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Social Capital, Collective Action and Group Formation: Developmental Trajectories in Post-socialist Mongolia

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Abstract Group formation, social capital and collective action have been the focus of much recent attention amongst donors and policy makers. Optimistic scenarios highlight their contributions to poverty reduction and effective natural resource management. However, recent critiques have focused on the exclusionary potential or 'dark side' of groups and social capital. Not only are their longer term livelihood impacts unclear, but lacunae persist in our understanding of how social capital, especially trust, is built. This paper presents a longitudinal evaluation of trust, collective action and cooperation among herders in post-Soviet Mongolia in the context of recent donor projects. Results highlight the important catalytic effect of external interventions in overcoming a lack of trust and promoting formalised collective action, but only in the context of a particular conjunction of circumstances. Indications for livelihood outcomes confirm the differentiated benefits, exclusionary potential and fragility of social capital and new institutional forms.

Keywords Mongolia · Pastoral development · Groups · Social capital · Trust

Introduction

The post-Soviet era, characterised by Lampland (2002, p.32) as a period of "slow yet thorough transformation of social community and social thought", continues to present profound challenges to those resource-dependent rural populations only recently emerged from a collectivised past. New and adapted forms of association and collective action among herders and farmers in transition economies provide evidence of reconfiguration of the institutions and social networks which frame resource use, resource access and livelihoods. Attempts to deconstruct such transformations have only recently begun to draw on theories of collective action, social capital[1] and group formation, particularly in the context of the penetration of developmental discourse and practice into rural, post-Soviet arenas. This emergent focus reflects a broader academic and policy context, wherein the efficacy of groups, collective action and social capital in facilitating achievement of diverse developmental and conservation goals have assumed increasing prominence (Barr 2004; Godoy *et al*. 2007; Letki and Evans 2005; Porter and Lyon 2006). Social capital, with trust as a key dimension, has been highlighted as integral to improved natural resource management (NRM), through facilitating "mutually beneficial collective action", often enacted via resource management groups and within the context of policy trends favouring devolution of resource rights (Porter and Lyon 2006; Uphoff and Wijayaratna 2000, p.1876; Westermann *et al*. 2005). As an added benefit, such collaboration amongst formalised groups of resource users arguably contributes to the further strengthening of social capital, thus initiating a virtuous circle of cooperation, improved livelihoods and enhanced resource management.

However, despite widespread donor optimism, critical voices have recently become increasingly evident in

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[1] Social capital is defined herein, following Putnam (1993), as norms, trust and social networks. Despite the existence of various typologies of social capital (e.g. see Uphoff and Wijayaratna, 2000; Westermann *et al*. 2005), these aspects form the core of most current definitions (Grootaert *et al*. 2004; Paldam and Svendsen, 2000).

analyses of these discourses and their livelihood impacts (e.g. Porter and Lyon 2006). According to Thorpe *et al.* (2005, p.913), group formation and persistence often involve a "trade off between economic viability and inclusiveness" through which the poorest may be further marginalised and existing inequitable social relations entrenched. Similarly, the 'dark side' of social capital lies in the potential for exacerbation of the inequalities and processes of exclusion faced by the poor (Cleaver 2005; Woolcock 2000).

Furthermore, lacunae persist in understanding not only the differentiated social impacts of groups, collective action and social capital, but the conditions facilitating their emergence and persistence (Agrawal 2002; McCay 2002; Sethi and Somanathan 2006). A lengthy debate since Hardin's (1968) classic 'Tragedy of the Commons' has demonstrated the existence and efficacy of self-organised collective action in the management of natural resources without, however, producing consensus on a definitive list of conditions or 'design principles' conducive to such success (Agrawal 2002; McCay 2002; Ostrom 1990). The existence of formalised, legible monitoring arrangements and sanctions against free riders are typically emphasised in rational choice accounts of cooperative behaviour (e.g. Ostrom 1990). However, social capital, particularly trust, also features in the attributes of resource users which may facilitate both the emergence and (implicitly) the persistence of collective action (Agrawal 2002; McCay 2002; Ostrom 2000; Stern *et al.* 2002). Social capital offers the potential for significant reductions in the transaction costs associated with monitoring and enforcement (Paldam and Svendsen 2000). Unfortunately, consensus on how to build social capital, and particularly the efficacy of donor interventions in facilitating trust and cooperation, remains elusive (Mosse 2006; Westermann *et al.* 2005). The "crucial policy question" posed by Paldam and Svendsen (2000, p.340), namely "How can social capital be built? That is, how can the national and international authorities induce people to trust each other and work together voluntarily?" remains largely unanswered to date.

Recent scholarship has explored relationships between individuals' socioeconomic characteristics, social capital and group membership (e.g. Godoy *et al.* 2007; Thorpe *et al.* 2005). However, contrary to models developed for industrial societies, Godoy *et al.* (2007) find only limited associations between individual characteristics and proxies for social capital (gift giving and participation in communal labour groups) amongst isolated rural communities.[2] Instead culture, kinship links and community norms emerge as key determinants of individual levels of social capital. Similarly, although poverty, lack of labour and social status are highlighted as individual characteristics liable to preclude group membership, culture and history are integral to understanding local group formation, persistence and outcomes (Mosse 2006; Porter and Lyon 2006; Thorpe *et al.* 2005).

Neither individual nor contextual factors appear readily amenable to external influence. Although local institutional arrangements may be altered in the short term, reflecting donors' "deliberate attempts to build social capital", case studies suggest that widespread donor reliance on ahistorical, aspatial and asocial blueprints of groups and collective action ultimately confound success (Paldam and Svendsen 2000, p.346; Porter and Lyon 2006; Stern *et al.* 2002). Third party interventions have also been implicated in the crowding out of pre-existing norms of trust and reciprocity (Letki and Evans 2005; Paldam and Svendsen 2000).

The post-Soviet context presents donors with a particular challenge. In Mongolia, as in the broader post-Soviet rural sector, international development projects continue to promote decentralisation, group formation and collective action solutions in pursuit of effective NRM. However, transition-specific characteristics may prove inimical to success. Specifically, a lack of social capital, especially trust, figures prominently in accounts of post-Soviet civil society. Worst case scenarios suggest a lack of informal, interpersonal trust, as communist-era informal networks are crowded out by growing individualism, combined with an absence of more generalised trust in weak states (Letki and Evans 2005; Theesfeld 2004). Thus, external facilitation of social capital appears at once both vital and highly problematic, given adverse social conditions and continuing theoretical uncertainties regarding donors' capacity to promote trust and cooperation.

To date there has been a marked lack of detailed, empirical and longitudinal work on these issues in rural, post-Soviet arenas. In this paper I take steps towards redressing this important omission through analysis of group formation, issues of trust, collective action and livelihoods amongst herders in Mongolia's Gobi region. Diverse pastoral development initiatives involving the creation of cooperative groups amongst herders have arisen recently in Mongolia.[3] This study focuses particularly on Deutsche Gesellschaft für Technische Zusammenarbeit

[2] Godoy *et al.* (2007) found an inverted U-shaped relationship between age and investment in social capital and a positive relationship between social capital and income amongst isolated rural households in the Brazilian Amazon.

[3] These include the World Bank 'Sustainable Livelihoods Project' (2002–2006), UNDP 'Sustainable Grassland Management Project' (2002–2007), GTZ 'Nature Conservation and Bufferzone Development Project' (1995–2002) and GTZ 'Conservation and Sustainable Management of Natural Resources—Gobi Component' (2002–2006), the latter being implemented by the New Zealand Nature Institute (NZNI).

(GTZ) conservation projects, implemented in conjunction with the Mongolian Ministry of Nature and Environment (MNE), and through local representatives of the Protected Area Administration (PAA), between 1995 and 2006. Based on in-depth studies of herders in two adjacent *bags*,[4] this paper examines local forms of association and collective action prior to external development interventions and maps the subsequent emergence of new herders' groups. Drawing on current theoretical debates, it questions the nature and importance of individual as opposed to contextual characteristics and the role of third parties in facilitating collective action, social capital and group formation. It examines the longer-term implications of new formal groups for herders' livelihoods and resource access in the context of ongoing debates concerning the equity implications of groups and social capital. The final section of the paper discusses the contributions of the Mongolian case to current theoretical and policy debates.

Mongolian Pastoralism: From Collectives to Capitalism

In Mongolia pasture is a common pool resource, in state ownership, but de facto managed as common property, although with more exclusive rights pertaining to winter and spring camps. The herding system is based on herders' movements between seasonal pastures, with regional ecological variations.

The decollectivisation of Mongolian pastoralism in the early 1990s marked the culmination of a series of radical reorganisations of the herding sector in the twentieth century, characterised by changes in the institutional frameworks for pastoralism and in modes of cooperation and collective action amongst herders (Upton 2005). The post-collective period forms the main focus for this paper. However, pertinent characteristics of earlier periods are outlined below, as a necessary basis for analysis of new and emergent forms of cooperation.

Collective Action and Key Herding Groups in the Pre-collective Era (pre 1950s)

In pre-Revolutionary Mongolia *khot ail* constituted the basic independent socioeconomic unit concerned with livestock production, re-emergent forms of which continue to be important today (Bazargür *et al.* 1992; Bold 1996; Mearns 1996). *Khot ail* were endogenously developed herding camps, usually kinship-based, which achieved increased efficiency and economies of scale in herding through cooperation in basic tasks such as tending livestock, felt and hay-making, and seasonal movements (Bold 1996; Mearns 1996). *Khot ail* were and continue to be larger in more ecologically productive zones, while single households or smaller *khot ail* of up to three households are more common in arid areas.[5]

There is little evidence for substantial cooperation between neighbouring *khot ail* in the precollective era, other than in the informal observance of customary pasture use norms.[6] The existence of neighbourhood-level institutions as sites of cooperation is a matter of some contention. *Neg nutgiinhan* or 'people of one place', *neg usniikhan* and *neg jalgynkhan* or 'people of one water', and 'one valley community' have been cited as generic labels for neighbourhood level institutions both today and in precollective times (Bazargür *et al.* 1992; Mearns 1996, 1993). However, for the great majority of precollective herders, available evidence indicates that *khot ail* were the only effective socioeconomic institutions from the mid 19th century until collectivisation (Bold 1996).

Collective Action and Key Herding Groups in the Collective Era (late 1950s to early 1990s)

The advent of the collective or *negdel* was responsible for state-led reconfiguration of networks and kinship-based residence groups. All herders became members of *negdel*, for whom they herded state-owned, usually single species herds of livestock, in addition to small private herds. *Khot ail* were effectively superseded by *suur*, typically comprising one to four households. Unlike *khot ail* these tended to be relatively stable groups of often unrelated households, with each *suur* being part of a brigade (*brigad*). Sections (*heseg*) within brigades organised cooperation over particular tasks between neighbouring *suur*, thus facilitating horizontal links and formalised collective action between neighbouring herding units, albeit at the behest of *negdel* authorities. As a third party, the *negdel* administration arguably removed incentives for endogenous cooperation amongst herders, through reducing their mutual dependence and replacing locally evolved norms and *khot ail* units with externally monitored and enforced rules and groups (Mearns 1996). Thus, although informal networks and social capital remained important as ways of accessing scarce goods and services in collective times, published

[4] *Bags* are the smallest administrative units in Mongolia and typically include 100–150 herders' households.

[5] The predominance of individual households in the Gobi region has led some authors to deny the local existence of *khot ail*. However, this term is retained by Mongolian researchers and was used by herders in my case study areas when referring to camps comprising more than one household.

[6] For example protecting winter grazing in other seasons through seasonal mobility. Pasture use was also regulated by secular authorities or religious officials, at least prior to the communist revolution in 1921.

accounts suggest the erosion of interpersonal social capital amongst herders with respect to NRM.

Decollectivisation and its Aftermath

Decollectivisation, completed between 1991 and 1993, marked a major transformation in the herding sector, with a return to family-based, subsistence-oriented herding groups and mixed species herds. Although the postcollective state did not surrender its role in regulation of the pastoral sector, in practice the ability of local administrations to fulfil their obligations has been severely curtailed by budgetary and manpower constraints.[7] Reports of increasing sedentarisation of herders, individualisation of behaviour and free-riding on established pasture use norms suggest a post-collective era where lack of formal regulation is compounded by limited cooperation and trust amongst herders and the apparent erosion of reciprocity (Fernández-Giménez 2002). The influx of 'new herders' to Mongolia's pastures is also widely cited as detrimental to prospects for future cooperation and collective action, as is increasing wealth differentiation and poverty, thus contributing to a picture of apparent breakdown, conflict and nascent 'tragedy' on Mongolia's commons.[8] Less gloomy prognoses highlight the re-emergence of *khot ail* following decollectivisation and their engagement in various forms of mutual assistance and collective action, albeit typically amongst small groups of extended kin (Cooper 1993; Mearns 1993).

Attempts to facilitate cooperation beyond kinship links have met with little success. Companies (*compan*) operated as an interim between the former *negdel* and a completely privatised herding economy, but typically failed in less than a year. Herders' cooperatives (*horshoo*) also appeared in the early 1990s, concerned primarily with marketing livestock products. These too typically collapsed within only a few years, in part reflecting the adverse economic situation, but also their inability to command herders' allegiance, unlike the *negdel* (Sneath 2002). Furthermore, according to Bruun (2006, p.196), Mongolia's Buddhist and Communist heritages, have combined to produce "a general lack of responsibility, particularly at the community level", expressed since decollectivisation in a general unwillingness to offer help or support to others. Reversion to preferential reliance on remaining kin-based networks has thus been widespread on the post-decollectivisation herding commons.

The advent of recent major development initiatives represents an emergent, non-state arena of third party influence in pastoral livelihoods. The preceding overview of recent institutional frameworks for pastoralism reveals the voluntary 'mid level' groups emerging from these initiatives as something new in the Mongolian countryside. The subsequent empirical sections examine these interventions in two case study areas, which are introduced below.

Study Area and Research Methods

The core study *bag* (*bag* a) is located in the southern part of Mongolia, and primarily within Gobi Gurvansaikhan National Park (GGSNP). GGSNP covers an area of approximately 2.7 million hectares and was designated as a protected area (PA) in 1993 (Bedunah and Schmidt 2004). *Bag* b is located immediately adjacent to *bag* a, but lies outside the National Park and beyond the remit of the GTZ projects. Its inclusion in the study design acts as a control when examining donor influence on herders' groups, collective action and social capital. Land in both *bags* is used almost exclusively for extensive pastoralism. The area lies predominantly in a desert-steppe vegetation zone. It experiences extreme annual temperature variations (average −14.9°c in winter to +21.1°c in summer) and mean annual rainfall of only 127.1 mm p.a.

The material presented in this paper draws on three periods of fieldwork in winter 2000, summer 2001 and autumn 2004. The first two fieldwork periods focused on institutions, social organisation and collective action pertinent to resource management in *bags* a and b. The 2004 fieldwork focused specifically on the new 'communities' or *nukhurlul* (literally 'support groups') linked to the GTZ projects in *bag* a. The absence of any such groups in the control area precluded data collection in *bag* b in 2004.

Fieldwork methods in 2000/2001 included household surveys (111 herding households/*khot ail*; 99% of *bag* herders, *bag* a; 72 herding households/*khot ail*, 97% of *bag* herders, *bag* b), in-depth interviews with key herder informants, follow-up semistructured interviews with more than 90% of herders in summer 2001 (102 herding households/*khot ail*, including GTZ 'community' leaders, *bag* a; 67 herding households/*khot ail*, *bag b*), and oral histories (9 and 4 herders, *bags* a and b respectively). Interviews were also conducted with local government and development officials (12 and 8 interviews) and with National Park staff (4 interviews). In autumn 2004 semi-structured informal interviews were conducted with 105 households/*khot ail* in *bag* a.

[7] New legislative instruments such as the Land Laws (1994 and 2002) devolved considerable responsibilities to local state representatives in allocation of pastures, control of seasonal movements and resolution of conflicts (Fernández-Giménez and Batbuyan 2004).

[8] New herders are those who did not herd livestock for the *negdels*. They are arguably more likely to free ride than more established herders due to lack of herding experience, poor integration with local norms and weak pasture rights (Fernández-Giménez 2002).

The household survey administered in 2000 facilitated collection of basic census data, including livestock numbers (as a proxy for wealth), and information on pasture usage. A key section focused on the nature and extent of interhousehold/*khot ail* collective action. In summer 2001 (*bags* a and b) and 2004 (*bag* a) parts of the original survey were repeated in order to map changes in herding groups and the nature and extent of collective action. In-depth semistructured interviews in 2001 focused primarily on aspects of herding practice, collective action and membership of emergent GTZ *nukhurlul*. Key informant interviews were also undertaken with leaders of GTZ 'communities' (seven interviews), GTZ and World Bank project staff[9] and local government officials. The 2004 fieldwork period charted the progress and impacts of *nukhurlul* through in-depth semistructured interviews with community leaders, members and nonmember herders in *bag* a.

In much recent work researchers have endeavoured to measure trust and social capital through standardised survey instruments (Grootaert *et al*. 2004; Westermann *et al*. 2005). In contrast, and following McCay (2002, p.390), in this research "importance [was allowed] to emerge from empirical analysis", i.e. from herders' interviews, rather than through testing of predetermined models and instruments, or reliance on the decontextualisation and homogenisation of social capital (Mohan and Mohan 2002). Herders' individual propensity for group membership and investment in social capital (as indicated by participation in collective action both within and prior to *nukhurlul*) was also examined in the context of key socioeconomic characteristics, such as age, wealth, new herder status, and labour power.

Khot ail, Households and Kinship, Winter 2000

In winter 2000 *bag a* was dominated by lone nuclear families,[10] the majority of herders in the case study *bag* being part of single households, (72%, n=111), with two or three adult members. In this respect, basic herding units in the *bag* differed little from collective-era *suur*. The remaining herding groups were primarily stem families,[11] most of whom (70%, n=33) identified themselves as *khot ail*. *Bag* b presented a similar picture, with 62.5% (n=72) of basic herding units comprising single households and the remainder dominated by stem families.

Seasonal variations in household/*khot ail* composition occurred only in a minority of cases (12%, n=107, *bag* a; 21%, n=72, *bag* b), usually where component families of winter *khot ail* separated in the summer months in response to constraints imposed by pasture conditions. In winter 2000 27% (n=111, *bag* a) and 32% (n=72, *bag* b) of households/*khot ail* groups comprised or included new herders, mainly in lone nuclear households.

Functions attributed by herders to *khot ail* in both *bags* were almost universally related to economies of scale and mutual assistance with labour, especially shared herding of livestock, although membership of particular households/*khot ail* also enabled herders to access winter shelters and grazing (Fernández-Giménez and Batbuyan 2004; Upton 2005). However, ecological constraints precluded development of large *khot ails*. Seasonal labour shortages were, to an extent, overcome by limited interhousehold/*khot ail* cooperation and through sporadic assistance from non-herding, urban-based relatives in the summer months. However, the situation was compared unfavourably to the collective era by many former *negdel* herders, who commented on the loss of labour power afforded by *heseg* and auxiliary workers.

Collective Action and Social Capital, Winter 2000

Informal Cooperation

In winter 2000 47% of respondents (n=111, *bag* a) and 39% (n=72, *bag* b) claimed to participate in collective action over herding-related tasks with herders outside their immediate household/*khot ail*, albeit on a sporadic and ad hoc basis.[12] Such occasional cooperation usually centred on labour intensive tasks such as shearing, combing cashmere, lambing, and fixing winter shelters and typically occurred among herders using the same water source. Participation in such activities was not readily explainable in terms of herders' individual attributes such as wealth, working power or new/old herder status. Rates of cooperation were, however, particularly low for families in *bag* a employed by the Animal Husbandry Institute (AHI) (59%, n=41, compared to 69%, n=70 for non-AHI families), for whom benefits afforded by the AHI reduced reliance on and incentives for such cooperation.[13]

[9] By autumn 2004 the World Bank Sustainable Livelihoods Project was also active in *bag* a.

[10] Residential groups typically consisting of parents and dependent children in one household (after Sneath 1999).

[11] Defined here as two households comprising a nuclear family with a separate household comprising one or both parents of one of the spouses.

[12] These data do not attempt to evaluate all aspects of social networks, relations of obligation and ritual activities, but are confined to cooperation over herding/ NRM.

[13] The AHI, a government funded research body, employed a minority of herders in *bag* a to tend its herds. In 2000 employees' benefits included a cash wage plus assistance with transport for one seasonal movement.

Table 1 Herders' Problems and Constraints in Initiating and Maintaining Formalised Collective Action (CA), 2000

Key barriers/ constraints to CA		Herders with positive attitude to formal collective action (CA)							Other responses		
		People don't discuss/ understand benefits of CA	Lack of trust/ inability to 'join ideas'	Lack of transport and/or finance	Too many animals/ lack of water[a]	Lack of leadership/ organisation	Too few animals/ too little labour power	Other	No need for such CA	No problems with such CA	Not considered CA and possible problems
Bag a herders	*N* (%)	16 (15.2)	24 (22.9)	5 (4.8)	9 (8.6)	6 (5.7)	1 (1)	5 (4.8)	5 (4.8)	9 (8.6)	25 (23.8)
Bag b herders	*N* (%)	1 (1.4)	9 (12.9)	5 (7.1)	8 (11.4)	6 (8.6)	1 (1.4)	1 (1.4)	10 (14.3)	5 (7.1)	24 (34.3)

Total n=105 (*bag* a), 70 (*bag* b)

[a] A number of herders interpreted cooperation for pasture management as requiring all members' livestock to be gathered in one place, something they felt to be impossible in view of limits on the availability of grass and water

Despite low levels of regular cooperation over herding tasks, and gloomy prognoses in recent literature concerning the breakdown of pasture use norms, herders in both *bags* a and b reported low levels of trespassing on key winter pastures. Nonetheless, greater involvement by the local administration to enhance mobility and coordination of pasture use was widely requested. The absence of the state as a key actor in pasture regulation is reflected in the limited importance accorded by herders to all external organisations or groups. Over 20% of herders in *bags* a and b were unable to identify any external organisations or groups, beyond their own household/*khot ail*, on whom they relied regularly in pursuit of their livelihoods, a figure which rose to 35% in *bag* a when AHI herders were excluded. Herders who identified the local administration as useful were also quick to point out their limitations; although they occasionally provided helpful information on pasture issues, they were deemed ineffective in terms of livelihood support or pasture regulation. Despite sporadic and occasional informal cooperation between neighbouring households, less than 4% (*bag* a) and 7% (*bag* b) of herders identified neighbours as important sources of support or cooperation. Indeed, one of the most striking features of these early interviews was the extent to which herders remarked on the existence of an individualistic and selfish attitude in the post-decollectivisation era:

> In this market economy people suspect each other and don't trust each other… (Herder 144,[14] *bag* a, 2000).

and

> It may not be possible for households to work together now …because people don't believe in each other; maybe they think that the others would cheat them… (Herder 95, *bag* a, 2000).

[14] Numbers are used in order to protect herders' identity.

Concerns over lack of trust were widely reflected in attitudes to formalised collective action amongst herders.

Formal Collective Action

Other than membership of the short-lived and ineffective *compan*, herders' levels of participation in more organised collective action since the demise of the *negdel* were very low (*bag* a, 7%, n=111; *bag* b, 3%, n=72), despite widespread interest in more formalised cooperation over herding tasks and/or marketing of livestock products. Predominant constraints on herder–herder collective action centred less on material considerations, particularly in *bag* a, and more on issues of trust, shared ideas and understanding of the benefits of collective action (Table 1).[15] Lack of trust emerged as an overriding issue amongst herders who perceived specific barriers to collective action in both *bags* a and b, often linked to the demise of previous types of formalised cooperation:

> The households in the countryside are not very reliable…The old *compan* here is finished, but we were told the same thing then…that it was good to become a member of this *compan*. (Herder 79, *bag* a, 2000).

and

> To work together like a *horshoo* now or in the future, well it seems impossible…We are the people who have experienced both the *horshoo* and the collective in the past, but those have both split up… (Herder 36, *bag* a, 2000).

[15] Data presented in Table 1 concern single most important barriers to collective action, as identified by herders. Lack of trust was widely remarked on by herders in addition to the 24 who cited it as their primary concern.

Thus in winter 2000 a lack of trust, especially beyond immediate kin, was widely perceived among herders in both *bags* as confounding overt collective action solutions. Respondents in *bags* a and b attributed this pervasive lack of trust not to the *negdels* per se, but to their demise and its aftermath. The disappearance of *negdels* in rural Mongolia removed stable, state-enforced boundaries for pasture use, regulation and cooperation beyond the immediate household/*khot ail* (Mearns 1993). In 2000 there appeared to be little prospect for the emergence of more active forms of community, mutual assistance and trust amongst herders, a perspective supported by the inactivity of *aravt*.[16] However, in 2001 and 2004 just such developments appeared to be underway amongst herders in *bag* a.

'Development', Collective Action and Group Formation, Summer, 2001

Introduction: Nature and Functions of 'Communities'

The GTZ/MNE projects in the Gobi focused on the promotion of biodiversity conservation (closely linked to support or restoration of herders' seasonal mobility) and facilitation of sustainable livelihoods. Project documents highlight the perceived importance of collective action, including labour sharing, amongst herders to fulfilment of these goals in the context of the post-decollectivisation retreat of the state from effective involvement in pasture regulation or service provision (Schmidt 2006). Although not explicitly using the language of social capital, later project documents reflect ideas prevalent in NRM debates concerning mutually reinforcing linkages between the creation or strengthening of groups and collective action and trust amongst stakeholders (Paldam and Svendsen 2000).[17] They also summarise the project's key role as that of a catalyst and facilitator, focused on offering support to peoples' own, initiatives.

Following a series of participatory rural appraisal (PRA) exercises and workshops, a total of 21 'communities' or *nukhurlul* were recorded in GGSNP by the end of 2000, although they only appeared in *bag* a in 2001. Unpublished project documents claim that the participatory approach was integral to building trust amongst local herders. GTZ staff commented that "our approach was not explicit 'institution building' in a sense of building institutions that were externally conceived. The approach was to strengthen collective action and self-help initiatives that emerged, while making the best effort to maximize inclusion and participation…" (Schmidt 2006, p.21). In practice *nukhurlul* exhibited great organisational similarities across the project area and, according to some 'old' herders in *bag* a, resembled collective-era *heseg*.

Nukhurlul typically comprised 10–20 herding households/*khot ail* who shared seasonal pastures and/or were located around one water source. Following project advice most had community funds, derived from members' donations, elected leaders and community councils. One function of these funds was as a source of micro-credit for member households. Community activities typically centred around pasture management, cooperation over labour intensive tasks such as shearing livestock and repairing winter shelters, protection of resources such as medicinal plants, and processing and marketing of livestock products. Livelihood diversification, for example through tourism development and vegetable growing, was at the core of particular communities' strategies. Collaboration amongst community members typically necessitated formal meetings to plan, evaluate and carry out activities at least once per season (Schmidt 2006).[18] Project involvement with established communities was maintained primarily through dissemination of information by PAA/GTZ staff and extension workers ('community organisers'), and via regular training,[19] advice and capacity building activities. Subsequent project activities also facilitated development of linkages and participatory planning between herders, *bag* and *sum*[20] governors and PAA staff, through a series of meetings, training events and workshops from 1999 onwards.

By summer 2001 three communities had formed in *bag* a (communities A, B and C) and a further two fledgling communities were in the process of formation (Communities D and E). Only community A was active in summer 2001, having established a committee and community fund, based on contributions of one goat and 50,000 tg[21] for each member household, and had already sheared livestock, combed cashmere and fixed shelters together.

[16] *Aravt* were compulsory groups of 10 herding households in bag a, reportedly created by the *bag* governor in 1999/2000 to facilitate cooperation over cultural activities and labour sharing. However, herders reported little or no activity amongst *aarvd*, or follow-up from the *bag* governor. Herders generally concurred that *aarvd* existed in 'name only'.

[17] The notion of formation of community groups or *nukhurlul* first appeared in project documents in 1999.

[18] Frequency of meetings varied for example depending on seasonal conditions. Monthly meetings were not uncommon in more active communities.

[19] Training opportunities included felt-making, vegetable growing and preserving and processing of livestock products.

[20] *sum* are intermediate-scale administrative units, equivalent to districts, and typically include 3–5 *bags*.

[21] 1,000 Mongolian *tögrög* (tg) were approximately equivalent to US $1 in summer 2001.

GTZ's Role and Incentives for Community Membership, bag a

The decision by 31% (n=90) of herding households/*khot ail* in *bag* a to join communities by summer 2001 suggests a marked change in attitude by comparison with winter 2000, especially as members included households who had not previously participated in informal modes of cooperation and/or expressed little interest in more formalised cooperation. Comparison of *bag* a with *bag* b, where limited informal collective action continued much as documented in 2000, demonstrates the importance of third party intervention in the emergence of formalised collective action.

Critics of the 'scramble for groups' amongst donors highlight the efficacy of groups for disbursement of donor funds and related expectations of economic benefits amongst local residents as powerful incentives for group formation and membership, particularly in remote regions (Porter and Lyon 2006). However, in this case community funds, and subsequent access to micro-credit, were established initially from donations by community members, and not through funds supplied directly from GTZ. Small scale co-funding was, however, subsequently provided for some community initiatives, for example fencing of vegetable plots. Some 60% of community members in *bag* a cited access to organised labour power as a major incentive for joining *nukhurlul*. The potential for business, marketing and alternative livelihoods also constituted significant incentives, and to a lesser extent the prospect of greater mutual assurance concerning regulation of pasture use and seasonal mobility. However, contrary to rational choice models of collective action, *nukhurlul* did not impose overt new sanctions on free-riders, nor did GTZ, as a third party, take on the role of monitoring or enforcing behavioural rules. The initial development of communities also imposed both transaction costs and financial risks on herders.

Thus, herders' expectations of possible future benefits of *nukhurlul* membership, although important, are inadequate to explain the extent to which preexisting barriers to collective action were being challenged by 2001, especially as a lack of trust was widely cited as precluding such formalised modes of collective action in 2000. Chief among the factors identified by herders in *bag* a as significant in overcoming such barriers were the facilitating role of the project and the examples of 'successful' *nukhurlul* in adjacent *bags*.

As elsewhere in GGSNP, GTZ extension activities preceded community formation in *bag* a. In winter 2000 a GTZ extension officer and representatives of the PAA, provided information to local herding families concerning communities and the benefits of community formation. PRA sessions were subsequently held with three groups of herders at their own request, between March and May 2001. These employed PRA tools to initiate participatory research, analysis and planning amongst herders (Schmidt 2006). This authors's interviews with herders in 2001 emphasised the importance of face-to-face discussions at early PRA, intercommunity meetings and workshops, and mutual learning processes in driving herders' willingness to collaborate in new ways through *nukhurlul* in *bag* a. As one herder explained, 'before the community there was no discussion between households…now households discuss ideas and try to act on them…' (Herder 54, *bag* a, 2001).

The attendance of representatives from fledgling communities in *bag* a at an experience-sharing workshop with community leaders in neighbouring *sums* in 2001 proved particularly influential in shaping community formation and early membership. Specifically, the example of established, 'successful' communities enhanced herders' willingness to invest trust in *nukhurlul* as effective institutions and indirectly to invest trust in the GTZ project. As one herder stated, 'from what I saw [at the workshop] I thought communities were very beneficial… I explained my views and ideas to the herders here and suggested we formed a community … many were very enthusiastic and wanted to invite the project here straight away so we could begin…' (Herder 9, *bag* a, 2001).

Accounts of the formation of the earliest *nukhurlul* in adjacent *sum* in 1999, for whom such peer group example was unavailable, highlighted the importance of a small group of entrepreneurial women herders in initiating collective action (Kar *et al*. 2001). Initial development of a mobile information centre was succeeded by development of a fund and community norms. Other communities, including those in *bag* a, reflect this step-by-step formation process and gradual development of activities, although details vary between *nukhurlul* (e.g. Schmidt 2001). Multiple meetings of (potential) members, long time horizons and slow processes of development emerge as key themes.

Wider socioeconomic changes since the demise of the collectives also underlay enthusiasm for communities, suggesting the importance of the conjunction of diverse contextual and temporal factors in shaping herders' responses to the GTZ intervention. Schmidt (2006, p.20) argues that external interventions came at a time when "the social, economic and ecological situation had become so dire that the initiatives for collaboration among herders were driven by the need to survive under very adverse circumstances". The impact of recent natural disasters (*dzud*) elsewhere in Mongolia was specifically recognised by herders in *bag* a:[22]

> Maybe the community has formed now because since the end of the collective people were more independent… they felt alone, weak and couldn't cope with natural

[22] *Bag* a itself experienced little direct impact of *dzud* in the period prior to formation of the earliest communities. However, in summer 2001 herders displaced by *dzud* in adjacent regions came to the study area, resulting in serious pressure on pasture and water resources.

Table 2 Attributes of Community and Non-community Member Households (hh)/*Khot ail* (KA), *Bag* a, Summer 2004

Household/*khot ail* attributes	Community members (n=52)	Non-community members (n=48)
Labour power (mean, adults 18–55/60 years)[a]	2.4	2.4
Wealth (total private livestock per hh)[b]	204[c] (mean)	225[c] (mean)
	1–1,042 (range)	19–1,002 (range)
New herder hh/KA (% of community/non community members)	24[d] (n=50)	26[d] (n=42)

[a] Data based on annual *bag* records, which differentiate between 55 years for women and 60 years for men as upper limit of age range for working adults
[b] AHI livestock not included. Data based on *bag* records for end 2003
[c] Mean wealth differences not significant (t=0.58, df=98, p=0.56)
[d] Differences in percentages of new herders not significant (X^2 =0.058, df=1, p=0.81)

> disasters on their own, so they realised that it was better to combine their powers to cope with such difficulties… (Herder 119, *bag* a, 2001).

The recent advent of particularly adverse local conditions thus changed the balance of herders' calculations concerning the costs, benefits and risks involved in collective action, at least for those herders who embraced community membership in 2001.

Non-members

Existing project reports have paid little attention to reasons for non-membership and characteristics of non-member households. The cost of gaining and maintaining membership and the use of community funds were pertinent factors, particularly for poorer households in *bag* a:

> 'The community is too commercial. This community said that…to become a member they should pay a goat and 50,000 tg…and in the end the fund doesn't seem to go towards improving livelihoods…' (Herder 62, *bag* a, 2001).

Issues of kinship were also perceived as problematic by a small minority of non-members:

> 'We are not community members…the community has organised themselves in a new way by including some families … and leaving others out…It really means they just invite their relatives to join them. Therefore, it's not possible for me to join this community, even though it seems very beneficial…' (Herder 59, *bag* a, 2001).

More cautious, risk averse non-members preferred to delay decisions about whether to join communities until they had a clearer picture of their likely impacts, reliability and longevity. Such attitudes were especially prevalent amongst herders who had been unaware of initial meetings, or precluded from attending them by a lack of spare labour capacity. However, in 2001 the rapidly developing institutional context and some herders' uncertainty over their membership status precluded more in-depth analysis of community members' attributes or of the impacts of communities. These issues were explored further in 2004.

Households and Herding Groups, Summer 2004

Community Membership and Attributes, 2004

Six active communities were present in *bag* a in 2004, including communities A, B, D and E. Community C had ceased activities since 2001, while two new communities, F and G, had formed in the *bag* in 2002 and 2001 respectively, both citing the example of community A as an important influence. In total 52% (n=100) of households/*khot ail* claimed membership of an active community.

Contra Godoy *et al*. (2007), analysis of socioeconomic characteristics of members and non-members revealed no significant differences between them in terms of wealth or age, albeit with wealth exhibiting the greatest variation between member and non-member households (Table 2). Of the households that highlighted lack of finance and/or transport as a primary barrier to collective action in 2000 (Table 1), only one had become a community member by 2004. Other potentially pertinent characteristics such as labour power and new herder status similarly bore no significant relationship to community membership in 2004.

Community membership in 2004 was also examined in the context of herders' pre-*nukhurlul* (2000) attitudes to and experiences of collective action, pasture problems, market integration, reliance on external groups and institutions, and perceived need for greater pasture regulation. However, such characteristics revealed few significant associations with subsequent community membership and proved insufficient in isolation to explain herders' propensity to join or form a group (Table 3).[23] In particular, it is notable that those

[23] Winter 2000 datasets were also evaluated against provisional summer 2001 community membership lists for these criteria. Again, no significant associations were noted. However, the analysis here concentrates on 2004 datasets, for which herders' community membership was more clearly established.

Table 3 Community Membership, *Bag* a (2004) vs. Herders' Previous (2000) Attitudes and Experiences (Items 1-7)

Items 1-7 Household/*khot ail* attitudes/ experiences (winter 2000)		Yes (positive responses, items 1-7, 2000)				No (negative responses, items 1-7, 2000)			
		Community members 2004 (CM)		Non-members 2004 (NM)		Community members 2004 (CM)		Non-members 2004 (NM)	
	Total N	*N*	% CM who gave +VE response	*N*	% NM who gave +VE response	*N*	% CM who gave −VE response	*N*	% NM who gave −VE response
1. Participation in informal collective action outside immediate hh/KA[ai)]	80	28	63.6	23	63.9	16	36.4	13	36.1
2. Identified need for greater pasture regulation by local *sum*/*bag* administration[aii)]	76	35	83.3	29	85.3	7	16.7	5	14.7
3. Identified existence of pasture problems in *bag*[aiii)]	74	25	61	19	57.6	16	39	14	42.4
4. Positive attitude to formal collective action in future, but barriers identified[aiv)]	75	22	53.7	22	64.7	19	46.3	12	35.3
5. Plans to initiate/participate in formal collective action[b]	73	19	48.7	27	79.4	20	51.3	7	20.6
6. External groups/organisations/ institutions important (e.g. *sum* or *bag* administration, *neg usnikhaan* etc.)[ci)]	80	37	84.1	27	75	7	15.9	9	25
7. Need for new body to help herdsmen work together[cii)]	75	16	40	19	54.3	24	60	16	45.7
8. Market integration (sale of livestock products, not subsistence only use)[ciii)]	80	33	75	31	86.1	11	25	5	13.9

Rows denote specific pasture use and cooperation issues identified by herders in 2000. Reponses are subdivided according to positive or negative responses and attitudes of hh/KA (Yes and No columns). These columns are further subdivided according to subsequent (2004) community membership of hh/KA

Total *N* for each criterion reflects herding households interviewed in both 2000 and 2004. Some 20hh from the original sample left the case study area by 2004 to move to urban centres or herd livestock in different districts. Data for such hh are omitted from the table, as are data for hh new to the *bag* in 2004. Where total *N* varies for specific items this reflects particular hh's failure to provide data for specific items

[a] Differences between community members and non-members not significant for specific criterion ([ai)] X^2 =0.001, *df*=1, *p*=0.98; [aii)] X^2 =0.054, *df*=1, *p*=0.816; [aiii)] X^2 =0.088,*df*=1, *p*=0.767; [aiv)] X^2 =0.935,*df*=1, *p*=0.333)

[b] Differences between community members and non-members significant (X^2 =7.343, *df*=1, *p*=0.007)

[c] Differences between community members and non-members not significant for specific criterion ([ci)] X^2 =1.023, *df*=1, *p*=0.312; [cii)] X^2 =1.531, *df*=1, *p*=0.216; [ciii)] X^2 =1.528, *df*=1, *p*=0.216)

households planning to initiate or participate in formal collective action in 2000 were less likely to have become community members by either 2001 or 2004, despite the failure of alternatives to *nukhurlul* to emerge over this period. Patterns of, barriers to, and incentives for membership did, however, differ geographically throughout the *bag* territory.

The more remote westerly part of the *bag* was characterised by low rates of community membership (20%, *n*=40).[24] Little difference was apparent between wealth of member and non-member households, while non-members were typically wealthier than community members in the east (Table 4). In the western area community members had higher average working power per household than non-members, while the reverse was true in the east. In the west new herder households were less likely to be community members (11%, *n*=9) while most new herder households in the eastern part of the *bag* (79%, *n*=14) had claimed community membership. A significantly higher incidence of pasture problems was reported by households in the eastern (70%, *n*=40) than the more remote western part of the *bag* (44%, *n*=36) prior to community formation, (X^2=5.08, *df*=1, *p*=0.024), but experience of such problems bore no significant relationship to subsequent community membership. Disaggregation of trust data by area highlighted comparable concerns over lack of trust as a primary factor in confounding collective action solutions between eastern and western areas in 2000. By 2004 all

[24] The western area is more distant from *bag* and *sum* centres than the eastern part of the *bag* with which it was amalgamated in 2000.

Table 4 Attributes of Community and Non-community Member Households (hh)/*Khot ail* (KA) by *Bag* Area, Summer 2004

Household/*khot ail* attributes	Western area		Eastern area	
	Community members (n=8)	Non community members (n=32)	Community members (n=44)	Non community members (n=13)
Labour power (mean, adults 18–55/60 years)	3.3*	2.5	2.2*	2.3
Wealth (total private livestock per hh/KA)	211	209	203	217
New herder hh/KA (% of community/non-community members)	13	28 (n=29)	26 (n=42)	23

No significant differences recorded in wealth or labour power between community and non-community members in either eastern or western area, nor between community members and non-members in the east and west, with the exception of differences in labour power of community member households between east and west (t=2.19, df=50, $p \leq 0.05$; indicated by the asterisk)

those in the eastern area who had previously raised concerns over lack of trust had become community members (n=7). However, of the nine such households in the western area[25] only one remained a community member in 2004, although four had previously been members of the failed community C.

Communities and Collective Action, Western Area

The failure of community C highlighted the fragility of emergent communities and fledgling norms of trust and cooperation. Among former members, many of whom had made non-refunded contributions to the community's fund prior to its demise, there was little appetite for or trust in future formalised modes of collective action. The failure was diversely attributed by former members to the large numbers of households in the original community (33 households, 2001) which made coordination particularly problematic, lack of any 'fall-back' position when the leader was absent from the area for a lengthy period of time, and failure of the community to live up to expectations.

The recently formed community G was a comparatively small organisation (6 households, including *sum* centre residents), based on cooperation between close relatives. Other herders in the western area who retained an interest in communities as a possible focus for more formalised cooperation cited a growing sense of exclusion, both from community G and also from more distant, 'successful' communities around the *bag* centre. As one herder told me:

> 'In one way its better to share our hard work, but now the community people have gathered and stay close to each other and its difficult to move to these community areas… Other people can't move there…' (Herder 79 2004).

Herders in this most remote part of the *bag* continued therefore to rely primarily on the members of their own households/*khot ail* for herding tasks.

Communities and Collective Action, Eastern Area

The eastern part of the *bag* presented a marked contrast. Levels of community membership were higher (83%, n=57), with the majority of members citing access to organised labour power as a key motivation for membership. An additional benefit mentioned by members of communities was assistance for poorer or weaker members to move from winter pasture, thus prompting a return to rotational grazing patterns.

Although labour constraints were central to most herders' decisions to join communities, others regarded their inability to send household members to participate in joint labour activities as necessarily precluding community membership. Other barriers to membership were financial. As indicated by early concerns in 2001, poorer households were in some instances unwilling or unable to pay the necessary membership fee. To a lesser extent than in the western part of the *bag*, herders in the eastern and southernmost areas cited their isolation and distance from established communities as a barrier to their membership or participation. Non-community members also expressed concern that it was becoming increasingly difficult to join established communities, many of which had reached an optimum size for effective working and were reluctant to consider new members, especially poorer ones. The preference expressed by one community leader for recruiting wealthy households in the future, due to the difficulty of maintaining a community with many poor members, only substantiated these concerns. Outsiders also perceived the increasing intimacy, experience of cooperation and knowledge of existing communities, often gained through training

[25] Numbers reflect households present in *bag* a in both 2000 and 2004. Of the original 24 households in *bag* a who cited lack of trust as a primary barrier to collective action, only 16 remained in 2004. Of these 12 (75%) were or had been community members by summer 2004.

activities, as barriers to their membership. Thus households who were unable to take advantage of initial opportunities to join communities, or were less willing to take risks, were by their own accounts being increasingly excluded from the benefits of cooperation.

In 2004 recent projects undertaken by the more 'successful' communities included repairing a deep mechanical well, which had not functioned properly since the demise of the collectives[26] and installing a new surface water point in a previously dry steppe area. In both instances, members of the respective communities had gathered in summer grazing areas around these water points. Although these water sources were nominally free for all to use, some members displayed a greater sense of ownership or exclusivity, stating that non-members could only use these resources should there be more than sufficient for all community members' needs. Identification of particular areas of land with particular communities was also enhanced by the construction of small community vegetable plots in a number of locations. These were intended for self-provisioning by community members, with excess to be sold in local markets. Recent mapping of community areas under the auspices of the GTZ project also exacerbated a sense of declining flexibility in access to grazing in the minds of non-community members, despite donor assertions that delineation of community managed areas did not compromise herder mobility (Schmidt 2006).

In summer 2004 the benefits of community membership appeared considerable. While participation in occasional and ad hoc joint labour had occurred prior to the communities, the community model of organised action was praised by many herders, as were other benefits, such as access to training and cofunding through the GTZ project. However, for non-members in 2004 there appeared to be little prospect of future membership. Furthermore, under the auspices of the World Bank Sustainable Livelihoods project members of three *bag* communities had formed NGOs and concluded land-use contracts with the *sum* administration in 2004. These contracts detailed the land area to be leased to these NGOs and the responsibilities of the administration and herders' groups. The position of non-member herders in these areas is unclear at the time of writing.

Conclusions

The evolution of development-led groups or *nukhurlul* in Mongolia's Gobi region is an ongoing process. The longitudinal dataset explored above offers a series of snapshots of the progressive and ongoing reworking of local institutions and norms of cooperation amongst herders. In doing so it illuminates collective-era legacies of social capital and post-decollectivisation impacts upon this legacy. The collective-era emerges as one in which norms and networks of social obligation remained important for herders, as well as more formal, organised interactions derived and structured through collective institutions. Erosion of trust and growing individualism was highlighted in the case study area as a legacy not of the collectives, but of their apparent failure and its aftermath. Lack of trust in other herders was particularly evident. In contrast to other accounts of post-Soviet civil society (e.g. see Letki and Evans 2005; Theesfeld 2004) the post-collective state was depicted not as untrustworthy, but as effectively irrelevant in terms of herders' everyday lives. In winter 2000 this legacy of interpersonal mistrust in the context of a weak state presented a considerable barrier to the emergence of more regular, formalised interhousehold cooperation, despite herders' stated desire for such cooperation.

In common with Godoy *et al.*'s (2007) work in autarkic rural communities, this study found individual socioeconomic attributes of Mongolian herders to display only limited explanatory power when considering propensity to invest in social capital. Wealth and labour power emerged as important considerations for individual herders, although were not statistically significant overall. Individual risk-aversion also shaped early decisions regarding community membership.

This case study reveals third party intervention to be integral to the emergence of organised collective action and development of trust. The creation of 'paper' groups by donors has been widely documented, as have the limitations of many supposedly participatory approaches in NRM (e.g. see Cooke and Kothari 2001). What then brought about more substantive change in this case? In common with Arnold *et al.* (2007) and Hahn *et al.* (2006), this study argues that third parties have an important catalytic role, through which regular face to face interaction amongst resource users enables willingness to trust the third party, or their intervention, to facilitate the growth of interpersonal trust and cooperation. Peer group learning, especially the example of established *nukhurlul*, proved integral to this process. For those communities in other *bags* unable to profit from peer example, the existence of local risk takers or entrepreneurs was central to the initiation of collective action.

GTZ thus conform to Hahn *et al.*'s (2006) description of a 'bridging organisation', through facilitating links not only among herders, but between *nukhurlul* and local state representatives. This study also suggests the importance of

[26] The well was mended in a collaborative project between two communities and with the financial support of the World Bank Sustainable Livelihoods Project.

participatory research and endogenous development of solutions in enabling herders to draw on and to some extent recreate the familiar collective-era *heseg* model.

However, it is not only the nature of intervention and external support which emerges as important in overcoming lack of trust and other barriers to more formalised collective action. The timeliness of GTZ's intervention appears critical. Herders commented on their growing appreciation of problems implicit in securing livelihoods as individual households or small *khot ail* in the post-decollectivisation market economy, an understanding only gained from living through and experiencing the vagaries of the previous decade. Such understandings have been reinforced by recent *dzud* in Mongolia. Neither the GTZ intervention nor these diverse circumstances alone were sufficient to overcome barriers to collective action, but their co-occurrence proved decisive.

Thus, attempts to develop generalisable, predictive models of social capital formation and collective action in the context of third party interventions in NRM are questionable, given the clear influence of context, locality, and history. Although individual socioeconomic characteristics of resource users (e.g., wealth) have some bearing on social capital and group membership, important personal attributes such as risk aversion may elude measurement. This research emphasises the importance of third parties as 'trust brokers' or catalysts in social capital formation, rather than as enforcers or monitors of rules, albeit under specific conditions. It emphasises the central role played by peer group learning and example. Furthermore, it suggests that the dichotomy often presented in post-Soviet literature between networks of interpersonal trust and trust (or the lack of it) in the post-Soviet state is overly simplistic. Given the increasing influence of donor-driven models of NRM, the role of donors vis-à-vis social capital and especially in facilitating new linkages between state representatives and local resource users demands greater attention.

However, the development of *nukhurlul* is only half the story. More pessimistic assertions in the literature concerning the roles of groups, collective action and social capital in securing improved livelihood outcomes are at least in part borne out by experiences in *bag* a. Trust associated with the emergence of new institutional forms in the western part of the *bag* proved fragile and was seriously compromised by the collapse of fledgling *nukhurlul*, prompting reversion to kin-based networks. Elsewhere, wealth and labour power are factors operating to exclude some from community membership. For those who were not members of communities in 2004, the increasing experience of cooperation and apparently tightly-knit nature of communities was a cause for concern. Some communities were apparently successful in generating bonding social capital in a 'virtuous circle' of interaction and activity, but of an increasingly exclusionary type. The residual social norms of mutual consideration and conflict avoidance, evident in continued observance of pasture-use rules prior to the advent of communities, are apparently being rebuilt into stronger and more active forms of social capital, but only amongst certain *bag* herders. In 2004 communities were also becoming increasingly identified with physical structures and resources on the ground. Thus exclusionary possibilities of these new forms of association relate not only to overt cooperation and collective action over labour-intensive herding tasks, but also to key resources.

This Mongolian case study supports recent concerns over inclusiveness and effectiveness of groups and social capital, particularly with respect to the poor or disadvantaged, while highlighting the beneficial effects for certain members of the population (Cleaver 2005; Thorpe *et al.* 2005). Despite growing interest amongst donors, policy-makers and academics concerning the role of social capital in NRM and enhancing livelihoods, longitudinal analyses of donor interventions in this field remain rare. It is only through such analyses that more nuanced understanding, particularly of the processes and dynamics shaping inter- and intracommunity power structures, inclusion and relationships of trust, is possible, something integral to more effective policy in the future. In this paper I have examined the emergence of collective action and issues of trust amongst Mongolian herders with specific reference to a third party intervention. Future papers will revisit *bag* a to examine intra*nukhurlul* dynamics, issues of equity, gender, impacts of communities on livelihoods and evolving relationships with state actors and non-members.

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