Asociación's* resources

On July 23, 2004, I talked to Chema about Abaco and SUPLADER. Chema had been visiting some governmental institutions in Morelia and ensured me that the SUPLADER resources for the project were conditioned so that *Alianza* and SEDAGRO would do what had been set out in the project agreements. He let me know that many partners had gone to see him as they were worried about various matters. The SPRs that were close to Zacapu were in contact with Abaco, which hoped to strengthen the services they offered. Ampa, who was aware of these facts, coordinated with Cristi to schedule a meeting of the *Asociación* that same day. Cristi scheduled this kind of informal meetings separate from the invitation sent out by the management committee and within only a few hours' notice, with the clear intention of excluding representatives and manipulating the assembly. Seven groups had apparently not been invited to the meeting, Comanja, Bajo Invernadero, Movimiento de Mujeres Ciudadanas, Puerta Chica, Cortijo Nuevo, Tlazazalca, and Huaniqueo. The meeting, using the same style as the labour union in which Chema had participated in the 1960s was conducted without order and with several attacks from Chema addressed at Malla and me¹¹⁶ using arguments based on speculations, as he had been inactive due to medical reasons during the events mentioned.

The meeting's minutes had been drafted in a biased way by Cristi and Ampa since they showed support for Abaco, but the minutes were considered valid. Chema stated that I was the one who had broken away from Abaco. The report was questioned by Eliseo¹¹⁷ (who was there representing Chema), ensuring that Abaco had only been asked for a written proposal, but that the vote of confidence had not been given.

Malla's impression was that Chema claimed that Eliseo was conspiring with the administrative structure of the *Asociación*. The bash against Abaco was made through Toño (ACEA) and Valadez; Félix resented that Valadez had left Abaco and had resolved to get rid of me as the *Asociación's* representative. The only information leaked by Abaco was that Valadez would not support the *Asociación*. The partners were overwhelmed by confusion and despair, as Félix knew that gossip was used in Zacapu to discredit people. Immediately hereafter, Abaco made its return to the *Asociación*, on three conditions: i) The bank would give support only if Abaco participated; ii) The supplier would be changed, arguing that there were deficiencies in the ACEA greenhouses of La Piedad (advised by Valadez); and, iii) I had to quit leadership of the *Asociación* (see Chapter 6). Abaco's intention was to get me out of the managing committee in order to consolidate its strategy of "going for the dough". Abaco had convinced Cristi, Ampa and Mare, and they explained the return of Abaco to Chema. The links between the SPRs of Maldonado, Marijo, Deyna, Puerta Chica and *Las Delicias* was very narrow and they agreed upon Abaco's proposals.

Ampa was betting on getting the Abaco contract in this fast-track meeting, but to do so she would have to pass the managing committee and directly influence the partners,

¹¹⁶ Chema and Malla had known each other for a long time; she was a friend of Chema's daughter.

¹¹⁷ Chema's son-in-law and Deyna's partner.

challenging the authority of her sister Malla (treasurer). Following Félix's instructions, Ampa read a letter in which she mentioned a specific date (in two weeks' time) to complete the contributions from the remaining SPRs. From the contributions, they would pay Abaco to continue with the project, while the SPRs that did not pay the USD 15,000. would be left out.

Ampa and Cristi, with Abaco's help, included a topic in the assembly's agenda, which requested them to "take a picture" (to know how many SPRs would participate). Irma valued Ampa's work since the project's beginning and asked the assembly to keep her in charge as treasurer. Due to these events, Manuel from SPR El Fresno presented his resignation, and the partners of the SPR also quit and asked to recover their contributions. Trujillo and Margarita also left the *Asociación* due to Ampa and Cristi's pressure. I had a conversation with Chema about this:

Fidencio: It is not advisable to put pressure on the SPRs; the contribution is not required yet by the bank as a liquid guarantee.

Chema: Is it advisable to allow those partners that do not want to continue to take out the money, and to make their contribution when it is required?

Chema reconsidered and ensured that he was not willing to give the money back. Esperanza affirmed that her SPR would spend the money on the project and that it was best not to give it back. Sensing that I represented an obstacle to some actors' interests I expressed that, at no point in the project, had I meant to be an obstacle, and that it was my intention to turn the project into a real option in La Ciénega de Zacapu (even though at that moment I understood the conflicts and external interests that were driving us apart). I said that the meetings were now managed at the convenience of some people, and that some SPRs that made up the *Asociación* were excluded. In addition, companies and people were being discredited without reason. As a result of this, I handed in my resignation as President of the *Asociación*.

Armando was the first one to react and he gave me a sincere vote of confidence to stay in charge, so that Abaco could be hired and they could get started with the building. Esperanza also supported me by saying that I was the one that had motivated the Purépero group; she also gave me her vote of confidence. Manuel (Las Delicias) and Manuel (El Fresno) also supported me; Espinoza did the same and gave me a pat on the back saying, "Chin up!". The assembly did not accept my resignation and, once again the hiring of Abaco failed. Some partners however (most notably Chema, Ampa and Cristi) would not give up their attempts.

On July 28, 2004, a meeting was called according to the statutes, in writing and with prior notice, and most of the partners attended. In a clear act of obstruction, Cristi and Armando forced Julio César, the representative of the SPR Biotecnológicos, to leave the assembly, trying to prevent that the necessary quorum (more than 50%) would be reached. The SPRs that supported Chema agreed not to attend the meeting as a way to infringe upon the decisions made by the majority, but the assembly still reached the required quorum. Armando, Irma and Espinoza attended this meeting. The bank's and Valadez's proposals were

analysed. Armando argued that Valadez's services were too expensive¹¹⁸ and the credit line implied paying interest on the credited amount of USD 1.2 million. I clarified that interest would only be paid on the credit line used, the amount needed to start the five greenhouses. Thus, we would obtain some experience in the production of greenhouses, and minimize the risks. Malla considered it feasible that the *Asociación* would administer the five greenhouses, and argued that this would only be possible if all SPRs contributed the same amount of resources for the investment, to prevent an internal division within the *Asociación*. The proposal was voted upon and approved by majority of 10 votes. Armando voted against the proposal and Julio César abstained. Then, a definitive list of the SPRs that would be included in the first phase was drafted. The confirmation accepting the credit line proposal for five SPRs was sent to the bank. Malla, who had voted in favour, after talking to Ampa, notified that she was leaving the project.

Ampa and Cristi kept Abaco informed, while Abaco had plotted with Ampa (SPR Los Pinos) to push her sister Malla (the *Asociación* treasurer) out of SPR Los Pinos. Gonzalo, in the meantime, tried to recompose the Biotecnológicos group by talking to Ricardo about the proposal approved by the assembly. Gonzalo explained:

If the group of SPRs that identifies with the *Asociación* builds the greenhouses on the land belonging to the *Asociación*, it will be mortgaged. The President of the *Asociación* supports this proposal and can count on the majority of the SPRs, and the block of five greenhouses will help to prevent Abaco from taking control of the project (Gonzalo 30/07/04).

According to Gonzalo, the resources for the five SPRs would be released in a few days and he considered it feasible to continue the project with most of the partners. Espinoza had been away from Zacapu for some time and was not aware of the advancements. Gonzalo talked to him and then called me to say that Espinoza was with us. I then confirmed that Espinoza was interested in joining the pilot with the five groups.

On July 29, 2004, Leoncio Lagunas called for a meeting outside SUPLADER. The meeting was attended by Francisco (SEPLADE), Salvador (SEDAGRO), and Chema representing Samuel Campos (SUPLADER's President), Heredia (*Productos Inocuos*), Cristi and Armando. Chema presented a list of the *Asociación*'s SPRs and the authorized amounts. It was then decided who should be supported and under what conditions. It was instructed that an additional USD 200,000 authorized by SUPLADER for the greenhouses were in support of the resources *Alianza* would give. This meant that, from the SPRs that already had resources authorized by *Alianza*, the corresponding amount from SUPLADER would be deducted, and this would go into the SUPLADER fund.¹¹⁹

¹¹⁸ Valadez charged USD 2,000 monthly for advising the five sheds.

¹¹⁹ With this action, the blockade to get the money from SUPLADER was strengthened. Francisco now defended the position that the money of SUPLADER was on loan for the greenhouses, which therefore meant they had to go into the particulars of who the resources were going to.

After the meeting with Leoncio eight SPRs met, in the presence of René Sosa, a SEPLADE official, and Abaco. Even though Julio César was present and accredited as the representative of the Biotecnológicos SPR, Armando and Cristi made him leave, saying he was “one of Fidencio’s people” and therefore he should not be there. Shortly afterwards, Julio César decided to leave because, as he said, “I did not know how to act in that situation” (Julio Cesar’s house, 29/07/2004). In the meeting, the SPRs decided to send a letter to Banco del Bajío in which they manifested their disagreement in participating in the credit line offered by this institution to the *Asociación*. The signatories of the document were SPR Maldonado, Chema (Deyna), Armando (La Piedad Chiquita), Espinoza (Marijo), Ricardo (Biotecnológicos), Trujillo (Cortijo Nuevo), and Manuel (Las Delicias). Manuel argued:

The SPRs that signed this letter will hire Abaco’s services, and we will pay USD 7,500 I personally support the proposal that you [Fidencio] made regarding the project, but I have already signed the letter, and I am going to try Abaco’s option for a month. I hope that my decision will not cause any problems between us. (Manuel, Zacapu, 30/07/04).

Manuel supported the project. Just like the SPRs that had the financial resources, he wanted to concretize the project resources as soon as possible. The translation mechanism involved displacements and substitutions inside of the *Asociación*, implying that certain networks controlled others. These power relationships indicate how actors are associated and simultaneously obliged to remain faithful to their alliances.

Finally, as a result of the hiring of Abaco by some of the SPRs - particularly those from Zacapu - a second rupture occurred within the *Asociación*. After sounding out the municipal president’s position towards the project, and analyzing the strengths and weaknesses inside the SPRs, I agreed with my friend Celestino that we should focus our energy on understanding the different versions of the project, and then multiply it into actions.

Inconsistencies in institutional planning

After the changes in SEPLADE 02 (see Chapter 6) it became necessary to find out what the government’s position was regarding the *Asociación*. I interviewed Margarita and let her know that the SUPLADER resources (MAA) were being diverted to finance a road.¹²⁰ I knew how Margarita would react to this and how she would let the Morelia officials know about it, especially Cárdenas Batel’s wife, who supported Margarita and her Cuban comrades from the MAA. Because the pressure, SEPLADE proposed a meeting in Zacapu for August 2, 2004, with the intention of clarifying the conflict. To this meeting only two partners from each SPR¹²¹ were invited in order to present an outline of the situation to Julio Moguel. Due to his relationship with the Cárdenas family, Moguel had participated as social and rural advisor in Cárdenas Solórzano’s government in Mexico City, and now he was in charge of SEPLADE’s

¹²⁰ SUPLADER used the resources on the Zacapu-Jiménez stretch of the road.

¹²¹ In the *Asociación*, participation had been open without restrictions and more partners were able to attend.

Regional Planning and Development. Moguel was linked to Rafa Lp and Margarita, who had meetings to discuss the “Nation’s Project” promoted by Cuauhtemoc Caárdenas within Margarita’s SPR, with the intention of consolidating its internal organization. Cristi, who was present at the meetings, told Moguel that he considered the *Asociación’s* project a fiasco.

Before the meeting, I talked to Licha (SPR Movimiento de Mujeres Ciudadanas), who was preparing herself for the following Monday’s meeting in SEPLADE with Moguel. She was with three other women. Each woman would bring more people and when Moguel arrived, they would all present to him and express their thoughts about it. They would also manifest against Samuel Campos (SUPLADER’s President) who was using presidential resources to benefit the council’s employees who participated in the project (SPRs Deyna, Maldonado and Cortijo Nuevo). Gonzalo and Licha explained to the women how the support for the projects had developed and that, even if Gonzalo did not approve of the type of actions that Licha was preparing (i.e. bringing people into the meeting), they did reckon that the strategy would be an advancement towards the goal they were aiming for.

During the meeting with Moguel, *Productos Inocuos’* members were present and showed their progress. When Cristi and Ampa joined, they read aloud an analysis (made by Abaco) relating to the credit line authorized by the bank for the *Asociación*, and stating that it could possibly inflict damage (losses) to the project. For some members (including me), this version of the facts seemed distorted and rough. The management committee of the *Asociación* affirmed that the negotiation had been satisfactory (in terms of starting with five greenhouses), and that the records had been ratified with SEPLADE. Leoncio (the new SEPLADE Zacapu delegate), in his attempt to pull away, said that he did not know anything about the project’s inception phase and that he did not know about the *Asociación’s* files. SEPLADE officials were aware of the events and took notes about the meeting’s details, particularly René Sosa, who often instructed Cristi outside the room.

When Licha entered the meeting with more than 50 women from marginalized communities of Zacapu, demanding respect for the resources assigned to regional projects, Samuel Campos and Leoncio decided to abandon the meeting. Chema, who had remained representing Samuel Campos and was together with Jesús, was attacked by the women, who called them “*priistas arrastrados*” (PRI rogues), while they denounced the sinecures that their buddy Samuel Campos had given them at SUPLADER’s expense.¹²²

Chema managed to slip away with Jesús to the SEPLADE hallway where he talked to Jesús expecting the meeting would end so they could get out of there. After listening to the different versions of the involved parties and accomplishing the meeting’s requirements, it was agreed with Moguel that SEPLADE would offer a solution during that week. Moguel committed to take the bull by the horns. Licha told him that he had better do this and made him give them his word, asking him not to let them down. When we left, Chema came over to suggest that we meet later on and we agreed to meet at the Zenón Restaurant. But Chema

¹²² The women present identified Chema as a PRI official in former municipalities; more than once had Chema fled away from this group of women.

did not come and the meeting with SEPLADE was not confirmed either, so that was the last time we saw Moguel. Zavala (candidate advisor to the *Asociación*), who was in touch with SEPLADE, said that the officials had complained about the actions of Licha's group, and had said that I had messed up the meeting. Licha and her group would say that "*actually, the bull had shown to be too brave for Moguel*".

Two days later, on August 4, 2004, Cristi, Jesús, Chema and Armando (accompanied by Abaco) visited *Banco del Bajío*, with the aim of asking Toscano to ignore the credit line authorized to the *Asociación*, arguing that there was conflict within the *Asociación*. A few days later, the bank indeed withdrew the proposal and the negotiations stopped. After this, the management committee of the *Asociación* suspended Chema and Jesús, the instigators of the events.

On August 5, 2004, in Villa de Jiménez, the next SUPLADER meeting was held in which a political offensive against the *Asociación* was orchestrated. Margarita and Leoncio Lagunas aimed to make the withdrawal of Margarita's SPR (which had occurred a few days earlier) known. Margarita intervened to read and give Leoncio Lagunas her resignation letter from the *Asociación*. She requested support for her SPR with SUPLADER resources for the fungi project, instead of the greenhouse project.¹²³ The management committee revealed that they did not have a problem accepting the resignation and clarified that they had previously agreed on replacing this SPR in an assembly on July 19, 2004. Margarita's reaction was in agreement with her new allies and disinterest towards her former colleagues; she was trying to fake the impression of meeting with those that disapproved her action, and was thus avoiding them. Chema (SPR Deyna), who directed the SUPLADER assembly, argued that there were attempts to use the name of the Movimiento Ciudadano de Mujeres in favor of Licha's SPR which has recently been incorporated into the *Asociación*. Licha – involved in similar political processes - made her SPR's position clear to SUPLADER. Chema now seemed nervous; he had known Licha for a long time and knew that she would use all available resources within her reach to get the appointed funds from SUPLADER to benefit her SPR.

Due to an agreement between Chema and Leoncio, the agenda was given in advance so that Abaco could participate in this SUPLADER meeting. Several members of SUPLADER were against giving this kind of information to the firm. Abaco's proposals for the distribution company and the packing unit were too technical and confused the attendees. The municipal president of Huaniqueo did not understand them either, and asked if there was any deficiency in the project for the packing unit that had so far not been considered. I answered that there was none, and that Abaco had worked with us and stopped doing so due to ethical reasons.

Abaco argued that the project – which had been paid for - had deficiencies like the commercialization problem. They attacked the *Asociación*, arguing that it was trying to take money from the government to build joint greenhouses, which according to them contravened SUPLADER regulations. The interesting thing about this argument was that Abaco

¹²³ This SPR had been involved at the same time in an *Asociación* that produced fungi made up of 20 groups led by the SPR of Margarita. Part of the resources for the fungi project (USD 100,000) were committed by SUPLADER.

itself had proposed this option to the *Asociación*. When I pointed at a version of the project made by Abaco and indicated the page where they had suggested joining resources, they did not know what to say. With this, Abaco withdrew. Chema and Leoncio's strategy had not worked, as I had been fortunate enough to arrive a little earlier to talk about the matters in which the *Asociación* could get sucked into.

After this meeting, SEPLADE informed the *Asociación* that it could not participate in SUPLADER reunions, as it was not a member. In addition, Leoncio requested that the *Asociación* should move out of the SEPLADE offices by August 6, 2004. SEPLADE changed the lock on the entrance door and banned the *Asociación* from using its facilities and equipment, even though their offices were spacious. At the same time, access was given to the SPRs that were aligned with Leoncio Lagunas.

SEPLADE's position regarding the project and the MAA was redefined with the arrival of the new SEPLADE Zacapu delegate. For the greenhouses and fungi projects, the groups would be supported by whoever could bring together the actions that worked best for the government officials. These directives had been given previously, but it had to look as if the decisions regarding the project were inclusive and objective. To meet the commitments with their new allies, SEPLADE officials now entered a phase that showed the firm hand of government secretary Enrique Bautista (and the inability of Cárdenas Batel to contain his excesses).¹²⁴

The Government's role in the breaking up of the *Asociación's* network

After the meeting with SEPLADE, a positive response was expected for the attainment of the project, but some actions frustrated the progress made. There was a strategy to remove some SPRs from the *Asociación*, denying them the support from SUPLADER and, at the same time, supporting the SPRs related to the new delegate in order to keep the *Asociación's* resources.

On August 30, 2004, Chema processed the permission to create a new organization named USPR *Agrícola Tsakapú*. A week later, on September 7th Chema, Esperanza and Heredia, as representatives of some of the societies of the *Asociación*, called for an assembly on September 18. They invited the ten SPRs that, since May 2004 were no longer part of the *Asociación*, not acknowledging the new representatives of Comanja, Bajo Invernadero, Puerta Chica and Movimiento de Mujeres Ciudadanas, and notifying only the previous SPRs. The acknowledgment of the representatives of these societies had been given in the assembly of July 19, 2004. However, the SPR Cortijo Nuevo and Margarita (of Movimiento Ciudadano de Mujeres) were invited, although they no longer participated since they had resigned on July 2nd and August 5, 2004, respectively, while the SPR Productos Coenenses was invited but did not legally belong to the *Asociación*. It looked like a strategy to disintegrate the *Asociación* by interfering with the SPRs that were part of *Productos Inocuos* who had been managing their own project since the beginning of 2004, after they had decided to move away from the

¹²⁴ On April 20, 2006, Bautista encouraged the repression against the mining union in SICARTSA.

Asociación voluntarily. SEPLADE officials close to the project conspired with Heredia, Lino and Chema, as well with Abaco and JLB's firm in order to take control of the *Asociación*.

The government's actions – and the noticeable intervention of external actors in the *Asociación* - represented a risk for the partners' contributions. After explaining the situation to each SPR, I suggested that they discuss in their SPRs the possibility of withdrawing the funds that allotted to each partner. This action required two signatures from the management committee, preferably from the treasurer and the president. Esperanza, as secretary, did not support it, as she was now on *Agrícola Tsakapu's* side; while Malla had an internal conflict with her SPR (Los Pinos).

The Los Pinos group now trusted Ampa's ability to strengthen *Agrícola Tsakapu*. I took the assembly proceedings in which Malla was ratified as the *Asociación's* treasurer, and Mare's resignation was put before to the notary, Ernestina. Later, when I returned to pick up the formal record, it was no longer there. Ernestina explained to me that Malla had come along to pick it up and cancel its formalization - which Malla denied when I checked with her.

On September 17, there was a meeting in Churintzio with Heredia (*Productos Inocuos* president and former *Asociación* president), during which the assembly's proceedings from May 2004 were shown to him, and in which the SPRs that called for the meeting had left the *Asociación*. Heredia insisted on going to the meeting and assured that the new SEPLADE delegate (Leoncio Lagunas) and Samuel Campos (SUPLADER's President)¹²⁵ would be there too. Francisco, from SEPLADE, had also visited him to negotiate, as had Abaco and Cristi. The SPRs advised by JLB's firm became involved too. Heredia, in a revengeful tone, claimed that during the first division, I had been an ally with the women in the *Asociación* to preserve the majority. Presently, he had associated with the *Asociación's* opponents, like SEPLADE, USPR *Productos Inocuos*, USPR *Agrícola Tsakapu*, Abaco and JLB's firm. The network would be reconfigured by recovering Heredia's prior leadership of the *Asociación* before I replaced him.

In the assembly scheduled for September 18, 2004, the management committee of the *Asociación* attended so that the president could comply with the subjects on the agenda. Nevertheless, when I tried to start the meeting, Chema and Jesús interrupted me in an aggressive way, saying that they were suspended in their rights as partners, and that they were supported by representatives of other SPRs that were no longer part of the *Asociación*. After the assembly was deemed invalid, various SPRs left. Those who stayed in the assembly named Chema as leader of the debate and Cristi as secretary (although she was not a representative of her own SPR). Chema asked the SPRs to identify themselves with their documents of incorporation and their elector's credentials; he expressed that the request had been fulfilled to his full satisfaction, meaning the original proceedings of the *Asociación* (first version) would be taken into account in order to cover up the anomalies of inviting those who were no longer part of the *Asociación* to the assembly.

¹²⁵ Municipal president of Zacapu and SUPLADER.

This assembly was attended by Samuel Campos and Leoncio Lagunas,¹²⁶ SUPLADER's president and secretary, respectively, whose institutions recognized the USPRs *Productos Inocuos* and the *Asociación*. There was a record in the SUPLADER proceedings that they had been acting independently since March 2004. It is necessary to highlight that in one of the items on the assembly's proceedings, a reference was made to the "abandonment" of Fidencio who until that time was president in charge; while some lines down I was mentioned as acting president and Malla was named as acting treasurer in charge. With this, it became evident that there were inconsistencies in the acknowledgments of appointments that followed the creation of the *Asociación*, including the moment when Chema's SPR had entered the *Asociación*.

In this same meeting, Jesús mentioned the plot named Fracción de la Mesa Prieta located in Carátacua, Coeneo municipality that was acquired by the *Asociación*, stating that "a purchase agreement with the *Asociación's* representatives has been reached". Afterwards, Chema proposed the sale of the plot for the amount of USD 110,000; this was approved unanimously and "*El Derecho al Tanto*"¹²⁷ was offered to the attendees, without there being any intention to purchase it expressed by any of the attendees.

Following this, the financial contribution of the *Asociación* was discussed in general terms. Irma proposed returning the contributions to the partners, which was unanimously approved. At the end, Jesús and Chema admitted that the SPRs they belonged to were suspended and requested a vote for the non-suspension of their rights in the *Asociación*. They said that nobody among those presents has been in favor of excluding the 10 SPRs as was agreed in the assembly of May 11, 2004. Gracian and Mare tried to sell their shares to other partners and – in an unprecedented way, since it was unanimously approved that selling was not allowed. Nor were new members of the *Puerta Chica* SPR allowed to join, in order to cover the substitution of partners made by that SPR on July 14, 2004. The acceptance of partners was the autonomous right of each SPR, and the *Asociación* should only be notified when its representation had changed.

Similarly, Adrian (ex-partner of *Puerta Chica* SPR) proposed that Heredia's and Lino's positions of president and secretary of the *Asociación* would be restored, and the position of me as acting president abolished. His proposal was approved unanimously. It is important to mention that Heredia and Lino had already been relegated from their positions on March 23, 2004, the agreement of which was ratified on April 28, 2004). Moreover, their SPRs were no longer part of the *Asociación* as of May 11, 2004 onwards. This demonstrates the intention of not acknowledging the agreements made in assemblies after March 5, 2004, in which five SPRs were accepted, including Deyna (represented by Chema). The assembly's proceedings from September 18, 2004, were taken to be formalized by Cristi on September 29 and, despite there being several irregularities, Ernestina (the Notary Public) signed. In that document, it was said

¹²⁶ The officers left the assembly after realizing that the meeting was being filmed.

¹²⁷ According to the law of commercial companies, the partners of the *Asociación* would have preference at the occasion of the sale of the plot, and a relevant notification would be sent to those not present.

that Cristi knew that the document did not meet the requirements but that she had insisted in its formalization.

The actions described that were undertaken by actors that had previously been dissociated from the *Asociación*, and presently supported by institutions such as SEPLADE, in coordination with Abaco and JLB's firm, were clearly intended to dismantle the *Asociación's* network with the intention of transferring its resources to other USPRs like *Agrícola Tsakapu* and *Productos Inocuos*. I considered these events unlawful, because disassociated actors could appear as *Asociación* members in a meeting, and after changing the representatives, pursue the project money of the *Asociación*, emptying its Bank accounts and selling the plot. These actions show us the ambiguity of the law and the rights applied to organizations such as the *Asociación*.

Looking for rearrangements within the network

The previous section has shown that there had been an agreement previous to the assembly in order to take the *Asociación's* control, their contributions, and the land. Gonzalo stated that from now on actions would be legal. The recovery of the assembly's act in which Malla was ratified, the impugnation of the assembly of September 18th, and the defence of the property of the plot would tilt the legal scales to the *Asociación's* favour. According to the *Asociación's* statutes, we only had 15 workdays to express nonconformity with the assembly - which would be the best legal possibility to defend the *Asociación's* interests. This seemed to be the right choice. Yet, when Malla as a lawyer and *Asociación* treasurer was consulted, she suggested to try to annul the assembly and to let the peremptory period pass. During those 15 days Chema, noticeably nervous, threatened and pressured SPR Los Pinos (Malla's SPR). Malla knew how to assail the last assembly of the *Asociación*, and retreat to an earlier stage, recovering the rights and resources for the *Asociación*. She said that Ampa was looking for a job which Abaco had offered her at the *Asociación*, but that she would not be able to take it if I remained as president. Malla explained:

Abaco analysed the needs and weaknesses of each partner of the *Asociación*; starting there they took us aside and came to the table already prepared. Ampa felt in that moment that Abaco knew how to negotiate to obtain the project's resources. It was very sad because the resources were already there thanks to the hard work that Ampa and Fidencio had put in from the beginning. I mean, Ampa never valued the work done by the *Asociación* and gave all credits to Abaco. (Malla 28/09/2004)

Ampa, aware of the events, affirmed that Chema threatened them by saying that "If you dare to impugn the assembly of September 18, you'll know what I'm capable of" (Ampa, Villa Jiménez, 28/09/2004). This was intimidating for Malla, as it appeared that she had been followed several times by suspicious people when she was returning to her home. *El Campeón* (SPR Laredo), told that Chema and other people invited him to a luxury restaurant at Zacapu – one he did not know before.

They offered me USD 2,000 to support them in the negotiations to favour them. After I refused the offer, they said to me directly not to mingle with the *Asociación's* business' (*El Campeón*, Coeneo, 29/09/2004).

Enrique Bautista, the government's secretary of Michoacán, ordered to bring *El Campeón* to Morelia's offices and tried to intimidate him, showing him a document that the *Asociación* had delivered about the institutions involved in the project, and explaining to him the irregularities of the project. Then SUPLADER was infiltrated with agents from the government's secretary sent by Enrique Bautista who were present at every meeting. Meanwhile a group of SPRs headed by Chema (Deyna) and René (SEPLADE) met with the municipal president of Coeneo (Polo, a member of SPR Laredo), after which the municipal police of Coeneo was regularly sent to intimidate *El Campeón* and to watch over the *Asociación's* land – which was under *Agrícola Tsakapu's* control. In order to protect partners like *El Campeón* and Malla, the *Asociación* denounced the event and made Enrique Bautista responsible for the security of its partners. From his side, Chema put pressure on the SPRs of Huaniqueo and El Fresno to continue with *Agrícola Tsakapu*, as they wanted to leave. Huaniqueo's president considered that SPR Huaniqueo should stay with the *Asociación*. Malla explained to the representatives of *Las Delicias* and El Fresno about the *Asociación's* dissolution:

The *Asociación's* settlement, as Abaco foresees, will take years; while the SPRs will get no answer, Abaco intends to lengthen the process to make them depend on Abaco. This company ignores the troubles related to settling a company¹²⁸ which is an action that can involve many beneficiaries (Malla, Zacapu, 1/10/2004).

Once the impugnation period was over, the money from the contributions was retrieved from the bank accounts. Moreover, in a second assembly called by the pretended representatives, it was proposed to sell the plot of land, for which the right of first refusal would be notified, as promoted by Heredia, Lino, and Mare on September 30, 2004. In case none of the partners exercised their right of first refusal (valued at USD 1,100,000), *Agrícola Tsakapu* (which had obtained its legal constitution on October 18, 2004) would take it.

The intention of taking the land in *Fracción de la Mesa Prieta*, an *Asociación's* property, was not realized due to an excessive taxation of almost 30%. So, another legal process was started by Chava (Jesús' brother), in collaboration with *Agrícola Tsakapu*. The pretended management committee (Lino and Heredia) aligned with the demand and found a solution favoring the plaintiff, which celebrated a bailment with *Agrícola Tsakapu*.

After these events, Ampa expected her group to be included into *Agrícola Tsakapu* in order to release the project's resources and recover her bank contribution. Félix from Abaco, now in charge of the project, explained to Ampa that she was too late to join that USPR, which caused a split between the two. Now SPR Los Pinos tried to recover its contribution (USD

¹²⁸ Malla had participated in the liquidation process of BANRURAL.

15,000) on legal terms, promoting the annulment of the assembly of 18/09/2004, and legally suing those who took Los Pinos' contributions out of the Bank. After long deliberation, this action did not take place.

The land's deed was in the name of the *Asociación*, signed by its president as representative. The *Asociación's* land was located in the municipality of Coeneo. To strengthen the members of *Agrícola Tsakapu*, the government functionaries agreed with Polo - the new municipal president - to proceed fast with the negotiations. In exchange, he would leave the project and act against me in front of SUPLADER.

Polo accepted and became the architect of much pressure on the *Asociación's* partners, using the municipal police to harass *El Campeón* and the suburb where he lived. In an attempt to recover the *Asociación's* land, several partners visited the place, most of them women. The public forces of Coeneo and Zacapu were expecting us to clash with *Agrícola Tsakapu's* partners and intended to evict us. At the moment of the eviction, we showed the land's document to the authorities, and Chema showed a gratuitous bailment signed by the former owner. Therefore, to prove our right we went to the public prosecutor at Zacapu, who said the *Asociación* was right. Nevertheless, the police forced us to abandon the place after a short visit to the greenhouse's premises.

On October 22, 2004, Licha wrote a document to the governor in which she denounced the irregularities in the greenhouse issue; the letter was also sent to the Controller's Office of Michoacán State¹²⁹). The result was a quick answer from the governor's auxiliary secretary, handing the case to Octavio Larios as SEPLADE's responsible.

The dough (*la lana*), but not for everyone: the release of SUPLADER resources to key actors
During the conflict, the *Asociación* was ignored by SUPLADER. Even though the *Asociación* had invested almost USD 60,000 in the project, the department now ignored its existence. As Malla put it:

SEPLADE involved all of us in a greenhouse project that is still existing, but this is not our fault. We have spent thousands of USD on this project: USD 12,000 for JLB, 9,000 for Abaco, 3,000 for the biologists [advisers], SPR constitutions, protocols, etc. The *Asociación* invested a lot of money to carry out the project and SEPLADE cheated us by saying that we did not comply with the requirements - which is false, as we fulfilled all of them (Malla, Villa Jiménez, 16/11/2004).

SEPLADE thought that the SPRs' expedients – the ones still in the *Asociación* – were incomplete, despite the number of documents delivered - all of them according to the regulations. This was not new: before Gonzalo left SEPLADE, the partners asked him what else they had to do

¹²⁹ in charge of Hilda Abascal, who was close to Martha Sahagún de Fox, wife of the then president of México Vicente Fox.

to release the resources and he always added new requirements, particularly those related to the credit line offered by the bank.

Now with Leoncio Lagunas something similar happened. On September 8, 2004, the last version of the *Asociación's* document was reviewed and delivered to Resident Rita, who formally received. But at the end of the month SEPLADE stated that there did not exist any file of the *Asociación's* SPRs at SEPLADE. We requested copies of the assembly acts of SUPLADER 02 but Leoncio Lagunas refused our request, even if it was his duty to give them to us. Since then, only the expedients of the SPRs he chose were considered.

SUPLADER met behind closed doors on November 19, 2004 and approved the projects that Leoncio Lagunas considered acceptable. USPR *Productos Inocuos* had obtained the endorsement of one SOFOL¹³⁰ as guarantee for their social contribution. In that meeting, the money for *Productos Inocuos* and *Agrícola Tsakapu* were authorized.

Meanwhile, Salvador (SEDAGRO) asked me to meet him in a restaurant in Morelia. There, Salvador assured me that the *Asociación's* resources could be authorized for the pilot plan for the five greenhouses, the requirement being that all of us would be the beneficiaries and that some SPRs would have to make their contributions. With this, he made me understand that a tacit agreement was necessary "for the money to flow". This did not seem ethical so I refused, replying that I would consult the partners first. Like Abaco before, the SEDAGRO officer made his conditions (a share of the project money - *la lana*) clear in order to deliver the resource for the greenhouses. Because of SPRs' partners refusal to act in accordance with the regulations, the SPRs of the *Asociación* were not validated by SEDAGRO; the argument used was that there were no case files in SEPLADE, so the authorized resources for those SPRs were destined to the SUPLADER fund and redistributed to finance other SPRs' projects.

In December 2004, Lino and the SPRs - advised by JLB's firm - were authorized by SEDAGRO to build a USD 310,000 greenhouse. The producers would contribute USD 280,000 for a grand total of USD 840,000 (through SOFOL). JLB and Lino would deposit all the money from the institutions in a popular fund, and then JLB would have achieved his objective: take the money and disappear. Given the situation, Lino asked for a SUPLADER extension; Salvador (SEDAGRO) supported him, arguing that additional resources had also been authorized to the SPRs following Abaco's advice, and what had happened with JLB was not Lino's fault. SUPLADER authorized the extension even when no construction had started yet.

Projects from the SPRs of USPR *Agrícola Tsakapu* were also validated. They appeared on *Alianza's* reports for amounts close to USD 1 million - with Chema as the only beneficiary. Chema had regularly been made beneficiary of sums of money: in 2003, for example, he received USD 75,000 from *Alianza* (PAPIR) to be spent in Coeneo; also, in 2004 he received USD 158,000 from *Fomento Agrícola* to be spent in Zacapu. To put this in perspective: As a comparison, for the whole of 2004 *Alianza para el Campo* only spent USD 11,000 in the municipalities of Coeneo and Jiménez. To collect these sums of money, authorization was

¹³⁰ Financial Companies of Limited Purpose.

needed from the planning organizations (SEPLADE and SUPLADER), the executive agency (SEDAGRO) and SAGARPA.

SUPLADER authorized USD 20,000 to Chema and his SPR in 2004, while Chema spent USD 114,000 as responsible for the *Autoempleo* program. The amount of public resources in which Chema was involved between 2003 and 2004 accumulated almost USD 293,000. If we add to this the implementation of the goats and sheeps' program, the amount exceeds USD 300,000. Similar examples can be found among other SUPLADER beneficiaries.¹³¹

Félix, from Abaco, had referred to "hidden effects". These were reflected in the change of objective by *Alianza* and SEPLADE, proposing to build one collective greenhouse unit by investing USD 1.1 million, also using the resources that were destined for nine other SPRs. The contribution producers should make to USPR *Agrícola Tsakapu* was over USD 224,000 per SPR, which meant a total of USD 2.4 million. The project (nine greenhouses of half a hectare each) was validated by SEDAGRO. What had actually been constructed was equivalent to an investment of only one unit of two hectares, but at a cost of USD 350,000 - which meant a price inflation of 600%. To implement the project, the institutions did not check the legal status of the land, which was the property of the SPRs of the *Asociación* and listed as such at the Public Registry.

In the case of *Productos Inocuos* (the SPRs linked to Heredia), beneficiaries' contributions were around USD 281,000, for a total of USD 1.5 million. The partners argued that a storm had destroyed their greenhouse structures while they were being built and the financial investment had thus been lost.

These examples show how the project money or the dough (*la lana*) obtained through the loan destined to the Regional Development Fund for the Zacapu region became a public debt while bringing personal benefits to a few. The regional development intended for the region as a whole boiled down to actor's strategies and manoeuvres supported by private and public institutions and firms. They perceived the greenhouse project and pursuit of the money, networks and associations as paths to achieve their own development.

In August 2005, an assembly of the *Asociación* was called where also some of the SPRs of *Agrícola Tsakapu* were invited. The majority agreed to recover the contributions of the partners and the land. The management committee (formed by myself, Malla, and Rosario from Comanja's group) led the process to nullify the assembly of September 18, 2004. This was achieved in a few months. Land ownership was transferred to become a part of the capital assets of the eight SPRs that wanted it that way, despite the fact that *Agrícola Tsakapu* had already built on the contested property. Even when the State government was notified about the ownership of the land, it authorized a greenhouse construction of two hectares by *Agrícola Tsakapu*.

To understand the changes in SEPLADE (starting with the new delegate's arrival), it is necessary to go to the beginning of Cárdenas Batel's government. At that moment Enrique Bautista was the secretary of SEPLADE, and it was then that he included the functionaries that

¹³¹ <http://www.sagarpa.gob.mx/dlg/michoacan/>

were still in charge in his team. This structure allowed SEPLADE to be the political springboard that Enrique Bautista needed. On his part, Leoncio Lagunas (SEPLADE delegate in the Bajío) promoted the candidature of Enrique Bautista by using the resources that belonged to the Zacapu region. Once the SUPLADER projects were approved by SEPLADE, Enrique Bautista presented himself at each project inauguration, with clear political proselytism intentions.

Conclusion

The MAA program was planned, designed and intended to be executed at a regional level by SEPLADE 02 with SUPLADER funds. But, although SUPLADER was founded as a regional development body, it was reduced to a space for political games as a result of actors' appropriation. During Enrique Bautista's (PRD) campaign as candidate for the Michoacán government, the greenhouses' project was reborn by deviating the resources from SUPLADER 02. This involved Enrique Bautista with a network of collaborators from the State government, using SUPLADER and the regional delegate, Leoncio Lagunas, as change agent. With the replacement of Gonzalo by Leoncio Lagunas as SEPLADE's delegate, *the Asociación's* displacement took place when the actor's associations and networks pushed the *Asociación* out of the project. Actually, these factions and coalitions produced two new USPRs - Productos Inocuos and Agrícola Tsakapu – that were both part of the former organization. Even though many interventions had shaped earlier splits and the *demarche* processes, I think that this last SUPLADER intervention defined the project results in the end.

USPR *Agrícola Tsakapu* were used as a case in point to demonstrate that regional development was indeed possible. However, the internal conflicts that caused the retreat of the Huaniqueo and Purépero's SPRs were not mentioned. Neither were the irregularities related to the land acquisition or the power concentrated in the hands of Chema and Jesús – the first being one of the political agents, while the latter concentrated the greenhouses on his fields. Jesús had thus in effect accumulated the power of the USPR *Agrícola Tsakapu* and the State. Meanwhile, and despite the legal processes obstructing the actions of the SPRs linked to the USPR *Asociación*, the land was still the property of the eight societies united in the *Asociación*.

Apparently, the municipal presidents and government officials redirected their efforts to support the SUPLADER municipalities, although in practice they were only interested in their own agenda. According to actors such as Pedro (SEPLADE), the rest of SUPLADER of Michoacán had, from the beginning, used the resources without the actors' organization, which meant that the disbursements could lead to the expected goals in due time by applying institutional planning from the top down - with Zacapu as the exception. Before merging SUPLADER Zacapu with SUPLADER Bajío, the authorized resources for the region had been exerted through a direct disbursement on newly agreed works – roads, for example. This way, SUPLADER funds were diverted from the project (MAA) and spent in a short time. Previous plans were cancelled and the project was adjusted to benefit certain municipalities. It was expected that the new actions would be distanced from a fragmented *Asociación* that had

inherited the money-related problems. At the same time, the remaining resources of the Ciénega region (USD 10 million) were moved to the Bajío region.

The asociación's game continued with different actors, and different projects. In Chapter 5 we have learned about the dissociation of the *Asociación* leading to the formation of USPR *Productos Inocuos*. This chapter has described how some of the *Asociación's* funds were appropriated and assigned to another USPR, *Agrícola Tsakapu*. This initiative was initiated by a new coalition between Abaco, SEPLADE and SEDAGRO officials, USPR *Productos Inocuos*, and with the collaboration of some of the SPRs in the *Asociación* (SPR Los Pinos and SPR Biotecnológicos) as well as the municipal president's members of SUPLADER. Factions, as Swartz et al (1966) argue, are the result of conflicts and come about as a strategy to control or break up network resources. Factions emerge as an alternative proposal to manage and reorganize the processes with a common purpose. In general terms, collective practices are actions legitimized by a group, and represented by the organization (Nuijten, 1998). But this case study has shown that the multiple projects of the actors are not adequate to permanently articulate previously agreed-upon action. Fights and disagreements within the *Asociación* promote splits that impact its formal representation.

The reunion of Zacapu's SPRs in *Agrícola Tsakapu* is in line to Chassen-Lopez (2004) who states that actor's relations can often count on their historical collaboration and economic investments to contract the services of legal agents and consulting firms. A strategy used by this new network was to monopolize the *Asociación's* resources, looking to disarticulate it, even if they failed to do so.

Organizing processes were split due to internal and external factors, highlighting the many expectations that generated the various projects and commitments made during collective management. The game of the SPRs triggered a set of strategies and multiple practices. First, they tried to obtain the funding for the greenhouse project through the management of Gonzalo as SEPLADE delegate. Then, after his replacement, they sought to obtain the money directly through negotiations with the new delegate, Leoncio Lagunas. The organizations, associations, and networks involved in development planning are thus conditioned by the actors' strategies to access the dough (*la lana*).

CHAPTER 8 CONCLUSION AND DISCUSSION

Introduction

This study is about the implementation of a regional development program in Michoacán, Mexico. The program aimed to introduce greenhouses for the production of tomatoes through hydroponic systems, and was promoted by the Subcomité de Planeación para el Desarrollo Regional (SUPLADER). The main objective of this thesis was to study the development intervention processes linked to the greenhouse project of the SUPLADER 02 program in the Zacapu region of Michoacán. I have tried to reach this objective by asking the following research question:

How do stakeholders organize themselves around the greenhouse project, and how do they redefine the local government's vision of planned development?

From this main research question, I derived the following sub-questions:

1. *How and when do actors' agency become evident in collective negotiations?*
2. *How do the different interfaces, which arise from the interaction between different actors involved in the greenhouse project, unfold?*
3. *How do network resources contribute to the support of actors' projects?*

In order to answer these questions, I carried out ethnographic research in the Zacapu region of Michoacán from 2003 to 2005, using an Actor-Oriented Approach (Long 2001).

This research centres on the efforts to materialize the greenhouse project. The beneficiaries of the greenhouse project were organized in Societies for Rural Production (SPRs). In order to be eligible to access project resources, the SPRs needed to create a higher-level organization, a Union of Societies for Rural Production (Unión de Sociedades de Producción Rural) or USPR.) The SPRs that are the focus of this thesis were united in a USPR called *Unión de Invernaderos Ruta de la Libertad* (which I have called the *Asociación* throughout the thesis). Some of the intended beneficiaries, acting as representatives of the SPRs, had previous experience in organizing and participating in projects similar to the greenhouse project promoted by SUPLADER, which meant that they could count on an extensive network of relations within governmental agencies and private institutions. These networks and associations played an important role in the negotiation processes between the *Asociación* and various collective and individual actors, often challenging the government's top-down views on regional development with more democratic, but highly unpredictable actions. The main concepts I used to analyse my data are agency, knowledge, interface, associations, and organizing process. In reflexively answering the research questions, I have tried to contribute to debates about development intervention and underlying organizing processes, particularly in the case of highly complex interactions between public and private actors at multiple levels who all aim to benefit from a development project.

Because of my agronomic knowledge, administrative experience and origin from the region, I was invited to become closely involved with the implementation of the greenhouse

project, in the end even as the president of the Asociación. Therefore, this thesis is also the result of a participatory action research (Reason & Bradbury, 2008; Brydon-Miller, et al., 2003) and clearly shows auto-ethnographic elements (Blanco, 2012; Chang, 2008). The actors involved in the implementation of the project knew I intended to write a PhD thesis about the whole process, to which they did not object. Still, I have anonymized their names because of potential sensitivities.

I am quite aware of the ethics of my close involvement with the actors inside and around the Asociación. As President of the Asociación, I of course had a strong position in co-designing its trajectory. But I was part of a management committee of three, and relationships were quite open (Ch. 5). Still, relationships were not always easy, like the partnership with JBL's technical consultancy firm. It was also a clear strategy of the Ministry of Planning and State Development (SEPLADE) to enrol me in the project as a means to counter the influence of JBL's consultancy firm (Chapter 3). This partnership ended when 11 SPR split off from the 28 SPRs of the Asociación, and continued working with JBL's firm. The remaining 17 SPRs in the Asociación decided to hire another firm, Abaco. This firm's intention of bribing me became an issue (Chapter 6). Sensing that I represented an obstacle to some actors' interests, I expressed that at no point in the project had I meant to be an obstacle, and that it was my intention to make the project a success in La Ciénega de Zacapu. When it appeared that, in addition, companies and people were being discredited without reason, I decided to hand in my resignation as President of the Asociación. But many actors expressed their trust in me, and I stayed.

Six different elements of the main research question have served as thematic axes to structure the thesis. First, the national and regional vision of planned development and the instrumental role of SUPLADER in achieving development objectives (Chapters 1 and 2). Two, stakeholder participation in the greenhouse project (Chapters 2 and 3). Three, actors' articulation with organizational processes (Chapters 3 and 4). Four, the positioning of State institutions involved in the greenhouse project (Chapter 5) and, finally, the elements that together redefine the process of planned development (Chapters 6 and 7).

Below, I first present my conclusions, and then discuss development, intervention, the participatory approach, network and actors' associations, followed by the relevance of this thesis, and the possible weakness of my close involvement with the greenhouses' development project. The chapter ends with some recommendations.

Conclusions

From the results of my study described in the previous chapters, I have drawn the following conclusions. First, the development project for the establishment of 28 greenhouses in La Ciénega (Zacapu) resulted from very complex negotiations caused by a multitude of autonomous actors who had very different perspective on local development. Planners, implementers and State actors often assume that those involved in development programs

and projects share a similar perspective on local development. This assumption is based on a definition of the "subjects" of development as people who can be changed or influenced, and not as actors who make their own decisions and are capable to modify them - often using networks of knowledge and power that were established before and outside the project, as evidenced in this case study. Of course, the actors who promulgate, develop, orchestrate regulations and authorize resources for projects, are also capable of redesigning project processes as they are implemented. In this sense, planned intervention does not obey an anticipated logic. Rather, it is negotiated, reconfigured and shaped *en route* by participating actors and their networks. When necessary, these actors condition and promote changes in the various fields or arenas that are directly or indirectly related to the project. In Chapters 3 and 6, the project's outlook was modified according to different consulting firms' proposals. My study thus underscores Mosse's (2005) approach to development processes (see below).

The design and implementation of the greenhouse project and the *Asociación's* interaction with SUPLADER deconstructs the centralist perspective of regional development programs, which perceives the task of the State and its representatives as if they were abstract entities which act as mere "transporters" of meaning and resources in intervention processes. Instead, actors can compete, share and distribute the resources intended for development, oftentimes mobilizing their networks with the intention of benefitting from them. A process, however, that provokes negotiations and ruptures as well as agreements and new entanglements that result from social interfaces.

The second conclusion follows from the first, namely that the intervention process involves actor negotiations and network enrolment which may disrupt or frustrate planned objectives, substituting these by those of the actors caught up in the process. SUPLADER's development planning - which originally saw beneficiaries as generic and faceless subjects - changed during the project, and heterogeneity, dynamic and other complexly managed elements were included. Evidently the actors, far from being abstract figures, were connected by networks that strategically enrolled other - public and private, collective and individual - actors in pursuit of the money allocated for the SPRs' projects. Even though the money or the dough (*la lana*) disbursed for the project had a specific (planned) objective, in practice its allocation was renegotiated to cover a multiplicity of the network's projects and interests, and which were not always primarily greenhouse-related. Sometimes, actions only justified the protocol to argue for development and obtain the money; this, however, did not necessarily meet proposed planners' goals.

This case study shows how, in order to achieve their objective of accessing the money, the actors involved in the greenhouse project formed strategic coalitions and created strong links between them and the representatives of the various governmental agencies and private consulting firms such as JBL's and Abaco's. Though stable in appearance, this confrontation of forces became a dynamic, temporary and fragile process in practise, constantly changing the correlation of forces depending on the use of resources by the actors partaking in the negotiations. Actors' participation thus redefined what was originally designed as a form of

'top-down' planning by creating and transforming social spaces that were appropriated by the actors involved in order to link them to their own specific projects.

Related to this point is the fact that the strategies of individuals and their networks to reach their objectives that are not necessarily in line with *a priori* project objectives. The MAA project did not consider the "real" stakeholders, their historicity, or actors' networks, resources, organizing practices, or differential development perspective. The *Asociación* was constituted by heterogeneous SPRs; each SPR represented one project. In the planning of projects, like the one described in this study, organizations such as a Rural Production Society (SPR) or the *Asociación* are often considered to give certainty and coherence to a project. It is assumed that the organization can be established before the project, but in fact the reverse is the case. The project outcome becomes unpredictable because it depends on the – sometimes conflictive - needs and demands of multiple actors. In the greenhouse case regulations, assembly agreements, funding applications, authorizations, records, and validations were all expected to contribute to the project's cohesion. However, in practice actors representing the government institutions and organizations dismissed the documents, relegating them to a second plane, and instead favoured informal agreements between actors. For example, during the change of staff in Zacapu's SEPLADE, those SPR records that were regarded as unrelated by the new delegate were "misplaced". Fulfilling the validations imposed by the officials on duty, or fulfilling the obligation to provide the records of a complete dossier, were the bargaining chips used during the negotiation with the USPRs (see Chapters 5 and 6). In the process, several SPRs aborted their efforts, convinced as they were that complying with the specified requirements and carrying out a successful start did not guarantee the release of project resources. On the contrary, only by mustering the "appropriate" networks and connections would they get hold of the desired benefits (see Chapter 7).

The third conclusion is that project implementation triggered other dynamic and historical processes, some of them related to knowledge and cultural practices (see Chapter 4) or political and organizing practices (see Chapter 7). All of these transformed actors' lifeworlds. I am convinced that the actors involved in the project, even if they did not obtain "the dough" (*la lana*), changed their perspective on alliances and trust, and this provided them with new means for developing future projects. The actors involved in the greenhouse project were not passive against State hegemony, and created their room for manoeuvre; these included acts of resistance to gain sovereignty and autonomy. In this sense, they exemplify Fuentes and Mantilla's statement that "there is no pure or total domination that cannot be transformed" (2010:3). The processes associated with the greenhouse project shaped the relations between the actors, implementers, and planners with others involved in the project, including the researcher himself (Long and Liu, 2009).

My last conclusion is that developing the SPRs was key for "getting the dough". The main goal set by the actors involved with the greenhouse project was to obtain the necessary funds to carry out the project, hence the title of this thesis: "Going for the dough" (*en pos de la lana*).

At the beginning, some actors considered pursuing project money a goal in itself, instead of a means to achieve development. When many SPRs were dissociated (by displacement) from the *Asociación*, the dough became the reward for the investments of the remaining SPRs in the project (see Chapters 6 and 7). Throughout the case I developed in this thesis, actors dynamically interacted with each other in order to act strategically, joining associations and interacting with institutions and organizations in order to access project money. In this game, the winning formula would get the prize, while the rules were unwritten and everything was permitted, while even the referees and sponsors participated in the game (see Chapter 7).

Discussion

In 2002 the State Development Plan included guidelines and general directions for La Ciénega's development. The Agricultural Alternative Model (MAA) was based on a Cuban development model. The MAA was backed by governor Lázaro Cárdenas Batel and by SEPLADE officials who implemented the alternative model in La Ciénega, supported by some Cuban experts.

As Diego (2007) points out, development change agents may transform the lifeworld of project stakeholders through certain ideological stances; in the case of Michoacán through a socialist ideology. The expectations of Cárdenas' new government closely resonated with the social transformations set in motion by his grandfather and former Mexican President, Lázaro Cárdenas del Río. Development must be understood in relation to the political, economic, and cultural interests of those behind its design and implementation (Ferguson, 1994). This was clearly the case with the democratic change of government led by Cárdenas Batel, which was supported by Gonzalo as a delegate for SEPLADE 02 in La Ciénega.

According to post-development scholar Escobar (2011), interventions in so-called Third World countries typically originate in so-called developed countries that pass on modernizing elements to an underdeveloped country deemed to lack the capacity and capability of improving the lives of development beneficiaries. Interestingly, La Ciénega's development initiatives came from Cuba, a nation economically less developed than Mexico. In addition, SUPLADER's investment was not linked to any developed establishment (Ferguson, 1994) wishing to orchestrate an intervention. Actually, Michoacán's Administration, in an effort to consolidate the development proposed for the ten regions of Michoacán, requested the SUPLADER funds from the Inter-American Bank for Development (BID).

An alternative perspective that contributes to the understanding of development and intervention processes is provided by Mosse (2005). Mosse argues that policies to promote development are associated to organizational demands and needs to maintain existing relationships, rather than focused on promoting a previously defined policy. However, in the case of La Ciénega, the agents of change - including the Michoacán Congress - supported and pushed through the development initiative suggested by the planners. It is necessary, then, to deepen the "motives for development", identifying the processes that spur development interventions as well as the strategic governmental policies and programs that shape regional

development. I argue that this can best be achieved by focusing on the network of actors that promotes these motives - including private development firms and organizations with links to governmental institutions.

As the case study shows, due to the different perceptions of development brought into the arena by an increasing diversity of stakeholders, collective participation was problematizing if not jeopardizing the planning of the greenhouse project. Although the greenhouse project was finally launched, participating actors did not connect or identify with the "reasons for development" given by the planners. Instead, actors identified "the dough" as *the* means to achieve their development, perceiving the project as an individual endeavour instead of a collective one, despite the fact that the collective of the *Association* was used as a means to these individual missions.

As a result of actors' practices, some networks became more articulated and therefore gained strength; these practices eventually turned the project's outlook into actor-network needs. The manoeuvres displayed by grassroots actors in this study are therefore more in line with Mosse's (2005) analysis and contradict the interpretations of planned development intervention by Escobar (2011) and Ferguson (1994). As I show, actors (through their strategies and use of resources) are very much able to mould and twist planned development efforts to suit their diverse needs and desires. The beneficiaries and their networks turned out to be clever enough to circumvent resource shielding mechanisms, and were very capable of creating alliances and joining other actors to find the "shortcuts" that led to "the dough". In Chapter 7, new and ancient allies were re-associated; Heredia for example (as former president of the *Asociación*) accepted the new rules proposed by Abaco and SEPLADE (Leoncio and Francisco). The project benefitted by obtaining "the dough".

By complying with the rules within their institutions, planners, implementers and development workers facilitated a network of complicities of which they were themselves a part. Complicity led to the authorization, management and setting up of projects that were not feasible from a technical and economic perspective (see Chapters 3, 6 and 7). The network that mobilized the officials to favour a project that was not in line with the regulations – which were based on the necessity of successfully implementing a politically motivated development model for Ciénega de Zacapu. The authorizations for the project implied to mask and accomplish a planned intervention project that justified development, hiding the networks' agreements and actors' negotiations. This collaboration occurred between the officials of the institutions linked to the SPRs, and who were simultaneously part of both networks.

Diego (2010) states that, due to different interested factions, the implementers are more likely to redirect the execution of a program or a government project than the officials at State level. Likewise, Long (2007) has argued that such mid-level development workers need to implement all manner of regulations, but that they, at the same time, may become involved in negotiations to find alternatives to the normativity they represent. These practices, which are often unrelated to the original planning process, have a resemblance with the rural credit businesses mentioned by Gordillo (1999), for example when implementers

pretend that a crop is damaged and then collect the insurance. Yet for the official and his network, these practices imply a personal or collective profit. This room for manoeuvre shows that the State is a complex web of entanglements between relations and resources.

In our case, the complexity of this web is reflected in the organizing processes behind the technological changes that came with the establishment of the greenhouses and hydroponic production. JBL's firm and Abaco understood this. For the former, the greenhouse represented a cutting-edge technology that allowed for capacities to be idealized and scenarios to be created; for the latter, the project represented a complex network of relations and resources. The *Asociación* succeeded in drawing together individual projects that were intertwined but different at the same time. The notion of network allows to understand this entanglement of technology, actors and resources, while the notions of actor and interface are key to understand discontinuities of values, interests, knowledge and power (Long, 2007). Yet, the notion of actor or interface cannot be attributed to individuals only; they are as well a characteristic of their networks.

Because networks decompose and recombine, interfaces also find themselves in a continuous and dynamic process of modification. The sum total of the different interfaces strengthen the actor-network experience at subsequent interface situations. In the present study, the members of the *Asociación* granted accreditation to experienced actors for representing them during management negotiations. However, after the representatives had shared the agreements with the collective, the network had to confirm or reject these accreditations, which could either lead to even more negotiation or to discontinuity (Chapter 7). In this sense, there is no full mastery of a proposed course of action once this proposed course meets a network. Instead, the interface situation can best be seen as an occasion that generates new, alternative courses of action to the parties involved. Sometimes, these new alternatives require 'translation' (e.g. drawing up agreements, sign them, store them digitally, or have the State formalize them). These non-human network "facilitators" are the silent witnesses of development intervention.

Social relevance of the study

This study reveals the dynamic practices and concurrent use of resources that accompany development in a region of Michoacán, Mexico. It seeks to show how these dynamics are best interpreted through the use of an actor-oriented approach. In Mexico, only a handful of case studies make use of such an ethnographic, actor-oriented approach to understand development intervention processes. The approach shows that when resources are added to an existing network, the network is reconfigured without interrupting its main purpose, namely to devise strategies in pursuit of project resources.

In this thesis, I portray development as processes involving negotiations between actors. I interpret regulations and rules of operation intended to shield resources as open to manipulation by those responsible for applying them. In the case portrayed in this thesis at least, it appears that even the more restrictive rules can be bent by efforts to profit from the

flow of money. I believe, therefore, that 'development' and the means to obtain "the dough" are as two sides of the same coin. Only by apprehending the full dynamics of this two-sided process can one fully address processes that involve both organizational strengthening and transparent governance. Focusing on one side of the coin runs the risk of misunderstanding the practical value and meaning of the project's "success" or "failure" to the lives of development actors.

Possible weaknesses of the results

Accompanying actors while carrying out research has created bonds of trust between myself as a researcher and the actors I collaborated with, but who were subject to the research at the same time. These trust relations were essential to understand the situations in which they were involved, not only in the context of the greenhouse project, but also elsewhere. However, since my objectives often differed from those of the actors and their networks, these bonds remained fragile and in need of continuous examination and readjustment. Sometimes, and inevitably, I was identified as a useful network actor who needed to be enrolled. On other occasions, when I was an obstacle to the goals of actors like Abaco – goals that I did not ethically agree with - I was subject to an attempt of bribery and slander. In both cases, affinity to the case certainly generated a detailed understanding of the processes at stake. However, empathy may also have biased or limited interaction with the collective or individual actors who were not associated with, or perhaps opposed, to the networks I became involved in. Indeed, since I constantly engaged in the processes I studied, I became a part of the research object itself. This may have jeopardised my neutrality. Even though I continuously reflected on the relationship I had with my co-actors in the greenhouse project, I may be criticised for being impartial, obtrusive, and subjective both in my description of events and their interpretation. In the descriptions of the research chapters, however, I have documented my involvement as openly and completely as possible, based on research data and digital recordings that can be consulted.

Actively becoming a part of the research object of course diverges from orthodox, textbook methodologies and epistemological canons. As I argued in the introduction, though, these issues are always present in research because of the performative nature of research itself (Law & Urry, 2004). Here, the only antidote is a healthy dose of reflexivity and the realization that one is always locally and historically bound.

Recommendations

"Following the actor" as a methodological tool can lead to accessing unexpected information. It implies that the researcher has to be flexible in terms of the central objective of the research and allow it to shift. Also, progress cannot be guaranteed if the contingent elements that are deemed necessary to understand the locally and historically situated actions of actors are not taken into account. For those researchers who have previous links to the study area, I recommend to strengthen a historical and critical perspective. Incorporating alternative

research methods such as auto-ethnography, allowed to include personal experiences and autobiographical reflections. To "newcomers" or foreigners to the area I advise to seriously look into sources of local knowledge, both prior to and during fieldwork, in order to understand local dynamics. An alleged advantage of studying a region one is well acquainted with is that the researcher has access to established networks that facilitate research. A clear disadvantage is that one goes into the field equipped with all kinds of assumptions and biases that may hinder the interpretation of events. Even when "following the actor", one still has to watch out where one wishes to go in terms of research objective.

In relation to my involvement with the greenhouse actors I consider myself a kind of intervenor-intervened (cf. Verschoor 1994). Sometimes this was in a more passive way, for example when I was first enrolled in the greenhouse project, the project was already underway and I had been enrolled to a local network (see Chapter 2). Sometimes this was in a more active way, for example when strategizing about possible ways to secure the project. And sometimes I partook in the flow of events, 'merely' accompanying others to wherever they cared to take me. Participatory Approach Research (PAR) was used when I had been enrolled in specific actions. Using Actor-Oriented Approach in parallel with PAR implies '*going with the actors*', sharing commitments and goals. I needed to be closely involved with the trajectory of the greenhouse projects, in order to unravel such intervention processes and 'hidden' practices. As part of the collective, I had to learn - from inside - and more accurately perceive actors' views and practices as sources of understandings. The research techniques I employed gave me a good comprehension of social phenomena. For social science researchers in general, I recommend using an actor-oriented approach to carry out development intervention studies.

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LIST OF ACRONYMS

Abreviation	Spanish name	English translation
BID	Banco Interamericano de Desarrollo	Inter-American Bank for Development
CADER	Centro de Apoyo al Desarrollo Rural	Center for Rural Development Support
CECADER	Centro de Calidad para el Desarrollo Rural	Quality Centre for Rural Development
CFE	Comisión Federal de Electricidad	Federal Electricity Commission
CMDRS	Consejo Municipal para el Desarrollo Rural Sustentable	Municipal Council for Sustainable Rural Development
CODECO	Comités de Desarrollo Comunitario	Community Development Committees
CONAGUA	Comisión Nacional del Agua	National Water Commission
COPLADE	Comité Estatal para la Planeación del Estado de Michoacán	Planning Committee of the State of Michoacán
COPLADEMUN	Comités de Planeación Municipal	Committees of Municipal Planning
DDR	Distritos de Desarrollo Rural	Rural Development Districts
FDR	Fondo para Desarrollo Regional	Regional Development Fund
FIRA	Fideicomisos Instituidos en Relación con la Agricultura	Trust Fund for Rural Development
FIRCO	Fideicomiso de Riesgo Compartido.	Shared Risk Trust
FOMICH	Fondo Mixto para el Fomento Industrial de Michoacán	Joint Fund for Industrial Development of Michoacán
INCA-RURAL	Instituto Nacional para el Desarrollo de Capacidades del Sector Rural, A.C.	National Institute for Capacity Development in the Rural Sector
MAA	Modelo Alternativo Agropecuario	Alternative Model of Agriculture
PAASFIR	Programa de Apoyo para Acceder al Sistema Financiero Rural	Support Program to Access the Rural Financial System
PAPIR	Proyectos de Inversión Rural	Program of Rural Support Investment Projects
PRD	Partido de la Revolución Democrática	Party of the Democratic Revolution
PRI	Partido Revolucionario Institucional	Institutional Revolutionary Party
PRODESCA	Programa de Desarrollo de Capacidades en el Medio Rural	Capacity Development in Rural Areas
PSP	Prestador de Servicios Profesionales	Professional Service Provider
SAGARPA	Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación	Secretariat of Agriculture, Livestock, Rural Development, Fishing and Food

SEDAGRO	Secretaría de Desarrollo Agropecuario	Secretariat of Agricultural Development
SEDESO	Secretaría de Desarrollo Social	Secretariat of Social Development (state)
SEDESOL	Secretaría de Desarrollo Social	Secretariat of Social Development (federal)
SEPD	Sistema Estatal de Planeación Democrática	State System of Democratic Planning
SEPLADE	Secretaría de Planeación y Desarrollo Estatal	Secretariat of Planning and Development State
SHCP	Secretaría de Hacienda y Crédito Público	Secretariat of Finance and Public Credit
SNP	Sistema Nacional de Planeación	National System of Planning
SPR	Sociedad de Producción Rural	Rural Production Society
SRE	Secretaría de Relaciones Exteriores	Secretariat of Foreign Affairs
SUPLADER	Subcomité de Planeación para el Desarrollo Regional	Planning Sub-Committee for Regional Development
USPR	Unión de Sociedades de Producción Rural	Union of SPRs

SUMMARY

This study follows a planned development intervention involving greenhouse production systems for tomatoes. The intervention played out in Mexico, where the Planning Sub-Committee for Regional Development (SUPLADER) promoted a strategy for the "development" of the Zacapu region in Michoacán, from 2002 to 2005. The intervention is illustrated through a detailed, in-depth ethnographic case study of the way in which the *Unión de Invernaderos Ruta de la Libertad* (a USPR or Union of Rural Producers Association) sought to materialize a greenhouse project.

Using an actor-oriented perspective (Long, 2001; Nuijten, 2001; Diego, 1997) and the concepts of *actor's agency, networks, associations, collectives* and *organizing processes*, the study aims to understand the character of intervention, and shows how programs and development projects serve different purposes – purposes which symbiotically relate to the prevailing social conditions. As a general conclusion, I argue that what is called "the dough" (*la lana*) is what drives the dynamics of development intervention. While important, it is central to understand the different roles "the dough" plays in these intervention settings: for planners, it is the means to accomplish development, whereas for project beneficiaries it is a goal in itself.

Chapter 1 elaborates on the general context of planned intervention in Michoacán's Zacapu region, delineates the theoretical framework, presents the main research question (*How do stakeholders organize themselves around the greenhouse project, and how do they redefine the view of planned development by the local government?*) and elaborates on the methodology employed.

Chapter 2 describes the organizing processes underlying implementation of the greenhouse project in the Zacapu - *Ciénega* region. It explains how, in order to acquire resources for the project, stakeholders organized into groups, forming Rural Production Associations (SPRs) and Unions of Rural Producers' Associations (USPRs). As a result, a total of 28 SPRs were formed. For the most part, members of these SPRs had extensive, prior experience in organizing and participating in programs similar to those promoted by SUPLADER.

Chapter 3 describes the practices of the eight groups (SPR) who got no resources from SUPLADER and seek to compensate for an initial investment from the Alliance for the Countryside (*Alianza*). To complete the project file, the groups were linked to government agencies, municipalities and communities as well as with external agents (firms) to use the register as a professional services provider (PSP) and enter the file to the *Alianza* program. In addition, power differences and conflict relationships were evident (Lukes, 1974); conditions that led to negotiation (Diego, 1997).

Advisor firms were considered necessary for the negotiations since their capabilities were required and considered essential for the expected benefit of the *Asociación*, although they appeared to be a very powerful party. Despite the regulations established by the State

to exercise governmental programs, the parties responsible for exercising them applied ambiguous criteria.

Chapter 4 describes the development of an ideal configuration of greenhouses that included technological, social and cultural elements associated with safety practices, automation and demanding consumers located in an international market. This perception was far from the project conditions of greenhouses in La *Ciénega*; however, it did not prevent generating expectations among the SPRs. For these actors, the greenhouse became an alternative livelihood, income, and development opportunity.

To interpret the processes described I used Latour's (2008) notion of a sociology of associations; this allowed me to interpret how actor-networks were incorporated in the greenhouse project.

Chapter 5 describes a breakaway attempt from the *Asociación* spearheaded by 17 SPRs that chose to build their greenhouses with an alternative hardware supplier (ACEA). To obtain the necessary funds new negotiations were started with a range of agencies. The move eventually strengthened the *Asociación* and its institutional embeddedness.

In Chapter 6, the *Asociación* is shown to be a heterogeneous collective with different agendas. This resulted in several conflicts, some of them, involving the advisory offices that intended to take the resources ("the dough") from the project. Nonetheless, a regional bank authorized a cash disbursement for the initial stage of the greenhouse project.

Chapter 7 presents the final stage of SUPLADER Zacapu's greenhouse project. After complex negotiations and conflicts within the *Asociación*, complementary credit was obtained for the construction of the greenhouse. However, during a municipal election campaign key figures in charge of implementation changed position; this led to a change in project conditions, and the *Asociación* had to face interventions from external actors. The negotiation game restarted and triggered a new set of strategies (amongst others to obtain money directly through the new SEPLADE delegate). Eventually, some of the *Asociación's* funds were reappropriated and assigned to USPR Agrícola Tsakapu and different factions (vying for of resources) resulted from this.

Chapter 8 provides the discussion and conclusion to this thesis, with insights that build on Mosse's (2005) argument that policies to promote development are associated to organizational demands and needs to maintain existing relationships (rather than promoting a previously defined policy). However, in the case of La *Ciénega*, the agents of change (including the Michoacán Congress) supported and pushed through planners' development initiatives. In line with Ferguson (1994), I conclude that development must be understood in relation to the political-economic-cultural interests of those behind its design and implementation. Rather than linear, hegemonic and rigid, however, actors' practices and strategies mould and twist planned development intervention to suit their needs and desires.

RESUMEN

Este estudio se refiere a una intervención de desarrollo planificado que implica sistemas de producción de tomates en invernadero. La intervención se lleva a efecto en México, donde el Subcomité de Planeación para el Desarrollo Regional (SUPLADER) promovió del 2002 al 2005 una estrategia para el "desarrollo" de la región de la Ciénega de Zacapu en Michoacán. La intervención se ilustra a través de un estudio de caso etnográfico detallado, de la forma en que la Unión de Invernaderos Ruta de la Libertad (una Unión de Sociedades de Producción Rural (USPR)) intentó materializar un proyecto de invernaderos.

Con una perspectiva orientada al Actor (Long, 2001) y los conceptos de agencia del actor, redes, asociaciones, colectivos y procesos organizativos, el estudio tiene como objetivo entender el carácter de la intervención, y muestra cómo se entrelazan las normativas y propósitos de los diferentes programas y proyectos de desarrollo; propósitos que se relacionan simbióticamente a las condiciones sociales imperantes. Como conclusión general, sostengo que lo que se llama "la lana" (el dinero) impulsa la dinámica de intervención para el desarrollo. Aunque es importante entender los diferentes roles que juega "la lana" en estos contextos de intervención: para los planificadores, es el medio para lograr el desarrollo, mientras que para los beneficiarios del proyecto puede ser un objetivo en sí mismo.

El capítulo 1 muestra el contexto general de la intervención planeada en la región de Zacapu de Michoacán, delimita el marco teórico, presenta la pregunta de investigación: ¿Cómo los actores se organizan alrededor del proyecto de invernaderos y cómo redefinen la visión de desarrollo planeado por el gobierno local? y explica la metodología empleada.

El capítulo 2 describe los procesos de organización subyacentes del proyecto de invernaderos en Zacapu - región de la Ciénega. Explica cómo, con el fin de adquirir los recursos para el proyecto, los actores se organizan en grupos, formando asociaciones de Producción Rural (SPRs) y Uniones de Sociedades de Producción Rural (USPRs). Como resultado, un total de 28 SPRs fueron formadas. En su mayor parte, los miembros de estas SPRs tuvieron previa, y amplia experiencia en organizar y participar en programas similares a los promovidos por el SUPLADER.

El capítulo 3 describe las prácticas de los ocho grupos (SPR) que no consiguieron recursos de SUPLADER y tratan de compensar con una inversión inicial de Alianza para el Campo (Alianza). Para completar la gestión del proyecto, los grupos se vincularon con algunas agencias gubernamentales, municipios y comunidades, así como con agentes externos (despachos y empresas), quienes utilizaron su registro como Proveedor de Servicios Profesionales (PSP) para acceder al programa de Alianza. Las relaciones de poder y de conflicto (Lukes, 1974) fueron evidentes; condiciones que llevaron a la negociación entre los actores (Diego, 1997).

El capítulo 4 describe el desarrollo de una configuración ideal de invernaderos que incluyó elementos tecnológicos, sociales y culturales asociados con las prácticas de seguridad, automatización y consumidores exigentes en un mercado internacional. Esta percepción estaba lejos de las condiciones reales del proyecto de invernaderos en La Ciénega; por este

motivo, se generaron distintas expectativas entre las SPRs. Para estos actores, el invernadero se convirtió en una oportunidad y alternativa de sustento, ingresos y desarrollo.

Para interpretar los procesos descritos usé la noción de la sociología de las asociaciones de Latour (2008); ésta me permitió interpretar cómo los actores-red se incorporaron en el proyecto de invernaderos.

El capítulo 5 describe una tentativa encabezada por 17 SPRs integrantes de la Asociación que decidieron construir sus invernaderos con un proveedor alternativo de invernaderos (ACEA). Para obtener los fondos necesarios para la construcción, se iniciaron nuevas negociaciones con una serie de organismos. El movimiento contribuyó a consolidar a la Asociación y su arraigo institucional.

En el capítulo 6, la Asociación se muestra como un colectivo heterogéneo con diferentes agendas. Esta heterogeneidad dio lugar a diversos conflictos, algunos de ellos, con los despachos consultores que pretendieron apropiarse de los recursos ("la lana") del proyecto. Derivado de las gestiones, un banco regional autorizó una línea de crédito para la etapa inicial del proyecto invernaderos. Este requisito fue especificado en la planeación del proyecto.

El capítulo 7 presenta la etapa final del SUPLADER que afecta al proyecto de invernaderos de La Ciénega. Después de complejas negociaciones y conflictos dentro de la Asociación, se obtuvo el crédito complementario para la construcción de los invernaderos. Sin embargo, con la campaña electoral municipal cambiaron las reglas del juego, así como de algunos actores involucrados; esta situación modificó las condiciones del proyecto, teniendo la Asociación que hacer frente a las intervenciones de agentes externos. El juego de las negociaciones se reinició, activando un nuevo conjunto de estrategias (entre otras para obtener el financiamiento directamente a través del nuevo delegado de la SEPLADE). Finalmente, algunos de los fondos de la Asociación fueron re-apropiados y asignados a la USPR Agrícola Tsakapu y a diferentes facciones que competían por los recursos, redefiniendo la escena.

El capítulo 8 proporciona la discusión y conclusión de esta investigación, en él se presentan ideas para construir y discutir lo que Mosse (2005) identifica como políticas para promover el desarrollo, y que están asociadas a las demandas organizativas y son necesarias para mantener las relaciones existentes (en lugar de promover una política previamente definida). Sin embargo, en el caso de La Ciénega, los agentes de cambio (incluyendo el Congreso de Michoacán) apoyaron y empujaron la iniciativa de los planificadores para el desarrollo regional. De acuerdo con Ferguson (1994), concluyo que el desarrollo debe entenderse en relación con los intereses político-económico-culturales de los actores que pueden ser afines o confrontados con el diseño e implementación de los programas para el desarrollo. esta interacción no es lineal, hegemónica ni rígida, sino que, las prácticas y estrategias de los actores moldean y redirigen la intervención para el desarrollo prevista, adaptándola a sus necesidades y deseos.

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NOTE ON THE AUTHOR

Fidencio Servín Juárez was born in La Ciénega de Zacapu, Michoacán, México. He obtained his Bachelor's degree in Agriculture and Economics at the Universidad Autónoma Chapingo. Besides sociological research, his passion has been computer and agricultural models. After graduating in 1992, he got a position as associated researcher in the Colegio de Postgraduados' Rural Development Group. In 1998, he finished his Master's studies in computer sciences at Universidad de las Américas-Puebla. From 1998 to 2000 he participated in applied computer and rural development groups, studying and building computer application systems in rural contexts. He has worked mainly on information technology and cultural changes in the rural areas of Oaxaca, México. Many of his projects are related to national and international organizations, like the World Bank and FAO. Since 2009, Fidencio is a staff member of the Environmental Studies Institute at Universidad de la Sierra Juárez, Oaxaca.

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Completed Training and Supervision Plan



Name of the activity	Department/Institute	Year	ECTS*
I. Introductory Program			
<i>CERES Orientation</i>	CERES, WUR	March - April 2002	4
Presentation Tutorials	CERES, WUR	May 2002	5
II. Research Methods, Techniques and Domain-specific theories			
-Summer school	Institute of Social Studies, The Hague	June 2005	1
-Action Research Seminar	TAO Group, WUR	June - September 2002	1
Writing research proposal	RDS, WUR	2001-2002	5
III. General skills (100 hours)			
-Conference on 'Agency, knowledge and power'	RDS, WUR	December 2001	1
- <i>Globalisation and its Discontents: The Future of Theory</i>	ISS, The Hague	April 2002	1
- <i>Holes in the Wall? Fortress Europe and the Migration in the 21st Century</i>	ISS, The Hague	April 2002	1
-International Conference on Globalization and Poverty	ISS, The Hague	October 2002	1
-Participation in 'advanced research seminar' of WP-2.	WUR	September – October 2002	2
-Advanced Research Seminars	RDS, WUR	April-June 2005	4
IV. Additional training			
Globalization and networks	CERES, Utrecht	April-May 2005	5
Attending CERES tutorials	Hoorneboeg, Hilversum	May-June 2005	5
Total (minimum 30 ECTS)			36.0

*One ECTS on average is equivalent to 28 hours of course work