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SOCIAL SCIENCE RESEARCH IN RURAL DEVELOPMENT:

A Summary Statement of AID Activities

Prepared for the Conference on "Social Science Research in  
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## A. Introduction

During the past two or three years, AID has shifted its program emphasis from achieving primarily growth oriented objectives toward achieving the dual goals of economic growth in conjunction with equity. This shift has been manifest, in large part, by an increasing number of programs and projects designed to increase the productivity (output per acre) and net income of the "small farmer". More recently, the Agency has begun to view increases in agricultural productivity and income as only one (important) component of the broader goal of rural development, which at a minimum, implies the planning for, and implementation of, myriad activities. While the Agency supports rural development action programs in a number of developing countries, it also supports social science research projects designed to improve our understanding of the complex problem of rural poverty, and the interaction and complementarity of the various components of rural development programs designed to alleviate rural poverty.

This paper provides a summary statement of some of the recent social science research activities supported by AID. In the context of describing each activity, the paper addresses the contribution of the research effort to the planning, design, and implementation of rural development programs, and when appropriate, discusses questions concerning the various goals of rural development, the persons/institutions/disciplines involved in carrying out the research, the dissemination of research results, and the impact of these results.

## B. Research Activities

Land Reform. In 1970, AID published a series of volumes on the role of land reform in agricultural development. This effort involved the compilation of experience from a large number of case studies in order to gain a better understanding of various forms of land reform and various political, economic, and social consequences of the implementation of land reform laws. Among other things, the results confirmed that land reform is first and foremost a political phenomena, and that the principal obstacle to implementing land reform is the will and the capacity to overcome political opposition. Another general conclusion was that land reform contributes to economic development if it is undertaken at an early stage of development, and that land reform cannot be shown to have hampered agricultural production and productivity after initial difficulties were overcome. The Agency intends to support a new effort that will focus on important land reform experience since 1970, and in particular, examine various constraints to agricultural development that are associated with land tenure systems.

Small Farmer Credit. In 1972-73, AID supported a major effort designed to achieve a better understanding of the role of, and the policy and institutional issues associated with, small farmer credit. Based on a synthesis of a considerable number of country studies and analytical

papers, several generalizations emerged. For example, small farmer credit programs often failed because other (pre)conditions were not satisfied, most importantly, the existence of profitable investment opportunities; in addition, the lack of essential input-supply or output-marketing services, and land tenure patterns proved to be important obstacles. The report also concluded that setting interest rates to reflect the real cost of capital has several advantages including: increasing revenues of credit institutions; encouraging labor intensive techniques (by making capital more expensive) and thus promoting employment; encouraging rural savings and thus mobilizing domestic resources; and encouraging greater small farmer access to credit funds by making it less lucrative for large farmers (who already have access) to borrow. Guidelines summarizing the results of this effort, which went far beyond the credit component of small farmer agricultural development, were sent to AID field missions. Project proposals concerning small farmer credit are now more carefully thought out, and the review of these proposals is judged against much firmer criteria.

Local Action. AID is currently supporting two social scientists (an economist and an anthropologist) in two African countries (Kenya and Lesotho) to carry out "action-research" at the project level. The objectives are to improve project results by continuously evaluating and monitoring project implementation, and to experiment with alternative methods of data collection, analysis, and feedback. Preliminary analysis of rural development projects in Kenya has led to significant design alterations in at least one such project, and the methodology is now to be further developed for application in a new country-wide rural development program to be managed at the district level. "Research-in-action" (involving local people in local level research, analysis, and feedback systems) is expected to become an increasingly important component of AID supported rural development programs.

Small Farmer Involvement. The Agency has contracted with a local consulting firm, Development Alternatives, Inc., to conduct project-level research on determining the essential factors needed to get small farmers involved in, and benefitting from, development activity that is self-sustaining; here, the assumption is that project success is contingent upon local involvement. The work was conducted by a multi-disciplinary team which employed both quantitative and qualitative techniques to analyze the experience of 36 projects in 12 Latin American and African countries. Preliminary results indicate, among other things, that projects not designed specifically for small farmers have been of little use to them; that when small farmers have been involved in the design and implementation of projects, they have been benefitted; and that local involvement is essential if the project is to be self-sustaining. The next stage involves the operational testing of the results in designing and implementing new projects. The overall goal of the effort is to help rural development field personnel determine what to analyze, how to conduct the analysis, and then what to do with the results of the analysis.

Women in Rural Development. Guided by the Percy Amendment of the Foreign Assistance Act, and by the fact that women are key participants in many rural economies (for example, the marketing of agricultural commodities in Africa), AID supported a seven country survey on the role of women in rural development in conjunction with the "Small Farmer Involvement" work described above. The findings revealed that in six of the countries (all except Northern Nigeria) women take part equally with men in basic agricultural production, suggesting that projects designed to transfer technology to rural people should incorporate women as participants. The report has been disseminated via an Agricultural Development Council/Research Training Network Seminar and to LDCs via AID field missions.

Local Organization for Rural Development: Analysis of Asian Experience. This project, conducted by the Center for International Studies of Cornell University, examines the relationship between economic performance and local institutions. In the course of this analysis, Cornell has tried to develop a methodology for identifying these relationships which could be used for similar studies in other countries. In general, the report concludes that economic performance, as measured by conventional indicators such as GNP, literacy, and infant mortality, is higher in those countries which are "more organized" than in those countries "less organized." The "more organized" countries are those in which local institutions such as the local government, cooperatives, irrigation associations and many others are working tolerably well. The "less organized" countries are those in which local organizations are either non-existent or, more commonly, non-viable.

Implementation of Agricultural Development Plans and Projects. A team from the Governmental Affairs Institute, headed by Albert Waterston, was financed to conduct an extensive analysis of the implementation of agricultural development plans. The results of this work are currently in the form of a draft manual which emphasizes decentralized plan implementation in the context of "rural", "regional", and "agricultural" development planning. In contrast to the "Small Farmer Involvement" project which was concerned primarily with the beneficiary's capability to utilize resources, this project is concerned primarily with delivery systems, or getting the resources to the beneficiary.

Commodity Action Systems. Field research for this project was conducted by the Harvard Graduate School of Business, headed by Professor Ray Goldberg, and sub-contractors at various national and international institutes in Central America; work is currently underway in Southeast Asia. The purpose of this project is to develop and apply a methodology that facilitates analysis of a "total verticle commodity system" (farm production to final consumption) in order to identify problems and solutions at each stage. The methodology is being adopted by a number of banking, governmental, and educational organizations. Specifically,

the Central American Economic Integration Bank (CABEI) uses the methodology to evaluate loan feasibility in Central America; IDB has announced its intention to do the same. The Latin American Agricultural Development Corporation (LAAD) now uses it in making private enterprise investment decisions. Four LDC universities, as well as Harvard, have incorporated it into their agri-business curricula and use it in their instruction. The Philippines Government used the methodology, identified the need for project re-design, and thus avoided some costly errors associated with the placement of livestock processing facilities. In addition, the governments of the Philippines and Thailand have requested cooperating institutions to use the methodology for other crops and commodities.

Analysis of Direct and Indirect Effects of Technological Change in Agriculture. This policy-level research project, being carried out by Cornell University under the direction of John Mellor, posits that technological change in agriculture not only contributes to increased agricultural output, but also -- because it involves change -- has direct and indirect effects (positive and negative) on other economic variables besides output. The direct effects, which will vary by geographic region and farm size, are associated with changes in productivity, farm income, and the demand for labor. The indirect effects are manifest by changes in the prices of the factors of production required by the new technology, as well as by changes in storage requirements and public sector capital investments. The short-run purpose of the research is to provide a firmer basis for developing policies that will enhance the positive effects, and diminish the negative effects, (both direct and indirect) of technological change in agriculture. In the longer run, the research will provide guidance for selecting (or generating) appropriate technologies in order to avoid any potential negative effects. In addition to this location-specific research, the project will use dynamic simulation models to help determine -- in a generic sense -- both the direct and indirect effects of an output increasing technology.

Rural Employment in Africa: A Network Approach. Conducted by Michigan State University, under the direction of Carl Eicher and in collaboration with a number of African research institutions, this research is also policy oriented and focuses on the rural labor market in Africa, primarily in the context of the demand for rural labor. Studies are underway to analyze (a) various agricultural production systems (including biological and mechanical techniques), (b) various techniques of rural small-scale industries producing consumer goods, and (c) various techniques of agro-industries -- all in the context of their impact on the demand for rural labor. On the supply side, studies are being conducted concerning education as a determinant of the quality of the rural labor force, and also as an important factor influencing rural-urban migration and urban unemployment. The purpose of the research is to understand the employment problem and thus facilitate the implementation of appropriate policies and programs to alleviate it.

National Employment Planning. This research, which has both policy and project aspects, is supported by AID's Latin America Bureau, with technical assistance supplied by Eric Thorbecke of Cornell University and Wilfred Lewis of the National Planning Association. The project is focussing on rural employment and poverty problems in Panama and Nicaragua. Current activity involves the collection and analysis of socio-economic data on problems associated with rural poverty. In both countries, AID supported researchers are working closely with planning units with the view that project proposals and/or policy alternatives will result from the research.

Substitution of Labor and Capital in Civil Construction. In the area of infrastructure, AID, together with eight other bilateral donor agencies, is providing support to an IBRD project to develop efficient intermediate civil construction technologies, primarily for construction of feeder roads and irrigation systems. The project incorporates both technical and social science research components. The technical research is designed to develop improved tools and equipment, organization and management, and health and nutrition status of workers, in order to increase labor productivity and enhance the competitiveness of labor intensive technologies. The social science research includes a study of rural labor markets for labor intensive civil construction.

Manual of Rural Public Works Programs. AID plans to support the preparation of a manual for policy makers and program administrators involved in planning or implementing rural public works programs. The manual will provide explicit guidelines concerning the uses and limitations of public works programs and will suggest various alternative organizations, arrangements, and procedures that will enhance the prospects of success of these programs. The manual will be based on IBRD supported comparative research in 15 developing countries, and will be prepared under the direction of John Thomas, Harvard Institute of International Development, who also directed the IBRD project. Research reviewing the role of land improvement in rural development may be undertaken in connection with this and the "Substitution for Labor" project discussed above. A comparative study of irrigation associations is already underway.

Design of Planning-Information-Analysis System for Rural Development. The purpose of this research, being carried out by the Bureau of the Census, is to improve the analytical resources of AID field missions and LDC planners. These improved analytical resources will, in turn, improve the quality of their evaluation of the impact of activities (present and future) on the various goals of rural development. To this end, the research will develop and test a general framework designed to facilitate the identification of potential inputs, outputs, purposes, and constraints of selected rural development projects (as well as the assessment of the incidence of benefits and costs of these projects) that have been formulated on the basis of regional analysis. The

project will also test the feasibility of utilizing national economic and social data sources for regional economic analysis and planning; and it will evaluate the contribution and feasibility of computer simulation for regional project and program design and evaluation.

In addition to these past and on-going research projects, AID is planning to support social science research on the "Adoption of New Technology by Small Farmers," the "Application of Regional Development Models to Rural Developing Planning," "Rural-Urban Migration in Relation to Rural Development Policies and Programs", "Policies that Make Production and Equity Goals Complementary", and "The Development and Testing of an Analytical Framework for the Rural Poverty 'Sector' of Developing Nations."

This latter "Rural Poverty" project is designed to help LDC decision makers, as well as donor agencies, plan rural development strategies more systematically. The project is premised on three assumptions. First, because development resources are scarce, a simultaneous attack on all the problems associated with rural poverty is simply not feasible. Second, a study of past rural development experience will highlight a number of important generalizations that are valid across most LDCs. (These generalizations concern the sequencing of various rural development activities, and the implication is that some activities should have priority over others, and that some activities constitute preconditions, which if not satisfied, preclude the successful implementation of other activities.) Third, there are a number of identifiable (if not mutually exclusive) groups of rural poor, and an activity designed to alleviate the poverty of one group will not be as applicable to alleviating the poverty of another group. The effort will involve an interdisciplinary review of rural development literature and an analysis of past evaluations of rural development experience. The systematic compilation of information derived from these secondary sources will constitute the basis for preparing a state-of-the-arts paper. Based on this paper, generalizations concerning "conditions for success" and "reasons for failure" of a large number of past rural development efforts will be organized into an operationally useful policy guidance paper that will provide a first indication to LDC planners of how rural development strategies should be structured, and specifically, how the allocation of scarce resources among a large number of potentially beneficial rural development activities should be sequenced. In addition, empirical research on a particular group of rural poor, the landless and near-landless, will be carried out in a number of LDCs, in large measure, by LDC social scientists. To encourage the operational usefulness of this empirical research, specific project proposals will be an important output of the work.

The social science research projects described above are among the major efforts that the Agency has, is, or intends to carry out in the area of rural development. However, because of the cross-sectoral nature of this area, many AID offices are engaged in drafting working papers and developing policy guidance materials that have an important bearing on

rural development activities. AID's inter-bureau Working Group on the Rural Poor has initiated much of this work, including drafts of an "Overview of Rural Development", "A Practical Agency Approach to Rural Development", "Regional Planning for Rural Development", "Research and Information Required to Support the Effort to Reach the Rural Poor", and "Towards an Agenda for Social Science Research Supportive of the Effort to Reach the Rural Poor." Additional papers are in preparation or being planned for rural industry, small producer economics, irrigation associations, local organizations, land reform, risk aversion, and land improvement. While these are not research efforts in the formal sense of the term, they do help to familiarize Agency personnel with current thinking in the complex area of rural development.

### C. Other Issues

The first three questions especially number 2., (of "Questions for Funding Agencies") provided the point of departure for this statement. The remainder of the paper addresses questions 4. through 9.

While the Agency has addressed in one form or another most of the six goals for rural development, it has neglected, in a relative sense, the goal associated with the movement of commodities, specifically, local marketing. In the Foreign Assistance Act of 1973, Congress stressed the importance of market areas and market towns, needed not only to augment employment in rural areas, but also to supply agriculturally related inputs (seeds, fertilizers, credit, other services) as well as consumer goods, and to expand and improve the processing, distribution, and marketing of agricultural commodities. The Agency is trying to address this area in terms of regional planning and by implementing the "Commodity Action Systems" work described above.

One area not specifically mentioned under the suggested typology is the problem of risk aversion or risk avoidance. A number of AID officers view this as a key bottleneck to the adoption of new technology by small producers, and have suggested that social science research may be needed to understand the problem and suggest appropriate means to overcome it. The working paper on risk aversion (mentioned above) may lead to a more substantial research project in this area.

Agency supported research in rural development, per se, is not categorized by project level, policy level, or structural level.<sup>1</sup>

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<sup>1</sup>The results of a survey of 144 research projects (not necessarily in the area of rural development) that had been financed by the AID research program during the 10 year period ending in March 1971, indicate that the purpose (primary and secondary) of about 20 percent of the research was to produce information for improved policy decisions; of about 15 percent, to produce information for creation or modification of organizational structure or to modify individual behavior of the populace in developing countries; and of the remainder, to solve a problem or improve a product or practice.

It is probably true that research on all levels will contribute to better selection, design, and implementation of viable rural development programs. For example, it seems clear that in many of the African countries the role of women is not carefully taken into consideration. The seven country survey on "Women in Rural Development" (discussed above) is an example of AID supported research at the structural level. In addition, the Agency provides broad program assistance to the Land Tenure Center at the University of Wisconsin, which engages in structural level research concerning land tenure and agrarian reform issues. Illustrations of policy oriented research (at the macro and sectoral level) include the work being carried out in the areas of rural employment, technological change in the agricultural sector, and rural public works. At the project level, the "Local Action", "Small Farmer Involvement", and "Substitution of Labor" projects are examples of AID supported efforts. Finally, some research projects, such as the "National Employment Planning" and proposed "Rural Poverty" projects, have both policy level and project level elements.

Based on the survey of 144 research projects mentioned above (again, not necessarily concerning rural development), less than 25 percent of the projects were proposed from outside the Agency, and almost 50 percent were developed jointly between AID and the research institutions. By and large, then, Agency research is related to its needs, not simply to the kinds of research proposed from various researchers. U.S. universities were employed as research contractors for about 50 percent of the projects; for the remainder, the research contractors were U.S. institutions (profit, non-profit, and other government), and foreign based contractors. Although developing country personnel and institutions participated in most research projects, the Agency intends to allocate a greater proportion of research funds than in the past to LDC research institutions.

The major point of application of the results of about 70 percent of the 144 projects was LDC institutions or specific sectors in LDCs; for the remainder, the major point of application was U.S. institutions or international agencies. Research results were disseminated in a large number of non-mutually exclusive ways. Many were published by AID as technical reports; others were published in professional journals or as research papers and monographs. For most of the projects, the research results were disseminated in both the U.S. and abroad. In about half of the projects, dissemination of results was encouraged through "moderate" or "substantial" LDC involvement in the research. The actual or planned translation of research results into the LDC language was "average" or "outstanding" for almost 90 percent of the projects.

It bears repeating that these generalizations do not refer specifically to social science research in rural development, and they were compiled prior to AID's major emphasis on equity focused development. Hence,

they serve only to illustrate in general terms who conducted AID supported research in the past and how the results have been disseminated and utilized. As suggested above, AID is actively encouraging increased participation of LDC research institutions and researchers, and continues to stress the operational usefulness of research results by demanding, prior to project funding, an in-depth explanation of how the results will be utilized.

As indicated in the brief project descriptions in Part B., some of the research results have clearly helped shape LDC rural development policies. An example is the case of Kenya, where the government has decided to formulate a new rural development strategy based partially on the work and recommendations of an AID supported economist. In addition, recommendations of a U.S. consulting firm contributed to the decentralized rural development strategy adopted by the Government of Tanzania.

The complexities of rural development are well recognized. It is quite clear, for example, that the problems associated with it are economic as well as non-economic and must be solved by both economists and non-economists. Abstracting from problems of management and cost, it may be desirable to assemble a research team to plan a project for integrated rural development that incorporates the disciplines of anthropology, economics, geography, political science, public health, and sociology; with a depth of functional expertise in the fields of agriculture, credit, demography, education, ecology, industrialization, labor, macro-economic policy, marketing, natural resources, nutrition, political organizations, public administration, public finance, public health, social organization, and international trade. Perhaps the most that can be said, a priori, is that the planning of a rural development project will suffer without a strong input from non-economists. While AID continues to support economic research, the participation of researchers from a wide range of disciplines is increasingly encouraged, particularly in carrying out social science research related to rural development.