

# ECONOMIC AND SOCIAL FOUNDATIONS OF COLLECTIVE ACTION: AN INTERDISCIPLINARY INSTITUTIONAL APPROACH TO MEXICAN DAIRY FARMERS

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## Abstract

This research uses an interdisciplinary neo-institutional approach to examine formal and informal institutional factors that influence dairy farmers' ideas about participation in collective action in the "Altos Sur" region in Jalisco, Mexico. Data collected from face-to-face interviews of a sample of 100 dairy farmers was used to measure and analyze formal and informal factors that influence these dairy farmers' decisions about collective action; whether or not to join other dairy farmers to produce milk in a collective way. This research tests hypotheses not only on dairy farmers' perceptions of formal institutions such as the state, the market and the economic organization, but also on their perceptions of informal institutions such as bonding and bridging social capital which might have influenced them to participate in collective action. Results of this research indicate that these dairy farmers' motivations to go into entrepreneurial collective action were influenced by both formal and informal institutional perceptions. Perceptions of formal institutions that affected willingness to engage in collective action include views about government responsibilities and duties in the milk industry; perceptions of the functionality of an economic organization, and perceptions of market functionality. The surveys also show that farmers' perceptions of bonding social capital had a more significant influence than bridging social capital on whether or not they were encouraged to participate in collective action. These findings are discussed in relation to the larger issue of whether collective entrepreneurial action can mediate market failure that is exacerbated by globalization.