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9. ABSTRACT

This paper presents inputs and recommendations from members of the Working Group on Rural Poor (WGRP) about the kinds of knowledge and types of research which are needed to program resources in order to improve the standard of living of the rural poor in LDCs. The data are arranged in three different parts: A.I.D. policies and procedures, methods of research, and the content or subject matter of research. Certain topics were found in each of these broad areas, and these comprise the subjects of the twelve sections of the paper. The subjects covered are: operational definitions of the rural poor, A.I.D. policy issues,indicators of success, programming assistance, compilations of empirical research, case studies, anthropological analyses, baseline studies, experimental design, related policies and politics, technology, and non-categorized research and information. Research is not differentiated from systematic data gathering, although it is sometimes evident that the recommendation falls completely into one category. The recommendations may call for a full-scale scientific research effort or for a local data-gathering exercise, depending upon the purpose to be served.

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RESEARCH AND INFORMATION

REQUIRED TO SUPPORT THE EFFORT

TO REACH THE RURAL POOR

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24 January 1975

Table of Contents

		Page
	Introduction	1
	Part One: AID Policies and Procedures	
Section 1:	Operational Definitions of the Rural Poor, Rural Poverty, Rural Development and Equity	4
Section 2:	AID Policy Issues	9
Section 3:	Indicators of Success in Reaching the Rural Poor	13
Section 4:	Programming Assistance to the Rural Poor	18
	Part Two: Methods of Research	
Section 5:	Compilations of Relevant Empirical Research	27
Section 6:	Case Studies of Successes and Failures	29
Section 7:	Anthropological (Holistic) Analyses	32
Section 8:	Baseline Studies	36
Section 9:	Experimental Design	40
	Part Three: Subjects of Research	
Section 10:	LDC Poverty-Related Policies and Politics	44
Section 11:	Technology--Biological and Physical	47
Section 12:	Non-Categorized Research and Information	50
	Appendix A	52

INTRODUCTION

The task assigned by AA/TA Samuel H. Butterfield, which resulted in the production of this paper, was to obtain from each member of the WGRP,[1/] and from a number of other officers in the Agency, their views on the kinds of research, or other systematic data-gathering activities, which the Agency should sponsor in support of its mandate to give assistance to LDC development programs oriented to improving substantially the level of living of the rural poor in the LDCs, and to a more equitable sharing by them in the fruits of development. In other words, what types of new knowledge do the Agency and the LDCs need in order to program their respective resources most efficiently, and to implement the resulting programs most effectively to fulfill the mandate?

A total of twenty-nine officers were interviewed at length, twenty-five singly and four in pairs of two each.[2/] One other officer was tapped for his knowledge of a particular method. To each interviewee the task assigned was described and only nondirective probes were used to elicit the freest responses possible. The resulting notes contained a wide variety of ideas and recommendations. Content analysis revealed three principle dimensions of the data, and their presentation in this paper is organized into three parts corresponding to these dimensions: (1) AID policies and procedures, (2) methods of research and (3) the content or subject matter of research.

1/ The following initials are used to denote certain recurring subjects, as follows:

LDC - Less Developed Country
MHS - Multipurpose Household Survey
RD - Rural Development
RP - Rural Poor
WGRP - Working Group on Rural Poor

2/ My sincere thanks are extended to each of these persons who patiently presented their views which together comprise this paper:

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Donn Block	PPC/DPPI
James Brown	PPC/PDA
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Carl Fritz	TA/PM
Norman Holly	PPC/PDA
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Kenneth Levick	AA/TA
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David Shear	DPP/CIR
Kenneth Sherman	ATR/DS
Morris Solomon	TA/TA
Jonathan Silverstone	PPC/PDA

Within each of these broad areas certain themes were found to which most of the data adhered. Attempts to classify the data by these themes resulted in their further refinement and in finding new themes. The themes became the subjects of each of the paper's twelve sections. (See Table of Contents)

It was not always easy to make unequivocal assignments of the data to one theme rather than to another. For example, some of the responses incorporated specific content and method or content and policy, or method and policy, or all three. A decision to classify a response as either method, or content, or policy depended upon whether the primary emphasis of the response appeared to be on the method of research to be employed, or on the subject matter content, or on what AID policies and procedures should be. However, no complaints or suggestions for changing the classification system were received from the thirty readers to whom the first draft was sent for review of their own and others contributions.

It will be noted that no attempt has been made to differentiate "research" from "systematic data gathering". In some instances it is evident that the recommendation falls completely into one or the other of these two categories. But, in many other cases the suggestion is amenable either to a full-scale scientific research effort or simply to a local data-gathering exercise, depending upon the purposes to be served and the methodology chosen.

PART ONE

AID POLICIES AND PROCEDURES

SECTION 1: OPERATIONAL DEFINITIONS OF THE RURAL POOR, RURAL POVERTY, RURAL DEVELOPMENT, AND EQUITY

Before AID can program its resources in a way that will bring greater equity to the rural poor, or determine what kinds of research are required to support this effort, several respondents felt that the Agency must define in operational terms who the rural poor are, what constitutes rural poverty, what is meant by rural development (since this term is used to cover most schemes for improving the lot of the rural poor), and what meaning is to be given to the term "equity". Academic definitions, while they may be useful, were not deemed to be sufficient since they are of little help to those who must plan development programs which will have a high probability of reaching the poor in the real world. What is needed, they said, are "operational definitions" which will help AID and the LDCs to "get a handle on the problem".

Rural Poor:

Dissatisfaction was expressed by a number of those interviewed with the current abstract definitions of the rural poor such as "the lower 30%", "small farmers", etc., since such definitions do not permit operational identification of the RP, a prerequisite to realistic programming at the impact level. Besides, it was stated, there is no one problem of rural poverty as it varies by country and by region within each country, as well as by who is defining it and by what criteria. Therefore, the rural populations within each LDC which AID assists must be "disaggregated" or "stratified" by region and sub-region, and within sub-regions by such criteria as forms of land tenure (laborers, tenants, small farmers), degrees of self-sufficiency and participation in the market, and income and

employment as measured against their availabilities in the region or sub-region. Or, the question was asked, should we not consider all persons poor in the more disadvantaged countries such as Laos where all appear to be poverty stricken?

Rural Poverty:

Four respondents considered it essential to define the problem of rural poverty from the viewpoints of those tentatively identified (by other means) as the rural poor. All of the relevant elements of their lives would be explored with them--diet, family structure, health, housing, employment, income, etc.--to determine relative states of well--being and deprivation. But, it was noted, such data are meaningful only within the specific socio-political systems of relationship in which the poor participate, i.e. the sub-societies of which the poor are an integral part. Therefore, it was suggested that studies must be made of these social systems as they operate within the village or next larger social unit ("district", or other local designation). By examining the operations of these systems, not only in the present but also retrospectively, light would be thrown on why they are poor, what keeps them poor, and what happened to permit some of the poor to become less poor than they were formerly. It would then be possible, it was suggested, not only to define the poor in operational terms, but also to construct quality of life indicators inclusive of many material and nonmaterial items which do not enter the market. These indicators could also be used to measure the direction and extent of change brought about by any programs especially oriented to greater equity for the rural poor, or by other developmental

programs affecting the larger society, or by the operation of "normal" economic and social forces.

Disaggregation and localized descriptions of the elements of rural poverty as actually experienced by the poor, including their perceptions of the benefits and risks to themselves of proffered government programs, would make it possible to determine which of the rural poor within an LDC are "tractable" or "viable" i.e. those which could be expected to be responsive to and economically utilize various forms of governmental assistance. Since AID resources for assistance to any LDC are so small when measured against the size of the rural poverty problem within the country, it is essential that we allocate that assistance to LDC programs designed to help those poor who have a better than good chance of becoming less poor. While it is unlikely, it was felt by some, that the tractable are the poorest of the poor, "tractibility" and "viability" must be defined within each region of an LDC in terms that are meaningful within the real-life socio-cultural-economic-political situations in which rural people live. What constitutes viability in Indian villages in the altiplano of Bolivia may be very different from that for villagers in any state in India.

Rural Development:

What constitutes RD for which the poor are the primary beneficiaries has not yet been resolved, notes one respondent. Should such development be regional in character or countrywide? Is it to be implemented principally through a production-oriented program or a more comprehensive integrated approach? He recommends that a comparative research study be initiated to determine which approach appears to be the most feasible for

AID to attempt to implement. This study should focus on the attitudes of the rural poor themselves, why they want to develop, what they define as development, and what they see their roles to be in the development process. The matter should not be resolved on the basis of opinion but on a comparison of results obtained by various approaches.

Another stated that he was not sure what integrated RD meant in spite of all the discussion of the matter. If it means attempting to do everything at once, then it is doomed to failure. If it means learning what to do and in the sequence that is most strategic for obtaining the goal of greater equity for the poor, then it can be understood. Study must be given to what the rural development process is before we are able to determine our role in it.

Finally, it was suggested that a research study test three program assumptions of integrated RD:

(1) If a number of components of RD are launched simultaneously, there is a greater likelihood for the project to break down owing to a lack of capacity to manage such complexity, than if the components are launched in series.

(2) If the quantifiable production component is initiated first with nonformal education, health delivery, etc. added later, the probability of success is greater than if the project is initiated with some other component.

(3) If the organization for integrated RD is closely related to the on-going government agencies, it is more likely to succeed than an organization which remains separate from these agencies.[1/]

1/ Testing of these assumptions might well be done, it was suggested by another respondent, as a part of normal operational research on existing and new projects.

Equity:

The Agency must define what it means by equity, according to one respondent. Equity is an abstraction while equities are real, i.e. what people are already receiving and consider proper. The policy issue is Can you have greater equity without affecting equities? The answer is that you cannot. Greater equity usually requires either taking away some present benefits from some, or at least taking away some of their expectations of future increases in benefits. There appear to be four major "practical" ways of converting present equities into future equity. The first is to increase the size of the pie at a faster rate, such as raising productivity on small farms. The second is to bring about changes in the division of the fruits of development so gradually as not to be noticed, e.g. extending over a period of say ten years the kinds of health and educational services which have the greatest effects on the poor. The third is to create value where it did not exist by removing a restraint, e.g. clearing malaria from an area inhabited principally by the poor. The fourth is to increase the bargaining capacity of the poor through more effective organizations which serve them. If these are the operational means, then it follows that we need research on (1) how to raise productivity on the very small farms; (2) the kinds of health and educational services which will have differentially greater benefits for the poor; (3) all physical restraints of access by the poor to resources and determine ways of removing them; (4) the relative effectiveness of local organizations which are meant to serve the poor and determine what accounts for the differences observed. 1/

1/ One reader commented that this attempt to define the problem of the rural poor, and to specify appropriate actions by the Agency was excellent and should give impetus to further efforts at problem definition and of changes required to solve the problem.

SECTION 2: AID POLICY ISSUES

Several respondents felt that a number of policy matters regarding the Agency's mandate should be raised as issues to be decided before the matter of research priorities can be fully addressed. These issues elaborated on below are (1) concentrating solely on the rural poor or on the poor regardless of location, (2) strict adherence to equity, (3) whether or not a new mandate might soon supersede the current one, (4) concentration solely on applied and not basic research, (5) supporting only LDC-located research, (6) the fitness of the USA to deal with small farmers, and (7) the needs for an ad hoc WGRP and a permanent office of RD.

It was suggested by one respondent that since the lot of the urban poor is much worse than the RP in such countries as Pakistan, India, Indonesia, and Nigeria, the purposes of the Foreign Assistance Act as amended might be better served through allocation of part of AID resources to programs aimed at greater equity for the urban poor rather than being utilized solely for programs aimed at the rural poor.[1/] Part of this reexamination, it is further suggested, should consist of tests of the hypothesis that migrants to LDC urban areas are drawn disproportionately from those unable to make a living in rural areas, and/or from those who are relatively advantaged but want to change their mode of living.

1/ An examination of the 1973 and 1974 Amendments to the Foreign Assistance Act indicates that the Congress was concerned with "the majority of the people", "the poorest of their people", "poor people", and "the poorest nations". The "rural poor" as such are mentioned in P.L. 93-189, Section III. Development and Use of Cooperatives along with the urban poor: "In order to strengthen the participation of the urban and rural poor in their country's development...." See Appendix A to this paper for other relevant excerpts from this law and from P.L. 93-559.

One member of the WG went even further in questionning AID policy by stating his belief that it is not in the interests of the USA nor in keeping with the purposes of the Foreign Assistance Act to help the poorest of the poor in the LDCs. Furthermore, when we insist that an LDC change its policies and programs to reflect emphasis on the poor we are not playing the collaborative role which has been our policy in the past. 1/ Although not in response to this position another member of WGRP stated that we should seek out those LDCs which are already serious about reaching lower income groups and which want our assistance, and then give assistance only to those countries.

A fourth respondent observed that some in the Agency questioned the wisdom of strict adherence to the policy of equity in view of the worsening world food crisis. He suggested that guidance was needed on this question which would describe the circumstances under which strict adherence might be relaxed. This approach, he concluded, would, among other things, require an operational definition of the viable small farmer in each country and in each section of the larger countries.

Another policy questioner observed that over the history of A.I.D. and predecessor agencies, marked shifts in mandate have been the rule rather

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1/ Concerning this statement a reader makes the following comment: If one takes collaboration in its true sense, there is inevitable implication of common interest between partners. To the extent that such common ground cannot be found, there is little basis for partnership. Nevertheless, we must be extremely realistic in our explorations; "political will" is a dangerously vague term, which embraces a broad range of conditions, the extremes of which might be stated as (on the one hand) determination to address rural poverty, absence of political obstacles to do so, knowledge of how to do so, and financial, physical and human resources necessary; and at the other extreme, determination, presence of great political obstacles, lack of knowledge and resources. If in the most favorable case assistance is needed, then there is a basis for partnership; if in the least favorable case the country is prepared to tackle some of the political obstacles, there is clearly a basis for partnership.

than the exception, and few mandates have endured for much longer than five years. If the Agency is to address effectively the question of rural poverty, it must be allowed to commit its resources with this focus for a considerably longer period than in the past, since the problem is much more complex and demanding than any we have faced before, and less susceptible to solution by massive capital transfer. One of the problems attendant on the mandate is its tie to concessional aid. If the pattern which has now developed with oil-producing countries is repeated with producers of other industry-essential minerals, a further sieving of LDCs may lengthen the list of those who have found solutions to foreign exchange and balance of payments problems, but who are still faced with finding solutions to a dual economy situation in which necessary political stability for national development cannot be assured. We are now reasonably certain that per capita GNP tells us almost nothing about income distribution and benefit incidence and that measures of these factors are still not reliable. Therefore, if the rural poverty mandate is to be successfully addressed, we need to anticipate now the lines of action to be taken where concessional aid is no longer justified (and consequently where our leverage is nullified), but where the developing country recognizes the need for continued assistance in rural development.

A number of respondents emphasized that AID-supported research should be of an applied nature. One person made explicit the inference of this point of view, i.e. that AID should reexamine its commitment to support basic research in agriculture. Such a reexamination might well lead to a decision to leave basic research to the USDA and the land grant universities. Alternatives should be explored which would make available a larger proportion of AID research funds for applied research than is now the case.

Two respondents strongly recommended that all AID-supported research be done in the LDCs and conducted in such a manner as to result in building up significantly the capacity of LDC research institutions to undertake further research directly applicable to LDC problems. Recipients of Section 211 (d) grants should be required to use all research funds received under this Section for collaborative work with research institutions in the LDCs with little if any of these resources being devoted to research carried out solely in the U.S.A.

Data considered basic to planning and implementing development programs oriented to the rural poor is extremely deficient in many LDCs, one respondent observed. Therefore, it is urged that AID give high priority to the establishment and support of basic data collection units within the ministries of planning, or their equivalents, in those countries which ask for our assistance.

The fitness of AID to deal effectively with small farmers in the LDCs, concerned one respondent owing to the more or less deliberate destruction of most of the small farms in the U.S.A. within the last four decades and their replacement by large-scale agribusinesses. This issue calls for research to determine what national and state policies, programs, and laws relating to taxation, land tenure, types of research sponsored by our universities, etc. have led to this result. From such an analysis should emerge a better understanding of our own capabilities and the policies which we and the LDCs must adopt if we are to help rather than to destroy their small farmers.

The last item in this section questions the need for additional organizational structure within AID, either ad hoc or permanent, concerned

with either operations or research on the rural poor. The Agency, this respondent stated, presently has many rural development projects oriented to the rural poor and a special program for the least developed countries which themselves are populated very largely by the rural poor. An ad hoc body such as the WGRP might perform a useful service, if it would concentrate on bringing into focus what is being done by the Agency both operationally and in research, analyze it thoroughly, and then suggest (1) what should be done to make current programs more effective, and (2) what other programs, including research, should be undertaken to carry out the Agency's mandate. Having completed such a study this group should then go out of existence. Creation of a permanent office, he concluded, is not needed and will have little payoff either operationally or in terms of research results.

SECTION 3: INDICATORS OF SUCCESS IN REACHING THE RURAL POOR

Recommendations for research on indicators of success, as summarized in this section, were concerned for the most part with who receives benefits from development programs, what these benefits are, and how they are measured.

Three respondents were in agreement that even when a project has run its course it is difficult to determine who has been benefited. One suggested that those projects which were believed to have had an effect on the poor should be followed six to eight years later with research to determine who was benefited, how and by how much. An example of this type of research concerns the effects of the Green Revolution. Earlier research indicated that

the Green Revolution subverted the interests of the rural poor, at least in the short run. But what are the longer-term results? He suggested that the earlier findings be taken as hypothetical, and that a new research project undertake to test the hypotheses by measuring the present distribution of both wealth and income in the Punjab against that which pertained in the pre-Green Revolution period.

A second nominated the road-building programs in Thailand for such an analysis. Although these roads were not built primarily as an anti-poverty measure, what has been their effect on the poor? Who else has benefited and in what way? The third recommended ex poste evaluation of projects to see if the underlying assumptions had proven correct. Especially needful of this type of analysis are labor-intensive public works. While it is obvious that employment of the poor while working on the project itself is of benefit to them, it is much less obvious as to who benefits from the works created. For example, in Bangladesh and elsewhere many embankments have been built to keep out salt water and convert tidal flats into arable land. Do the poor own this new land or is it in the hands of large farmers, and, if the latter, what benefits accrue to the poor?

A student of previously-done research reported that Adelman and Morris had found that the poor did not benefit from the development programs which they analyzed, but were negatively affected by those programs. Two kinds of research, he believes, are indicated by these findings. First, we need a much better understanding of the systemic development process itself in order to understand the mechanisms by which development projects inflicted damage on the poor. Second, we need to find means to lessen the likely negative

effect of projects in order that such means may be incorporated into the design of future projects. Adelman and Morris also found that those countries which put higher proportions of their resources into human resource development (increasing human capabilities) had a much broader distribution of the benefits of development than did those which concentrated on extractive enterprises. The research question is to determine if this is more than a statistical artifact, and, if so, how the human development process produced the broader distribution of benefits.

Another interviewee also dealt with negative effects on the poor. He observed that most of the educational programs supported by AID were elitist and city-oriented in content and were not directed to improving the down-to-earth life lived by the rural poor. The effect of such education on the poor, he hypothesized, was negative, but this proposition should be field tested through research.

A number of research ideas were advanced to answer the question of what indicators to use to measure the success of development programs aimed at improving the lot of the rural poor. One idea agreed upon by two interviewees was the development of a set of quality of life indicators which would reflect the values and levels of living of the poor themselves, particularly those items which are not found in the market-place but which affect their sense of well-being such as highly valued communal ceremonial activities. This research would also focus upon the possible lowering of the quality of life through actions which may have raised incomes, but which have deprived the poor of benefits previously enjoyed, e.g. the deterioration in the nutritional quality of food occurring when cash fiber crops have been substituted for subsistence crops whose nutritional value was higher than that of the foods purchased with the proceeds of the cash crops.

A second idea concerns the further extension and adaptation of the AIR village development indicator research in Thailand. This research was originally undertaken to determine the relationship between the joining or not joining of insurgency movements on the one hand, and on the other, the opportunities for investment in and by the villages, the sets of conditioning factors affecting investment, and the actual investment behavior exhibited. Although this research in its present form has utility in providing guidance to the government in concentrating outside resources where they are likely to be most stimulating of local investment, it does not deal with the goal of greater equity for the rural poor. Further research might test the hypothesis that outside resources should be concentrated on "low opportunity" villages which have a record of favorable investment behavior, as it is most likely that in these villages will be found those constraints to further investment, such as lack of water control, certain soil conditions, etc. which are amenable to removal. If this type of research should prove to be productive of indicators useful as guides to investment for the benefit of the rural poor in Thailand, further research should be undertaken to adapt these indicators to the specific conditions pertaining in other LDCs.

The quality of life indicators proposed above may be thought of as measures for determining ultimate effects on the rural poor. Two respondents pointed out that production by the rural poor may have less to do with ultimate effects, defined as increased consumption of food and governmental services, than does the distribution system. Therefore, they advocate that the indicators of achievement of rural poor programs should include those measures of distribution which ultimately affect consumption. Research would be required to develop these measures.

A respondent with extensive field experience in India believes that ultimate benefits will accrue to the small farmer, if he has a close relationship to the LDC agricultural institutions--experiment stations, training centers, extension services and lending entities. He suggested that research be undertaken to determine what the connecting links are between each of these institutions and the small farmers, and the dynamics of these links--what happens? In terms of the overall supply of production inputs he advances the hypothesis that it is the richer regions (states, districts, etc.) which manage to divert to their regions more tractors, more high-yielding seeds, more fertilizers, etc. than they should have under rules of equity. As a result the areas with the largest proportions of poorer farmers have less of the inputs to divide among themselves. The questions for research are Does this happen? If so, how and why does it happen? and What can be done to prevent it?

One way of ensuring that small farmers are the ultimate beneficiaries is to do away with the intermediary institutions and give directly to the small farmers on a prorata basis the cost of establishing, maintaining and operating those institutions which are supposed to provide to them the means of production. Experience with a number of agricultural sector loans in LA has led one respondent to make this statement, not as a conclusion, but as an hypothesis to be tested. His LA experience has convinced him that the cost of the superstructure and operations of research, agricultural extension, credit, etc. has often been far too high when compared to the small benefits accruing to the small farmers in the form of increased yields. Research is needed to determine how small farmers themselves experience the cost/benefit equation, i.e. the increased yields they obtain and the receipts

from their sale or other uses versus the additional costs involved and their attitudes toward the results. On the macro side we need to learn how to relate the costs of the entire system of research, extension, credit, etc. to the total benefits which the system actually produces. Then, if we are to keep the system, we must learn what the connections are between the system and the small farmers and how to greatly strengthen these connectives and to make them more efficient.

Another respondent advances a similar proposal. He too would determine the total cost of production/marketing services extended to both the large farmer and the small farmer in order to get measures of efficiency of utilization. Total costs, as he defines it, would include not only the costs of public services of research, extension, etc, to each group, but also the cost of disaggregating inputs, aggregating outputs for the market, etc. Such data would have a number of uses such as providing a basis for the establishment of interest rates on producer credit and the relative sizes of subsidy elements for different classes of farmers.

SECTION 4: PROGRAMMING ASSISTANCE TO THE RURAL POOR

Several respondents were of the opinion that all LDC governments may not be interested in mounting development programs designed especially to reach the rural poor. One suggested that for those LDCs which do want our assistance, a compilation should be made of their RD policies and their RD and/or community development programs to which they are committed and in which they are already engaged. Since Congress gave AID funds sufficient only to support limited activities and not the whole array usually found in

large-scale RD, we should give our aid only to the most strategic activities within these existing LDC programs. One type of assistance with a great deal of leverage which we should offer to these countries is planning for the equity aspects of their existing programs. Such planning would emphasize the comprehensive nature of RD and the need to give attention not only to the production and marketing functions, but also to the human resource development components which hold a potential for greatly improving the quality of life of the rural poor. These include basic nutrition, non-formal education, sanitation, health and family planning. Since planning of this type requires reliable data, we should assist the host government to establish pilot studies for obtaining it. Emphasis should be given in these studies to the kinds and amounts of participation in existing programs by the rural population.

A second respondent was also concerned that we give assistance only to those LDCs which could make effective use of it. He assumed that land is distributed in such a way in some LDCs as to vitiate equity for the rural poor. Therefore, where land redistribution is a pre-requisite to equity, the question to be answered is What plans, if any, does the host government have for redistribution and how likely is it that any such plans will be carried out? If the answers to these questions are negative, we should not consider giving assistance. However, he went on, land redistribution is not always the road to equity. For types of farming which are most efficient when farmed in large units, equity for the rural poor may be better attained by seeing that farm wages are adequate and that housing, sanitation, health care and education are provided. The point for present purposes, he added, is that we must gather systematic data in each country

on the land distribution system and how it affects both production and equity, wages and other emoluments for work performed, and the actual availabilities to the rural poor of the essential social services required by them. This knowledge of what is, together with a full understanding of the likelihood that the essential changes necessary to greater equity will be brought about, should be our guide to the selection of countries to which we offer assistance.

Even when we have decided to give assistance to a LDC, we have to select among the many projects proposed those which have the greatest likelihood of attaining our goal of greater equity for the poor. Since every project can be written in such a way that it appears to be in the interest of the rural poor, one respondent expressed a great need for a methodology for creative analysis of project proposals to see that their primary, secondary, and tertiary impacts are taken into account in judging whether or not the project is consistent with our goal. This methodology, he stated, should include a list of questions to ask in the Mission and in AID/W which will give us the data we need for creative analysis.

A second suggestion concerning program methodology parallels and appears to be somewhat complementary to the one just discussed. Although we presently have enough knowledge and experience to provide "rules of thumb" for a country to devise a strategy for addressing the needs of its rural poor, we need to develop a methodology to ensure that we cover the gaps in our rules of thumb. This methodology should include an annotated check list of data required to develop profiles of the rural poor in an LDC. These profiles should indicate which parts of the rural population can be reached with production inputs of various sorts and which cannot, and within the latter which can be reached by off-farm employment or by education or health or nutrition programs.

Two other respondents also felt a need for the development of criteria which can be used to judge both current and projected programs. Like the previous suggestion this one advocates the development of a profile of the rural people in the geographic areas covered by current programs. Called a "net worth profile", it would be constructed by ascertaining the fertility and workability of the land available to a family, plus the other resources for production possessed by the family less any indebtedness. This, the authors state, would make it possible to select those net worth categories of families which a program should benefit. For example, if it should be decided to have as primary beneficiaries those in the $100 - $300 net-worth category, then a series of operational options, together with the projected consequences of each for the chosen beneficiaries (and for those in higher net-worth categories), would be required in order to make proper choices.

Agricultural sector analyses were proposed by another respondent as a basis on which projects should be chosen. A properly conceived agricultural sector analysis is very broad and is inclusive of rural development. It provides multiple objectives on the one hand, and on the other a variety of tools for better use of country resources to achieve greater productivity and greater equity. But the major usefulness of agricultural sector analysis lies in the increased planning and analytical capability of LDC officials accruing to them by having to determine a wide range of alternatives and the best choices among them to reach chosen goals.

Since much of our assistance is given in the form of loans, two respondents raised the question of how loans may be so circumscribed that the intended rural poor beneficiaries, do, in fact, obtain the benefits programmed and there is no "trickle upward". But since the upward trickle has occurred in many past programs, we need a study of the operation of current loans to determine the dynamics of the process. Does this happen because the better-off have a much greater potential to use the credit and other resources available while the less well-off cannot use them under the terms required? Is there a trade-off between the intended recipients and the better-off so that some extra-loan benefits do accrue to the poor? If we could understand the interactions involved, we should be able to tailor loans in such a way that the intended beneficiaries benefit more than they have in the past. Or, at least we would have better criteria for determining the likely beneficiaries of proposed loan projects and be able to discriminate amongst them.

The final suggestion concerning the selection of projects to benefit the rural poor was made separately by two persons. In essence, they stated, it is better to support pilot projects which are thoroughly prepared for by adequate study of the local scene, and which are properly monitored so that we and the host government can learn lessons of application to the larger scene. As one of them put it, RD is very intricate; it is further complicated by attempting to concentrate the benefits on the poorer segments of the population. He added that it simply is not possible to put together properly an RD project in one year and begin implementation on a broad scale in the next year.

The other respondent stated that so many things can go wrong with a project that it is much more likely to succeed, if those in charge can observe quickly the problems which arise and take corrective action. This is possible in a small pilot project but it does not often happen in large-scale projects. In his experience he had found that there is almost always a lack of the degree of coordination required by a RD project among the specialists both U.S.A. and LDC even when they belong to the same department or institution. For example, he found in certain pilot agricultural projects conducted in India that each specialty represented on the team was establishing its own field demonstrations. But in the first year the demonstration plots of the agricultural engineers were not sprayed properly and their crops were severely damaged, while the entomologists failed to use proper planting equipment and techniques on their plots with negative effects on crop quality. But, because it was a small pilot project, he had the authority and effective control to bring about real coordination by requiring that the team members work with the same group of small farmers, and that all team members attend and participate in all demonstrations, field days, etc. thus ensuring a coordinated team effort. Finally, one respondent observed that he had often found pilot projects so overloaded with money and people as not to be replicable. His conclusion was that any pilot projects in which we participate should use no more resources for implementation (exclusive of sums for baseline studies, monitoring, etc.) than those which can be made available on a wider basis.

Even when we have exercised great care in the proper selection or formulation of a project one respondent observed that even the best of projects may founder because of a lack of mangerial and administrative skills on the part of those in charge of the project. Integrated RD is particularly prone to mismanagement because of a lack of understanding by project managers of the interrelatedness of the various components--credit, extension, etc.--resulting in a lack of delivery of critical resources when needed. He proposed that AID sponsor a research project to provide alternative modes of management and administration. This research should be done on existing RD projects and should be built around the processes for facilitating the timely flow of resources required by various components of the project.

Finally, it was stated, the proof of a project is in its implementation. In an RD project for the poor this means reaching a large proportion of the small farmers. One respondent stated that in spite of all of our past experience he did not think that we knew how to reach them, and that research should be done to enable RD projects to be more effective in this regard. Another stated that although we know a great deal which would be useful to the small farmer, only a limited number of these farmers practice the best technology, owing, he believed, largely to institutional and cultural constraints. But, he said, no amount of research would do any good in removing the constraints on the availability of inputs to the small farmer nor in changing price policies to benefit him. We also have "researched to death" how we go about attempting to change certain wasteful customs such as the large amounts expended on marriage and other ceremonies in India. Nor

is there any need for more research on credit or on institutional forms. What is lacking is political will and research will not help to supply it. With political will the constraints on price and inputs can be removed and the small farmer will then use the best technology available.

However, one other officer with long field experience recommended that the Agency support research on the factors which mobilize people for national development.

Comment by a reader on Section 4:

I continue to be concerned by comfortable armchair judgment relative to proper actions based on willingness of LDC governments to address rural poverty problems. The reality "out there", it seems to me, is that there are rarely clear-cut situations of go or no-go. Rather, there will be, within the LDC power structure, a set of views - sometimes even given conflicting policy expressions - which will tend to create conditions favorable or unfavorable for attacking rural poverty. If judgments to extend or not to extend assistance are based on relative degree of risk in allocation of limited resources, well and good; if, however, some Solomonian judgment against abstract criteria is to rule, we may well find that no country meets our high standards of commitment, or - worse - we may direct the flow of assistance in the direction of the cleverest rhetoric or the most ingenious national budgeteering. While nice clear decisions are desirable, I suspect actual cases will finally be few indeed.

PART TWO

METHODS OF RESEARCH

SECTION 5: COMPILATIONS OF RELEVANT EMPIRICAL RESEARCH

A full determination of what research AID should sponsor ought to be preceded, one interviewee thought, by a search for previously done empirical research which is relevant to AID's concern for the RP in the LDCs. This should not be a mere bibliographic inventory but an analytical effort "to cream off" the substantive findings which pertain directly to the rural poverty-related problems of the LDCs and to AID's tasks in assisting their governments.

Two other respondents expressed a similar view, calling for analyses and summaries of research already on the shelf, particularly that of a sociological/anthropological nature, as well as studies made of comprehensive development schemes such as community development in India and the Commilla experience in (then) East Pakistan. They stated further that there is a growing body of research concerning the effect of mass media communications on developmental behavioral changes under specified conditions. In making analyses and summaries of all of these types of research the objective should be to generate those hypotheses with the greatest relevance to RP development and equity and which have the most support in the literature, and, subsequently, to use them as guides to further research.

One respondent suggested the distillation from research previously done on programs directed at reaching the rural and urban poor in the USA that which is relevant to the planning of LDC attacks on poverty. Especially instructive would be analyses of our experience in passing laws designed to bring about greater participation by and equity for the poor only to find that in execution the laws' objectives were not attained. One hypothesis to emerge from this research is that administrators of these laws tend not

to think systemically but "to apply band-aids" rather than to change the system of participation. For example, in the U.S. anti-poverty programs attempts were made to devolve power from local governments, especially from city governments, to community action groups but with very poor results. The question is why--what were the dynamics involved? While the results of research into U.S. experience cannot be transferred directly to the LDCs, he stated, they can raise the kinds of questions required for a penetrating analysis of proposed LDC policies and programs directed at the poor.

This respondent also recommended the systematic analysis of empirical research done in the LDCs concerning efforts to reach small farmers, such as Ted Rice's study of agricultural extension in Latin America. Such analysis should provide the most fruitful hypotheses concerning policies and strategies for reaching small farmers.

Although allusions were made by a number of respondents to our need to better understand previous research, only one other person made his concern explicit in terms of a concrete suggestion. He suggested that although we had had a Spring Review on Small Farmer Credit, the several publications which had emerged should be mined for that which is relevant to the smallest farmers, whom he identified as those with one acre or less. Of special interest are findings relative to keeping down the cost of making, administering, and collecting loans to these RP.

In addition to already completed research results, the Agency should inventory all research pertaining to the RP that is presently underway under the sponsorship not only of TAB but also of other bureaus and missions of the Agency and the IBRD. However, such an inventory cannot be undertaken until an operational definition(s) of the RP has been agreed upon.

SECTION 6: CASE STUDIES OF SUCCESSES AND FAILURES

In order to know what kinds of interventions will have positive consequences for the rural poor one respondent stated that it is necessary to understand the dynamics of rural growth and change. Especially important are (1) the role of technological change (in mechanization, biochemical inputs, etc.) in influencing who got what in the past and who gets what in the present, and (2) the interaction between the incidence of benefits and sustainable growth patterns. A key hypothesis pertaining to (2) above is that a growth pattern which does not develop internal markets and equity cannot be sustained. This desired knowledge and understanding of rural dynamics can be obtained, he believes, through case studies of particular LDCs or regions thereof chosen because both output and equity objectives appear to be consistent with each other within these countries or regions. Therefore, a research task of primary importance is to find such LDCs or regions and to begin a series of such case studies.

A second respondent expressed grave doubts that there are generalizable solutions to the problems of gaining greater equity for the RP. The differences in institutions, social structure and values from country to country are too great. Therefore, we must study the various combinations of economic, social, cultural and political conditions and the changes that occurred in these conditions which brought about the successes or failures of particular cooperatives, systems of small farms, market towns and the like. We should study especially those cases in which rural poverty has been converted over a period of years into reasonably profitable family-sized farming systems. For example, the farmers of Denmark were very poor, but

a few years after the advent of Bishop Grundtvig and the Folkschools in the mid-nineteenth century they became very prosperous, developed a strong cooperative movement, and participated actively in civic life. An analysis of the Danish experience could be very insightful and useful to the Agency in its present task, he stated. In the cases of Taiwan, Egypt and Japan it is not enough to know what happened on the national level, but how it happened in terms of the patterns of interrelationship among their people, the farming systems which were adapted to the topography, and other relevant ecological, economic and social factors. Historical case studies of small socio-political units within each of these countries could provide many of the insights required.

Several interviewees mentioned the current Rural Reconstruction Movement in India a description of which was presented to the Agency some months ago by Professor M. A. Windey. One urged that a comprehensive case study be made of this program as it is currently working in about 40 villages on the east coast of India. The objective of the study would be to understand the movement as it actually works out in particular villages or groups of villages in order to determine how applicable it might be as an instrument of practical development of the poor in other areas of India and in other LDCs. One major hypothesis to test is that the movement when applied in a few villages reaches the poorest of the poor and raises their levels of living, but because it is inherently a small scale effort any attempt to spread it to large numbers of villages will encounter diseconomies of scale, especially of leadership and management.

Another member of WGRP reported on what he believed, from several years of personal participation, is a successful utilization of cooperatives to provide the total agricultural requirements of the marginal small farmers

who composed their memberships. Six cooperatives were formed in the highlands of Guatemala each with membership in a contiguous area containing 75-125 Indian villages. With assistance in the first two years from both AID and GOG and afterwards from the GOG alone, these cooperatives established a system of services to make their purchasers' farming efforts productive. These cooperatives, he recommended, should be systematically studied on a case basis as to the components of the package of services performed by the cooperatives for its poor and disadvantaged members, and how each component of the package interacts with the others. It is further suggested that the Land Reform Center in Wisconsin undertake this research. Similar ex-poste case studies of Plan Chillan in Chile and the South Coast development in Guatemala, both executed in the fifties, were recommended to determine their success by the kind and amount of effect on the rural poor minorities in these areas. Judged by the criteria used at the time for the South Coast development, the experiment was judged to be a failure, but by our current criteria it would be regarded as a success.

Another respondent, who had himself been involved in devising a hierarchial organizational structure to make it possible for engineer/agronomists on the staffs of banks to efficiently reach small farmers with credit, suggested that case studies be made of the effect of this organizational structure on small farmer production in each of the four Central American countries in which it is being tried.

SECTION 7: ANTHROPOLOGICAL (HOLISTIC) ANALYSES 1/

"We don't know enough about the cultures we are dabbling in to dabble successfully." While this particular statement was made by a senior AID officer whose service began in the Marshall Plan days, similar sentiments were expressed by several other respondents with a variety of backgrounds. He stated that we must have an understanding of the "class-land-authority structures" in the least developed countries in which we are presently working or in which we are planning to work in the future. It is not possible, he said, to predict the effect of an intervention on a complex system of relationships unless we understand the system. He suggested that in each country we bring together a group of from 2 to 8 anthropologists (depending on the size of the country and the number of anthropologists who have studied it in whole or in part), and ask them to tell us what we need to know in order to program assistance to projects which have a good chance of reaching the PP. It is likely that the anthropologists would find that some of the knowledge required for effective programming had already been gathered and only needed to be ordered and presented, while other data would have to be obtained first hand.

A second economist expressed a similar conviction. Since every local development program must be applied in a tribe, a district or other social unit, comprehensive data on that tribe or that district must be gathered to enable those in the program to understand the people, their culture,

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1/ A reader of the first draft of this paper expressed a preference for a multi-disciplinary approach to holistic analysis rather than one labeled anthropological. He felt that the methods and skills of several disciplines would be required.

and the social structure of their society. He gave an example of an economist and his wife, an anthropologist, both of whom spent a year in a district in Kenya (Vihiga) to gather data thought to be required by the project. Her contribution was the more valuable to the program as she discovered who the real change agents were within the social system (not the richest or most successful as had been believed). She also found that there were "loanable units", Christian churches composed of small farmers, which could be relied upon as the intermediary for credit to buy fertilizer. On the basis of this kind of knowledge she was able to design specific projects with a high probability of success. The important general point, he added, is that you have to know the culture, the forms of social organization, the mores, etc. and then you are able to design workable development programs for the rural poor in a particular place.

Another respondent believed that anthropological (holistic) studies would provide the kind of knowledge required to recognize the significant differences among ethnic groups in gaining the benefits of development programs. For example, MIT reported that there are 22 ethnic groups in the 6-country Sahel region, each probably requiring a somewhat different approach depending upon their peculiar forms of culture and social organization. The LDC economists who met recently at Princeton did not believe the literature to be very helpful as it does not take into account the social-cultural-ethnic differences within a country, and how these affect how a development program is actually played out--who gets what, and how and why they get it. It was suggested that as a practical research approach the socio-cultural-ethnic groups could be mapped, each sampled by

social units (tribes or other community groupings) and then the sample units studied holistically. Development is a long term process and the time required to make such studies is not excessive within the time frame of development.

The three approaches described above either stated or implied that anthropological studies should be made before initiation of a project. A fourth respondent agrees that we need to have such data in advance of project planning. But he goes further and recommends that we should have the same types of data--population characteristics, crops grown, income, work experience, agricultural methods and inputs used, political organization, quality of life, etc., all presented in an interrelated manner--on the same social units two years after initiating the project and each two years thereafter until the project has been completed. In this manner we could determine what the total changes were and which of these might be fairly attributed to the project. Such a system of study would provide the needed feedback to make interim changes in the program, such as helping to shift more of the responsibility to local forms of indigenous organization and to make greater use of the existing tribal and other ethnic bonds to achieve program purposes.

A fifth interviewee, recently returned from an extended visit to the Sahel and West Coast regions of Africa, urged that sociological-cultural studies be made at the village level to discover the differences in the capabilities of ethnic groups to deal effectively with their environments. For example, in Mali the Dogons are able to grow millet successfully in areas of minimum rainfall and under other adverse conditions, while other ethnic groups living under similar conditions do not succeed at this task. We need to study the complex of sociological/cultural factors in each

ethnic group, both the successful and the unsuccessful, in order to determine how to help the less successful to grow more millet. Such a study should reveal elements of their cultural and social organization which would permit us to give effective assistance to them in coming to grips with their environment, i.e. developing a method and technology compatible with and supplementary to their culture. The study should deal not only with the present but with the historical changes in Dogon culture that have occurred since 1913-14 when thousands of its members died in a drought with which they did not cope, and in order to determine why changes have taken place which enable them to cope now. (Actually, he stated, a study of the type described above is currently being undertaken by a team including a Malian anthropologist).

Three other studies of a sociological-cultural type suggested by this officer include (1) the rapid adoption of pit silos in a part of the Sahel, (2) the industrialization of agriculture in the Ivory Coast where large infusions of capital into the plantation economy appear to be increasing both productivity and the distribution of benefits in an equitable manner, and (3) the commercialization of herds among the Fulani through teaching the herdsmen to be their own veterinarians. In each of these instances the same research methods described earlier for the Dogon should be applied to determine what has occurred or is occurring, and what is transferable and how such transfers may be made.

One other respondent would begin not with the culture and social organization per se but with the practical problem of nonacceptance of recommended practices which often beset programs aimed at the small farmer. He stated that what appears to be irrational behavior may be found to be

quite rational, if understood within the farmers' situational context. Therefore, it is necessary to study the complex of traditions, customs, expectations, alienations, etc. in which the nonaccepting small farmers live in order to understand their behavior. Such understanding would then provide a more realistic base on which to predicate new approaches to them.

The final item to be included in this section is holistic in methodology but not specifically anthropological. It concerns the necessity for understanding the system of production and distribution that affects the income and other benefits and disbenefits received by the small farmer, and the interdependencies which exist within the system. This type of whole system research is recommended by one respondent especially in countries in LA which have already received one or more agricultural sector loans and have achieved good results. However, each loan after the first requires the types of changes in the system which it is difficult to convince governments to undertake, but which are essential since other changes depend upon them. The assumption made here is that governments would be more likely to be persuaded to make these hard choices, if they could see the whole production/distribution system, its interdependencies and its outcomes which a study of this type could reveal.

SECTION 8: BASELINE STUDIES

If we are to know whether or not programs we support are having any effect on the distribution of program benefits, three respondents stated, then we must have, prior to the program's initiation, baseline data on the populations to be affected by the program. Measurements must also be made during the course of the program in order to produce reliable feedback and

to make possible such changes in the program as will result in greater equity for the poor. Although the cost of gathering and processing such data is considerable, it is better to do so for each project, even if this should mean that we would support fewer projects.

The third respondent noted that experience in making baseline studies should lead to identification of the most critical variables thus shortening subsequent studies, and indicate other ways of improving the economy of measurement. Such costs as are incurred should be charged to a separate budget for measurement and not to the project per se.

A number of the others interviewed also recommended that all projects be preceded by baseline surveys. Two would use the survey as a basis for designing multiple-option programs, evaluating each option by the availabilities of suitable technology and other inputs, and then monitoring the end-effects on the poor of the option chosen.

While agreeing that baseline studies should be made before initiating a new project, one respondent recognized that it would be some years before we could expect to receive systematic and comprehensive feedback from them. He suggested that one condition for the extension of old projects should be the making of a baseline survey on the population affected. Even if the project were to run for only one or two years longer, a comparison of the results of the baseline and terminal surveys would be worth the effort in providing understanding of some of the dynamics of the program and its impact over time on income distribution, employment and output. Such insight would be most useful in designing new or follow-on projects.

Several respondents recognized that baseline surveys would not only increase the cost of the project but would require more time of project management staff. To meet the latter constraint one person proposed that in each LDC in which AID participates in projects designed to alleviate rural poverty, AID should assist the LDC government in contracting with a reliable private or public organization to make baseline, interim and terminal surveys for all projects to which AID gives assistance. Besides relieving the Mission of a burden, this procedure would increase the LDC capability for evaluative research and provide for the continuity of analysis which cannot be provided by a Mission with its continuous turnover of personnel.

AID should not only require baseline studies for all projects to which assistance is given, but the Agency should also assist the host government in planning for the equity aspects of all of their large-scale economic development programs. A means for creating a demand for our assistance in planning would be the conduct with them of systematic data gathering of the baseline survey type on their existing programs including agricultural extension, education and other services, with provisions for maximum feedback of program effects on equity.

In support of baseline surveys of all AID-assisted projects, this same respondent made the point that AID resources are so small that realistically we can only do pilot projects to demonstrate what should be done by the LDC on a much larger scale. But these pilot projects will not demonstrate anything unless the changes which occur (or do not occur) can be shown to be a result of, or at least closely related to, the project activities. Baseline (and terminal) surveys are essential in making such evaluations.

AID's relatively short-term (three to five years or less) commitment to a project is sometimes used as a reason for not spending part of that time on baseline and follow-on surveys. But this argument is invalid when we consider that the time horizon of the larger LDC programs, of which the AID-assisted project is only a small part, should be ten or twenty years or more in affecting development and equity.

What then should be the form and content of a baseline survey? Five indicated that it should consist of a multi-purpose household survey (MHS) of the type currently under study and development by Eva Mueller and associates at the University of Michigan supported by an AID contract. A monograph will be produced by Michigan within a year setting out the ideal data which should be included in such a survey together with a theoretical justification for each item included and model questionnaires. The "ideal" data will be based on items contained in surveys which have previously been made in the LDCs and elsewhere. Stressed are questions of potential usefulness in human resources economic research (the economics of population, education, health and nutrition). Advantages claimed for the MHS are that it is more efficient in that separate surveys often gather some of the same data. It also makes possible the combining of overhead costs and the interrelating of data on the same units of analysis.

One respondent expressed the hope that data would be included in the MHS on seasonal migration to obtain employment. For example, in Thailand a great deal of seasonal migration for this purpose occurs, especially by the poor, but we do not have enough hard data on this phenomena to know what kinds of employment to foster.

Another respondent hoped to obtain from the MHS new insights into the relationships between use of time, income, education, health and fertility of household members. He felt that the MHS should be "plugged into" any surveys which the host country already has underway rather than trying to add the MHS as a new survey. One approach, he suggested, would consist of obtaining government consent to broadening the range of questions already being asked in current surveys in order to throw light especially on health and fertility, or possibly education and nutrition, if the latter had a higher priority with the LDC. These could become the dependent variables with income and other factors treated as independent variables. The analyses of such surveys would give insights into the workability of various possible interventions and thus establish the basis for project planning.

SECTION 9: EXPERIMENTAL DESIGN

If a major objective of AID assistance is to help the decision-makers in each aided LDC to reduce the waste of their resources by eliminating non-productive or low productive projects (in terms of attainment of the projects' goals), this may be done by formulating small scale "pilot" projects in accord with quasi-experimental design criteria with especial emphasis on control areas. Then to each project management staff would be added an evaluation staff to make studies of both control and experimental areas before, during and after the project. Although this procedure would mean higher costs for each project, thus reducing the number of projects which both AID and the LDC could support, it should be done, if

the country's decision-makers are to program their remaining resources in such a way as to affect positively the great majority of their RP. At least this is a conclusion drawn by one respondent from his 16 years of field experience in RD including the establishment of a quasi-experiment in seven districts of Ethiopia, one of which was used as a control. Quasi-experimental projects do not provide all of the answers, he stated, but they do greatly reduce the uncertainties and help to pinpoint the key questions which require more indepth analysis of, e.g. leasing arrangements, which the above-mentioned experiment showed were critical to program success. A further advantage claimed for the quasi-experimental design and the continuous monitoring by evaluation staff described above is that it ensures rapid feedback to those who must make decisions while the experimental and control areas are being drawn.

A similar rationale was expressed by three other interviewees. One assumed that AID because of its few resources is unlikely to have much effect on country-wide development programs for the RP. Therefore, he suggested that the Agency seek out those countries which appear to be serious about reaching those at the low end of the income scale, and which want our help. The projects on which they desire assistance would then be analyzed to determine their amenability to application of the experimental design. It is to these amenable projects that most of AID resources would be channeled. The other respondents also noted that recent studies of AID projects by two eminent social science methodologists (under TA Methodology contract) had found that a number of current AID projects met quasi-experimental criteria and that a very large proportion of all AID projects could be redesigned to do so. These respondents suggested that AID sponsor

more experimental pilot projects each on a small scale but encompassing all of the variables believed to have pertinence for raising the status of the rural poor.

Two other respondents recommended that the Agency use the experimental approach to test the results of certain promising programs in which they had been involved in the field. The first would be done in Central America where one experimental area would be located in an Indian community and one in a non-Indian locality, each with a corresponding control area. In each of the experimental areas appropriate local organizations such as cooperatives pre-cooperatives, farmers' associations, etc. would be established, each under its own hired management. Through these local organizations assistance would be extended for a limited number of years to a wide variety of production activities such as roads required for production, health services, community social centers, etc. The objective of this assistance would be to determine how the development process can become self-sustaining.

The other experimental situation would be established in Ghana to test the results of training in management and administration currently being given at three levels. This situation would require the establishment of control groups of those not trained, and a measurement of the proficiencies of both control and experimental groups before and at suitable intervals after training of those in the experimental group.

PART THREE

SUBJECTS OF RESEARCH

SECTION 10: LDC POVERTY-RELATED POLICIES AND POLITICS

It may be assumed that many, if not most, LDC developmental and other public policies and programs are not designed to benefit primarily the poor. The question then is why the elites who wield power and allocate resources in a manner which they believe to be right would want to change to policies benefiting especially the poor; and, if they did want to change, how realistically this could be done since any drastic change of this type would require a radical change in relationships (master to servant, of the haves with each other and with the have-nots, etc.)? Since AID has such small resources, it is unlikely that they will be applied in any country in sufficient amounts for a long enough period to bring about such a fundamental change in the attitude and behavior of the elites. Based on experience in the Marshall Plan, small amounts of technical assistance devoted to a joint examination of the issue with LDC elites could be helpful in creating a climate in which PP equity programs could be initiated and possibly survive.

In support of this dialogue with ruling elites, it would be helpful to reexamine the effects on elites of both radical and incremental changes in equity policies since World War II in certain countries especially Egypt, Ethiopia, Taiwan, and Japan. The experience of the first two countries tends to show that when power is closely held by ruling elites and not shared more broadly the result is radical change with elites losing all of their power. On the other hand, a policy of incremental change in Taiwan and Japan, in which power was shared very broadly, resulted in a high rate of growth and great benefits to the entire populace including the original elites.

The policies and programs of development which we espoused in the Philippines during our occupation, and what we could have done differently if we had had our present policy of equity for the poor, should also be productive of the insights we need today in our effort to reach the rural poor.

Closely related in purpose and substance to the research problem and proposal described above is one directed at how RD and other policies have been and presently are formulated, adopted and effected in each of those LDCs which want our assistance. What is necessary politically to obtain equity for the poor, and what are the political obstacles to be overcome? This is not a proposal for cross-national research which is believed to cut very little ice with LDC policy makers, but for country case studies since the answers are always specific to time, place and circumstance and are so perceived in the LDCs. It is suggested that a select group of political scientists already familiar with AID needs of this type should undertake these studies using a more-or-less common frame of reference and methodology to make possible comparison of results obtained from the case studies.

A third respondent recommended that the relationship between patterns of income distribution and communal divisions (ethnicity) should become the subject of research in a number of the LDCs. Frequently, income distribution appears to be an economic problem, but, in fact, it is largely social and political since a major reason why people are relatively poorer is because of ethnicity and not their economic behavior per se. Research would examine the relationship between the ethnic groups in an LDC on the one hand, and, on the other, the policies and strategies which had been tried in attempts to distribute income more equitably between them.

One set of policies to which particular attention should be devoted in case studies are those which tend to allocate resources in capital-intensive directions such as over-valued exchange rates, import licensing systems, subsidized interest rates, etc. These policies tend to be perpetuated because groups, e.g. certain importers and civil servants, benefit from the system. It would be useful to estimate the magnitude of the "benefits" which these policies provide to their "beneficiaries". According to the theory of welfare economics, commensation to beneficiaries which equaled the benefits received would induce them to shift to more rational economic policies and still leave society better off. Such research would be difficult and delicate to design and execute, but this should not deter the Agency from undertaking it.

Still another type of policy recommended for examination in country case studies concerns the effects within the country of (1) central versus program budgeting (regionalization), and (2) budgeting with high proportions (above 70%) devoted to fixed costs, mostly personnel, versus balanced budgeting (30% or more in operating costs). It is hypothesized that over-centralized budgets of those with too small a proportion devoted to operational costs tend to reduce program flexibility and personnel mobility of applied agricultural research, extension and service organizations, with differentially negative effects on the poorer farmers.

The final item for inclusion in this section concerns the support services that are required to complement direct efforts to reach the rural poor at the grass roots level. Since many of these services are in limited supply and are provided by other parts of LDC governments and by private

entities in which decision-making is based on different criteria from agencies concerned directly with alleviating rural poverty, the question is how to bring these services to bear in sufficient quantity and at the times when they are needed. Research into objectives, responsibilities, and differentiated roles and skills of these organizations is required in each country before we can know where to intervene effectively.

SECTION 11: TECHNOLOGY--BIOLOGICAL AND PHYSICAL

The greatest general research need, one respondent felt, is to adapt what is scientifically known in agriculture to the conditions under which most of the poor live. For example, in Pakistan much greater attention should be devoted to the development of crops suitable to the nonirrigated low-rainfall areas and the particular set of other relevant conditions existing in these areas. (A PROP has been produced to do this). If these low-producing lands could be made more productive, the "pie" would be increased in size and there would be few losers in the equity game.

A similar thought was expressed by two other respondents one of whom stated that the greatest research need was to develop "miracle" (highly productive) strains of rice, wheat and corn which grow with less water than is required by current strains and which are very disease and insect resistant. "Much of the basic scientific knowledge is available, but not enough applied research has been done to adapt the new varieties to the specific conditions of soil, water and climate which pertain in the poorer regions. This research should have a high priority, he said, beginning with a compilation of the applied research that has already been done, in order for small farmers to begin to utilize it.

The other respondent extended this thought in recommending research to develop "fully-feasible packages" of technology for the growing by small farmers of combinations of crops at specified yield levels in each area of a country, with the adaptation to soil types, ecological factors, etc., built into the technology, thus requiring relatively little experimentation by the small farmer himself and thereby reducing the risks to him. When this crops technology package has been developed for each area with different relevant characteristics, the physical infrastructure (roads, markets, etc.) part of the package would be added to show how inputs and outputs would be delivered. The package would then contain most of the basic data required to work out the third package component, the economic input-output tables showing the costs of different levels of production based on various choices of inputs and the amounts of each. These tables can be constructed initially by determining the cost of each input and the returns of outputs under the conditions of the package. Subsequently, these tables would be corrected to correspond to the results actually obtained by field trials on small farms. The respondent stated that preparation of "fully-feasible" packages of the sort described here is being undertaken currently in Nicaragua and other Central American countries.

Two others felt that the search for technology suitable to the very small farms on which most rural poor live needs to be intensified. This search should also concentrate on the technology usable by artisans, who have little or no sophisticated equipment, for making items required by the small farmer. One kind of research recommended is to determine how artisans have been able to do this in areas where they are reported to

be successful; e.g., how have the Punjabi artisans been able to make pumps and sell them to small farmers at prices the latter can afford to pay?

If we are to have reliable guidance as to what we must invest in market towns, roads and transport to support programs aimed at equity for the small farmers, we must have research on the "essentiality" of each item of infrastructure. The respondent who reported this conclusion was speaking from practical field experience. In Laos he had been given the task of recreating the essential services of the market towns which had been destroyed by the war. Although confident at the outset that he knew how to do this, he soon discovered that he had little basis for deciding whether a school, a police post, a road or certain kinds of commercial installations were required in a given location. In fact, it became apparent to him that the people were able to get along quite well without some items in places where they had formerly existed. Thus, it would be all too easy to invest too much in infrastructure, if a policy of replacement of what formerly existed were followed. Therefore, he recommended that we undertake studies in a number of the LDCs of the existing market towns and the essential needs of those in the towns and in the hinterlands served by the towns, and alternative means of meeting these needs. In preparing to conduct these studies, samples of existing regional infrastructure should be drawn, not only in "model" countries (Egypt, Taiwan, etc.) but also in countries where rural institutions have grown up in unplanned ways to see "what works" and what does not. These same studies, or others conducted parallel to them, should also test the Agency folklore that the key to rural development is rural infrastructure, especially roads and transportation.

SECTION 12: NON-CATEGORIZED RESEARCH AND INFORMATION

This section contains those recommended research or systematic data-gathering proposals which did not seem to fit into any of the other sections. This is in no sense a reflection on their quality but may be viewed rather as a fault of the classification scheme which produced the sections. The proposals are:

(1) One of the means of removing some of the risks of adopting advanced technology is crop insurance. We should collect the cases of actual field use of crop insurance in the LDCs and the results obtained from each, and subject them to comparative analysis. These case studies could be used subsequently to test the hypothesis that government-sponsored crop insurance would cost less and produce greater increases in productivity than the present programs of extension, credit, etc. when the total costs of the latter are taken into account.

(2) Research which would not overlap with current research should be begun on the following topics as related to the rural poor:

a. Rural employment and unemployment.

b. Labor-intensive industries.

c. Very low-cost ($7 per person per annum) health services.

d. Rural-urban migration (demand-pull versus psychological factors).

e. Roles of all family members (not for women only).

(3) In each LDC desiring our assistance research is required on the present land tenure and credit systems and their consequences for income and equity, and on proposed reforms in these systems and their likely consequences.

(4) Owing to a lack of previous education and to outmigration of those who did receive some education, manpower surveys of skilled and semi-skilled labor in each LDC assisted are needed, in order to plan for further training which would reduce the time lag between the building of industrial infrastructure and the training of labor required by industry.

APPENDIX A

Public Law 93-189
93rd Congress, S. 1443
December 17, 1973

An Act

87 STAT. 714

To amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1973".

Foreign Assistance Act of 1973.

POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

SEC. 2. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In the chapter heading, immediately after "CHAPTER 1—POLICY", insert "; DEVELOPMENT ASSISTANCE AUTHORIZATIONS".

(2) In section 102—

81 Stat. 445.
22 USC 2151.

(A) insert "(a)" immediately after "STATEMENT OF POLICY.—"; and

(B) add at the end thereof the following:

"(b) The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria:

"(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

"(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.

"(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.

"(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

"(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

"(6) The economic and social development programs to which the United States lends support should reflect, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.

Emphasis added

"(7) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities."

81 Stat. 445.
22 USC 2151.

(8) At the end thereof, add the following new sections:

"SEC. 103. FOOD AND NUTRITION.—In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $291,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 104. POPULATION PLANNING AND HEALTH.—In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, $145,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 105. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.—In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $90,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 106. SELECTED DEVELOPMENT PROBLEMS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $53,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"SEC. 107. SELECTED COUNTRIES AND ORGANIZATIONS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $39,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

81 Stat. 447.
22 USC 2161, 2171, 2219.

"SEC. 108. APPLICATION OF EXISTING PROVISIONS.—Assistance under this chapter shall be furnished in accordance with the provisions of titles I, II, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities, or other provisions of this or any other Act in accordance with which assistance furnished under this chapter would otherwise have been provided.

87 STAT. 716.

"SEC. 109. TRANSFER OF FUNDS.—Notwithstanding section 108 of this Act, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision. The authority of sections 610(a) and 614(a) of this Act may not be used to transfer funds made available under this chapter for use for purposes of any other provision of this Act.

75 Stat. 442; 76 Stat. 260. 80 Stat. 805. 22 USC 2360, 2364.

"SEC. 110. COST-SHARING AND FUNDING LIMITS.—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country will provide at least 25 per centum of the costs of the entire program, project, or activity with respect to which such assistance is to be furnished, except that such costs borne by such country may be provided on an 'in-kind' basis.

"(b) No grant assistance shall be disbursed by the United States Government under sections 103 through 107 of this Act for a project, for a period exceeding thirty-six consecutive months, without further justification satisfactory to the Congress and efforts being made to obtain sources of financing within that country and from other foreign countries and multilateral organizations.

"SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the urban and rural poor in their country's development, not less than $20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.

"SEC. 112. PROHIBITING POLICE TRAINING.—(a) No part of any appropriation made available to carry out this Act shall be used to conduct any police training or related program in a foreign country.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States; or

82 Stat. 207; 84 Stat. 1887. 42 USC 3763.

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding paragraph (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

"SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—Sections 103 through 107 of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

"SEC. 114. LIMITING USE OF FUNDS FOR ABORTIONS.—None of the funds made available to carry out this part shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions."

Public Law 93-559
93rd Congress, S. 3394
December 30, 1974

An Act

88 STAT. 1795

To amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1974".

Foreign Assistance Act of 1974.
22 USC 2151 note.

FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended— 22 USC 2151a.

(1) by inserting the subsection designation "(a)" immediately before "In";

(2) by striking out "$231,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$231,000,000 for the fiscal year 1974, and $500,000,000 for the fiscal year 1975"; and

(3) by adding at the end thereof the following:

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under $300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

CEILING ON FERTILIZERS TO SOUTH VIETNAM

SEC. 3. (a) None of the moneys made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974 may be used, beginning on the date of enactment of this section, during fiscal year 1975 to procure agricultural fertilizers for, or to provide such fertilizers to, South Vietnam. 22 USC 2175a. 22 USC 2151 note. Supra.

(b) During each fiscal year after fiscal year 1975, of the total amount obligated or expended for such fiscal year under the Foreign Assistance Act of 1961 to procure agricultural fertilizers for, or to provide such fertilizers to, foreign countries, not more than one-third of such amount may be obligated or expended to procure such fertilizers for, or provide such fertilizers to, South Vietnam.

POPULATION PLANNING

SEC. 4. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 104, strike out "$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "$145,000,000 for the fiscal year 1974, and $165,000,000 for the fiscal year 1975". 22 USC 2151b.

(2) In section 292, strike out "$130,000,000" and insert in lieu thereof "$150,000,000". 22 USC 2219a.

43-829 O - 75