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The Effectiveness of Integrated Rural Development: a Synthesis of Research and Experience

by

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The concept of integrated rural development (IRD) has guided much of AID's and other donors' development efforts in the rural sector since the end of the 1960's. As support to this effort, the Office of Rural Development and Development Administration (RAD) has funded several applied research and field service projects that focus on IRD and area development. This paper presents a brief review and synthesis of some of the results of these projects, and considers the pros and cons of IRD that these research results have identified. Appended to the paper are summaries of a sample of the reports and documents treating IRD that have been produced under RAD contracts (see also USAID, 1978).

Definition of IRD

Integrated rural development, like much development terminology, is subject to a variety of definitions. At a general level, IRD is the process of combining multiple development services into a coherent delivery system with the aim of improving the well-being of rural populations (LAI, 1980). More specifically, there is general agreement that IRD projects have the following characteristics (Cohen, 1979). They are: 1) focused on particular geographic areas; 2) designed and implemented by outside groups, e.g., national development agencies and/or international donors; 3) mainly concerned with the coordination of public goods and services; 4) multi-sectoral, though emphasizing agricultural production.

Several other distinguishing features of IRD are less subject to agreement, but are often mentioned. These include: 1) emphasis on simultaneous and/or sequenced delivery of a variety of services; 2) encouragement of popular participation; 3) addition of goals related to quality-of-life, rural transformation, self-sufficiency, capacity-building, etc. In sum, IRD projects represent the balanced growth approach to development in microcosm.

Experience with IRD

Analysis of experience with IRD follows two major paths: 1) focus on the rationale and validity of IRD as an appropriate strategy for Third World development, and 2) attention to how to implement IRD projects effectively. These two paths are intimately linked in that, in large measure, IRD's appropriateness hinges upon the extent to which it is implementable.

Conceptually, it is hard to find fault with the idea that effective approaches to promoting rural development must mirror the process by which development takes place. Development results from complex, multi-faceted interactions among a set of intricately connected physical, economic, political, and social phenomena. Prior experience has shown that ignoring this complexity, or selectively intervening on a narrow front, rarely produces desired development impact. This argues for the multi-activity, multi-sectoral approach embodied by IRD projects.

In economic terms there are two categories of reasons that support the integrated approach to rural development: complementarity of inputs in a given rural production function; and synergy, that is, positive interactions, among combined rural production functions (Klitgaard, 1981). Complementarity refers to the fact that the optimal utilization of one input depends upon the availability and quantity of other inputs. For example, in agricultural production, results achieved by using high yield seeds depend upon amount and timed use of water and fertilizer. Thus, integrated delivery of inputs, recognizing their complementarity, is required to achieve optimal results.

Though less well-understood, experience suggests that complementarities also exist for the broader, higher-level objectives of rural development. The complementarities among health, education, basic infrastructure, and agriculture provide the rationale for IRD projects' multi-sectoral efforts.

Integration in order to capture complementarities can, in some cases, lead to positive interactions that allow the integrated units to produce more efficiently. This possibility of synergy has been used as a strong argument in favor of IRD projects. The argument states that integration can produce synergy for the following reasons. First, resources will be more efficiently used when service providers integrate because sharing resources through integration eliminates the need for duplication of services by those less skilled at providing them. For example, if one unit is particularly good at operating a motor pool, it can perform this function for all the integrated units rather than each one maintaining its own vehicles. Thus, units that are integrated can share in the efficiencies produced by each member unit doing what it does best. Second, integration will generate economies of scale in service provision such that fewer resources, whether physical or human, can produce the same or more output. Third, since IRD projects aim at producing collective goods, integration will prevent the sub-optimal production of such goods that occurs when non-integrated units are operating independently. For example, one ministry collects data on a rural population that could be of use to another ministry. If the two ministries operate within an IRD project, both can use the data; if they function independently, each must collect the same data separately. And fourth, IRD allows service providers to capture the positive externalities of other agencies' efforts; as in the case where, for example, the Ministry of Transportation's road improvement project helps the Ministry of Agriculture to achieve its objective of getting more produce from the rural areas to market more efficiently. The case for this aspect of synergy is strongly made in area development projects that cite the benefits of joint planning, monitoring, and evaluation and in IRD projects that emphasize mutual sequencing of interventions by the various agencies involved (University of Wisconsin, 1981; DAI, 1980; Scudder, 1981).

The theoretical underpinnings of IRD are widely accepted as valid; and, as Siffin (1979) notes, even Ruttan's well publicized criticism of IRD (1975) does not reject the content of IRD projects. Ruttan's concern, and that of many others, is with the administrative feasibility of carrying out IRD. This focus on implementation constitutes the second major path of analysis of IRD, and along this path lies the bulk of the debate over the pros and cons of IRD.

The feasibility of doing IRD turns attention to issues of organization and management. The critical question to be answered is the extent to which integration of rural development services and activities requires administrative integration. That is, is it up to the rural development (RD) "consumer" at one extreme, to integrate that which is obtained from RD service providers, or, at the other extreme, should the providers organize themselves in an integrated and coordinated manner? Because of imperfections in the RD "marketplace," defined as the interface between service providers and consumers (imperfections such as lack of information on the part of consumers and near-monopolies by government service providers), IRD projects have sought to integrate and coordinate service providers to varying degrees (Klitgaard, 1981).

Examination of implementation experience with IRD has surfaced the following common obstacles (DAI, 1980):

- resistance to integration and coordination of IRD activities by participating agencies,
- managerial skills deficiences among project managers,
- inadequate management information systems,
- lack of incentives for project staff or cooperating organization personnel to act in ways that support project objectives,
- delays due to procurement bottlenecks,
- inappropriate use of technical assistance,
- non-response to project initiatives by intended beneficiaries, and
- non-continuation of project benefits after project completion.

Many of those obstacles are not specific to IRD projects alone, but must be overcome in order to implement any development effort. Montgomery's survey (1981) of IRD project managers confirms that certain of these obstacles are generic to implementation. This finding is important because it suggests that some of the costs and problems attributed to IRD are in truth costs and problems associated with implementing any sort of project or program that seeks to attain complex and multiple goals in a difficult operating environment.

In the IRD context, projects must address the following implementation issues (DAI, 1981):

- Effecting Integration: To be successful, an IRD project requires coordination of the activities of several independent agencies or groups. Yet, actually obtaining this coordination is often very difficult. Consequently how an organization fits into the

government's bureaucratic structure, the kinds of linkages between agencies that are required, and the methods used to facilitate coordination within a given institutional framework, are factors which assume increased importance.

- Political, Economic, and Environmental Constraints: The success of IRD projects is sometimes adversely affected by constraints which are seemingly beyond the control of the project itself to resolve. Research is needed on the causes of these external constraints and remedial actions that could be undertaken to overcome them or minimize their impact.

- Participation and Decentralization: While it is generally felt that greater participation and decentralization would promote development, it is not clear how best to implement these concepts in an IRD project setting. Research is necessary to determine what kinds of participation have been encouraged by IRD projects and the mechanisms introduced to promote it. Similarly, with respect to decentralization, it is necessary to determine how it has occurred in IRD projects and what methods have been, or could be, used to measure the extent of decentralization efforts.

- Information Systems: Historically, formal information systems, while provided for in almost all IRD project designs, are rarely implemented, and if implemented, are not effectively used. Research is needed into the reasons for this unsatisfactory performance. Further, it is necessary to investigate alternative "informal" systems that can provide the information needed in a cost-effective manner.

- Timing: Inaccurate timing estimates (usually overly optimistic) lead to serious implementation problems. Research is necessary into the causes and effects of implementation delays, as well as into how project-related activities should be phased so as to make them most effective.

- Differing Agendas: The major actors in project identification, design, implementation, and evaluation are likely to have differing purposes or agendas which may not place the highest priority on achieving project goals. It is important to determine how incentive systems might be used to modify the behavior of these actors and make it more conducive to project success.

- Managing Technical Assistance: Generous amounts of technical assistance (TA), both short and long-term, are usually built into donor-funded IRD projects. Yet, the process of managing and structuring assistance to such complex projects is an often ignored issue. The questions that need to be addressed include the appropriate mix of long-term versus short-term TA, the changing TA needs of projects to be met as the project life-cycle unfolds, and

the appropriate strategy for providing technical assistance to large multisectoral projects (i.e., the personal contract, academic, bodyshop, or management team strategy).

- Counterpart Shortages: Quite often shortages occur in the complement of host country personnel assigned during IRD project implementation to work with short and long-term expatriate technical assistance teams. As a result, projects must proceed more slowly than originally planned and the expatriate teams may take on far more implementation responsibilities than projected, at the expense of their capacity-building roles. However, assuring a full complement of host counterparts may mean diverting skilled manpower from other jobs where they are also desperately needed.

- Sustaining Project Benefits: Often the intended benefits of a rural development project are not sustained (if ever attained) after external resource flows stop. Research into the most important constraints to sustainability is needed, along with an identification of the elements that contribute to project sustainability.

These are the areas in which research attention has been placed by RAD contractors examining IRD. Much of this research is on-going and the final products have yet to be produced. However, as this brief review shows, substantial progress has been achieved in describing the problem and breaking it into manageable components. This is the key to handling project implementation. The alternative is to focus exclusively on national level interventions that produce only a limited impact at the local level and provide inadequate responsiveness to diversity in rural areas.

Pros and Cons of IRD

It is tempting to take a balance sheet approach to the assessment of IRD vs other strategies for rural development in order to find a scoring to provide the basis for a yea or nay decision. For the practitioner seeking guidance for action, the "it-depends" answer can be frustrating. Further, because "things going wrong" tend to need more attention than "things going right", there is a bias toward focusing on the costs of IRD. Indeed, it is relatively easy to elicit a list of cons for IRD: e.g., governments are organized by functions, therefore it is difficult to determine where to locate a multi-functional approach; IRD projects call for persons from different disciplinary backgrounds to work together and this can be problematic; or improving coordination is simply not feasible. A list of pros of IRD often includes items such as: IRD projects provide benefits for groups of people by-passed by previous development efforts, IRD promotes popular participation, IRD stimulates indigenous problem-solving capacity, and it allows fast adaptation to local conditions.

However, a simple benefit-cost comparison cannot answer the question of whether IRD is superior or inferior to a sectoral approach because, as can be seen from the examples of benefits cited above, the objectives of these two

approaches are different. IRD seeks to achieve more than just a resource transfer; its emphasis on participation and capacity building responds to an approach to development that focuses upon sustainability of benefits and not just delivery. This implies a different timeframe in which to assess IRD; and also suggests the need to develop adequate indicators for the results IRD is theoretically designed to produce. For example, measuring capacity-building means waiting longer than the end-of-the project evaluation and devising appropriate indices that get at what is truly important about capacity, including the creation of new, more dynamic, more responsive structures. Capacity-building comprises structural change as well as skills transfer (see Honadle, 1981).

Scudder (1981a), talking of area development, notes that in general performance expectations for IRD projects tend to be too high during the early years of implementation, and also too low during the latter years. The risk for AID -- and for current and potential beneficiaries of AID projects in LDCs -- is that in the aggregate IRD will be judged deficient prematurely and dispensed with before the cycle of learning can be completed.

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Abstracts of Selected
Papers or Integrated
Rural Development

Rural-Regional Development
and the Role of the Bank in the 1980's

by

T.F. Carroll

Abstract

Carroll sees the inherent spatial framework of IRD projects as one of IRD's most important benefits, because it is not the direct effect on the target population that is most important, but the indirect consequences or spread effects. Further, a coherent regional plan is a prerequisite for the proper sequencing of sectoral investments, and establishes a framework for the consequent linkage effects.

In Carroll's words, the evaluation of an irrigation-based rural development project has shown that "for every dollar of direct benefits generated by the project, 83 cents of indirect benefits also resulted", which illustrates the importance of IRD's indirect, spillover or "downstream" effects.

The requirements of IRD that Carroll mentions as standard or inherent in IRD project implementation are:

1. The need to develop linkages;
2. The need for a regional coordination mechanism;
3. The effective mobilization of resources;
4. The need for technical expertise;
5. The need for appropriate technology;
6. The need for strong national commitment and support;
7. The crucial role of local involvement of the community and farmer affected.

The list of benefits include:

1. the fact that IRD can be credited with some progress in diminishing rural poverty,
2. IRD provides a learning experience and "points the way to future strategies,"
3. IRD generates social benefits by providing much-needed services to remote areas.

Fishing for Sustainability: The Role of Capacity Building in Development Administration

by George Honadle

Abstract

George Honadle, in his paper "Fishing for Sustainability: The Role of Capacity Building in Development Administration," presents the case for generating self-sustaining rural development by focusing upon building the capacity of existing, local institutions. For development to be more than a temporary resource transfer, local institutions must be able to sustain the development process once initial resource stocks have been used up. Honadle defines capacity-building as a learning process based upon a partnership between knowledge providers and knowledge recipients that pays explicit attention to the question of control of development resources. This definition blends the two dominant streams in the capacity-building literature: the first focusing upon attitude change as the key to self-sustaining processes and the second emphasizing structural change.

Following a review of approaches to defining capacity, he rejects the static, "laundry list" view of capacity as a set of cognitively derived indicators of performance in favor of a dynamic perspective that looks at impact. Placing this in a temporal, sequential framework leads to recommendations for a capacity-building strategy. This produces a model of seven elements that characterize successful capacity-building: 1) risk sharing between implementors and beneficiaries, 2) involvement of actors at multiple levels, 3) existence of appropriate incentives, 4) demonstrable success, 5) collaborative activities, 6) use of an existing resource base, and 7) emphasis on learning. Elements 3 and 6 are structural in nature and lead toward empowerment and potentially radical social change; the others are process elements that are incremental and non-threatening to the status quo. Different sequencing of these elements can tailor the approach to specific situations. Honadle then presents several examples of the application of the approach in practice.

The strength of the paper lies in its synthesis of a variant of the familiar KAP (knowledge-attitude-practice) approach to capacity-building and the structural approach to development. Honadle shows that self-sustaining development requires a capacity-building strategy that pays explicit attention to both skills and process dimensions plus considerations of control of resource bases, incentives, and empowerment.

Integrated Rural Development: Making It Work?

by

G. Honadle, E. Morss, J. Van Sant, D. Gow (DAI)

Abstract

DAI presents IRD implementation as a sequence of four management objectives: 1) applying resources, 2) delivering goods and services, 3) supporting local use of these goods and services, and 4) improving the welfare of project beneficiaries. This state-of-the-art paper examines organizational and managerial issues involved in pursuing this sequence of objectives. Noting the difficulty of linking application of resources and service delivery, the paper acknowledges that resolution of these difficulties is problematic in the environment that IRD projects operate. Some complications are related to the sequence of IRD objectives, eg. the most effective service delivery strategy may concentrate authority and integrate resources and yet fail to encourage local response.

Many of the causes of non-response are often beyond project control or not apparent until after implementation has begun. Thus, IRD strategies need to be flexible. Common prescriptions for encouraging local response are: 1) working through local organizations, and 2) allowing villagers to participate in project decision-making.

Regarding self-sustaining beneficiary welfare, more needs to be understood about the complex side effects that can result from IRD efforts. Also, progress needs to be made in measuring self-sustaining welfare improvements.

Major concerns related to the organization and administration of IRD include: 1) a need to focus on building capacity in particular local contexts rather than emphasizing replicability; 2) a need to emphasize developing human resources and management skills; 3) a need to recognize and deal with the critical role of incentives; and 4) a need to accept uncertainty and complexity by using flexible approaches to IRD design and implementation.

On the Economics of Integrated
Rural Development

by Robert E. Klitgaard

Abstract

The underlying logic favoring integrated rural development (IRD) can be seen as follows:

1. The problems of rural poverty in the developing countries are so severe that they require significant public interventions.

2. The various aspects of poverty are interrelated, forming an integrated problem.

3. This integrated problem requires an integrated government response, in the administrative sense.

However, integrated rural development entails certain administrative problems and introduces new complexities into the managerial arena. Generally, the larger the number of components to be administratively integrated, the higher the cost -- in time, in friction (people do not like to be integrated), in the sacrifice of performance for control. It may be suggested that the costs increase more than proportionately with the numbers of components, especially if the components include the economic and the noneconomic.

Surprisingly, the rural development literature contains little that would help us analyze the likely benefits and costs of various kinds of integration. Klitgaard's paper offers an analytical framework based on economics, which tries to array the major benefits and costs of integration and to indicate the factors influencing their magnitudes. The framework draws analogies between IRD and horizontal and vertical integration in the private sector.

The benefits and costs of integration depend on the circumstances, and Klitgaard attempts to sort out categories of benefits and costs of integration and to assess what the benefits of integration depend upon. He concludes that economic analogies, while useful, are limited because they are based upon assumptions that are less valid in LDCs than in the private sectors of more advanced countries where they were derived. He argues that the costs of integration in rural development will tend to be higher and the benefits lower than in purely economic models.

IV

On the Decentralization of
Integrated Rural Development Activities

by John D. Montgomery

Abstract

In rural development, decentralization involves three actors or levels of decision making: the designers, acting on behalf of either national planning ministries or international agencies; central management support agencies; and the field project management. Assessing the needs and preferences of these three "actors" in the context of integrated rural development shows complementarities and conflicts in four major issue areas: (1) control of resources and services needed for project operations; (2) linkages between the central and local agencies involved; (3) definition of project goals; and (4) organizational arrangements at the center to provide support and guidance to the field. Since these issues are not equally important to the three actors in integrated rural development, planners can resolve them by trading their respective preferences off against each other and producing a design that is mutually acceptable to all three. The result is a managerial style involving some combination of the arts of "control" and "coordination," a style that succeeds best when its contradictory features are understood by all parties.

Integrating Rural Development:
Views from the Field

by John D. Montgomery and
Masihur Rahman

Abstract

There are "generic" problems that all rural development managers have to consider, whether development activities are integrated or not. These are:

- dealing with public and community relations;
- political "interference" with project operations;
- confronting staff problems;
- difficulties of logistical support;
- limitations of managerial and technological failures and successes.

Apart from these, there are additional administrative challenges that occur when individual services and functions are integrated at the project level. "Integrated services" refers to when several conventional functions are merged for their synergistic effect or for greater efficiency.

Two contrasting styles of project integration can be observed in the field: the "control" system, which merges functions, personnel, and resources under the command of a local manager; and the "coordination" model, under which project managers receive only limited resources of their own, which they are expected to supplement by negotiating with existing line agencies in the area and with local organizations. Montgomery and Rahman, using the critical incident method, obtained empirical data on managers' experiences with these two styles, and use these data to examine the advantages and weaknesses of each from the point of view of implementing personnel at the local level.

14

Some Preliminary Thoughts on
Area Development Projects To
Facilitate Evaluation

by Thayer Scudder

Abstract

Scudder's concern in this paper is to "develop a conceptual framework which can be used to facilitate the planning and, especially, the evaluation and comparison of area development projects." He defines the purpose of area development as "to start a transformational process of the integrated development of an area's human, land and water resources in terms of social equity, rising standards of living, production for local consumption and export, employment generation, natural resource enhancement, and resiliency." Area development can therefore be called a catalyst mechanism leading to a state of self-reliance and/or economic independence.

Since area development is a dynamic process, in order to be successful it takes time; "more time than planners usually assume will be necessary," which is one of the costs of the process. We can assume that there should be an extended time horizon in which expectations of returns from an area development project are met. Area development is also a multi-stage process, having multiplier effects and benefits accruing over time.

Aside from "the tendency to underestimate long-term development potential" of area development projects, Scudder mentions the need for knowledge of the area's human, land, and water resources. He also mentions the concept of sequencing in acquiring this information (i.e. starting with the local population as a focal point), and the use of feasibility surveys.

The University of Wisconsin Conference
on Planning In Integrated
Rural/Area Development

Abstract

The conference paper points out both the benefits or advantages of IRD and the basic problems in making IRD operational as well as successful.

The advantages of a regional planning or area development perspective are as follows:

1. A heightened sensitivity to local conditions;

2. The incorporation of new perspectives and models of rural development;

3. The chance to combine the further development of scientific knowledge through research with timely, implementable recommendations for guiding programming and investment decisions.

The requirements or costs outlined for IRD are:

1. The need for new planning methods;

2. The conditional acceptance and testing of new development hypotheses;

3. New institutions to provide the resources, legitimacy and authority within which to conduct these activities;

4. An overall commitment to action (by governments and planners) in the face of great uncertainties and urgent needs.

In sum, the paper assumes that there are "many latent opportunities" for regional planning, but in order to take advantage of these "an assessment of recent regional development planning programs is necessary." The objective should be to close the gap between what regional planning and area development can and ought to accomplish and what can be achieved in light of what is.