

Batch 56

1. SUBJECT CLASSIFICATION	A. PRIMARY	Food production and nutrition	AE30-0000-0000
	B. SECONDARY	Development	

2. TITLE AND SUBTITLE
 Current approaches to integrated rural development, notes

3. AUTHOR(S)
 Zvinakis, Dennis

4. DOCUMENT DATE 1974	5. NUMBER OF PAGES 53p.	6. ARC NUMBER ARC
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7. REFERENCE ORGANIZATION NAME AND ADDRESS
 AID/TA/AGR/ESP

8. SUPPLEMENTARY NOTES (*Sponsoring Organization, Publishers, Availability*)

9. ABSTRACT

Examines integrated rural development (IRD) as a totality and recommends means by which donor agencies can more successfully stimulate integrated rural development in the developing countries. Past attempts by donor agencies to stimulate integrated rural development have too often resulted in helping farmers who produce for market sales, rather than the poor farmers whose production is used mainly for subsistence. Such programs thus have not achieved their major objective. This paper recommends that donors should select projects more carefully; they must study the political climate and evaluate who the project will benefit. The donor agency must evolve and accept a new definition of economic progress--a definition that includes food production, the distribution of production, and the development of non-productive rural services. The donor agency should shift away from strictly "technical" solutions and should concentrate on building local institutions and systems through which people can gain access to the economic and social system of their country. A donor agency must be willing to have the host country set the direction for the program; it should confine itself to evaluating and supporting locally initiated projects. Finally, existing information concerning IRD projects needs to be analyzed and codified. A donor agency should consider appointing a task force to evaluate available information on what has worked, what has not worked, and the reasons why.

10. CONTROL NUMBER <i>PN-AAD-490</i>	11. PRICE OF DOCUMENT
12. DESCRIPTORS Community development Technical assistance Foreign aid Integrated development? Project planning	13. PROJECT NUMBER
	14. CONTRACT NUMBER AID/TA/AGR/ESP
	15. TYPE OF DOCUMENT

PV-ADD-490
AID/TA/AGR/ESF

CURRENT APPROACHES

to

**INTEGRATED RURAL DEVELOPMENT
(Notes)**

by

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Washington, D.C.

APRIL, 1974

AGENCY FOR INTERNATIONAL DEVELOPMENT

Explanation

Mr. Zvinakis, having returned from three and one-half years in Vietnam as an Area Development Advisor, was on termination orders in AID/W when the TAB Economics and Sector Planning Division requested him to carry out a review of "Rural Development." He is now employed by the First National City Bank of New York. He is currently in New York City preparing for an assignment with the bank in Singapore. As a consequence, the paper was not refined, hence we added the term "Notes". We have decided to issue the paper "as is" so that the information contained in it will be accessible to those in AID who are currently deeply involved in the rural development/rural poor issues now facing AID.

Economics and Sector Planning Division
Technical Assistance Bureau
April, 1974

The ideas and suggestions are the products of the author and not necessarily those of the Agency for International Development.

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PREFACE

Three months ago I was asked to do a review of the subject "rural development" that could be the basis for or lead to a benchmark paper which would tell AID --

Where we are today?

What do we know? or don't know?

Who are the people who have thought about the subject?

The paper as now presented is a summing up of what I know about those questions at this point. I believe it fairly represents the main stream of current thought from the variety of sources to which I have had access. The interpretations, and in some cases, the conclusions I have drawn from these sources, I hope do them justice. Corrections, criticisms and review are welcomed.

Three biases have underlined my approach to looking at integrated rural development. First I have tried to look at integrated rural development in terms of what benefit it would have for the small farmer. By small I do not mean an absolute smallness where a cultivator has access to only a modest amount of land such as the farm units in the Andean highlands, Nepal or Ethiopia; neither do I refer to relative smallness in which farms are small in comparison with other farm units in the general area such as certain portions of Southern Brazil or West Pakistan. Rather, I use "small" in terms of the level of market interaction by the farm operator. These farmers are heavily subsistence in nature, buying and selling only a minor portion of their farm inputs and outputs. They have very limited access to political power, productive services and productive assets.

Secondly, I have tried to look at integrated rural development as a totality. AID's library is full of specialized studies on particular aspects of rural development such as credit or land reform but the idea that rural development is a subtle and complex mix of agricultural, sociological, organizational and political forces is a relatively new one and most of the information can only be found in unpublished monographs or by word of mouth. But there is a substantial amount of information to be found that is oriented toward the quality of life in a rural setting and away from heavy capital investment.

Finally, I have tried to incorporate in the body of the paper some of the lessons that might be learned from past rural development projects, especially those lessons which might be useful to a donor agency such as AID. In general, it was a humbling experience, teaching me that there are limits to what foreign assistance can and should do. But even within these strict limitations, there is a role for foreign assistance to play.

I. The Problem of Integrated Rural Development

In an address at Cornell University, Dr. Joel Bernstein said:

"A major problem area that deserves more intensive attention on a global basis is the very limited ability in the developing countries to devise rural development strategies that are effective in meeting their economic, social and political needs."

The problem of course is not a new one and neither is the attention now being paid by donor organizations. According to Dr. Abraham Hirsch, AID employee, the idea of a total community development approach was emphasized by AID over 15 years ago but after little payoff the approach was abandoned. Within the last few years, however, a consensus has emerged which holds that there should be a recommitment to community development projects. This is based on the failure of past development activities to benefit the poor in the rural sector; on a critique of past development projects which shows built in biases against the poor and; finally on new thinking which questions some basic assumptions of economic growth.

One of these old assumptions has been described by Jack M. Potter. (16, p. 358) He says that past development planning usually has been to give equal weight to the industrial and agricultural sectors with the aim of fostering industrial and commercial development rapidly enough to create the jobs necessary to absorb the excess rural population. Industrial development, however, does not normally proceed at a rate sufficient to employ the urban dwellers, let alone draw off the excess population from the rural areas. Another related notion holds that minimizing the use of capital retards economic growth because relatively cheap and simple techniques are considered to be less efficient than capital intensive techniques. (65, p. 64) Given the traditional bias toward intensive capital investment and the very reasonable desire to increase production, it's not too difficult to see that those farmers more likely to be producers for the market would be more frequently targeted to receive government inputs.

Jerome French has documented how this happened with the Philippine Rice and Corn Production Coordinating Council. He notes that one of the key factors behind its success in stimulating production at the local level was that it identified and delimited the target group. It chose farmers whose resource endowment (irrigated land, access to credit and technical inputs) was greatest and whom it felt would have the greatest propensity to accept and effectively utilize additional resources. (16, p. 25)

While it is not known what happened to the gap between those farmers who were not in the target group Rainer Scheckele sounds the warning that production oriented projects will usually be at the expense of the poorer farmers.

Because the implementation of production planning on large scale farms is easier to administer, because government contact with a few large farmers can influence a comparatively large output, and because large farmers are better equipped with capital and financial resources, many governments look to them for spearheading agricultural progress, and offer them various inducements in the form of concessions, credit, tax relief, import licenses, which in many cases yield them high profits on their investments, and by strengthening the richer farmers position in the rural community, the opportunities of the small farmer for improving his managerial capacity, and for participating in cooperatives is likely to suffer. (43, p. 69).

In the Intensive Agricultural District Program, evolved by the Government of India in collaboration with the Ford Foundation, Guy Hunter contends that much of this happened. The program demanded high technology and high participation to increase agricultural production and,

"was bound to result in strengthened power and success to the few who could handle it, a huge trail of cooperatives of which the majority are either ineffective or captured by magnates, and a vast majority of small men who could not take the risks. It has, in fact, been emphasizing a "modern sector" and a subsistence sector, and a widening gap in income, not as between agriculture and industry, but within the agricultural sector itself." (39, p. 243).

Much of the recent criticism of traditional development theory is concentrated on this production oriented bias. Scheckele goes on to say that by not attacking the problems of poor farmers first, the demand for industrial goods will be kept well below what it would be under a policy of total rural development and hence retards industrialization and general economic development.

Doug Owens agrees saying that there is now reason to believe that some measure of equality in income distribution, far from slowing down the rate of economic growth, accelerates it.

Politicians who have long thought that increasing participation in development ought to increase the rate of economic growth will not be surprised to hear this. There are two points involved, both almost self-evident. Many of the poor are small producers, farmers or businessmen. By investing in themselves they can not only improve their own lot in life but raise their country's total investment as well. The second point is that as the incomes of the poor rise, it becomes possible to build a mass market based primarily on labor-intensive goods. (65, p. 66).

It is Doug Owens and Robert Shaw who in "Development Reconsidered," give the most comprehensive rationale for attacking the problems of the rural sector; and concentrating on the poorest elements of the rural sector first. They have tried to show that the symptoms of underdevelopment should be attacked rather than alleviated, that problems of unemployment should be solved at the level where they occur and that arguments for attacking the problems of the poor are not only based on a concept of social justice but on one of economic reality as well.

This is not to say, though, that increases in agricultural production are not essential to development. To the contrary, every serious paper has stressed that increasing agricultural production remains fundamental to development and increasing personal income. What is new is the growing recognition that "the extent to which greater productivity will in fact increase the satisfactions of rural living depends on how the rewards of the increased production are divided among landowners, tenants, farm laborers and urban consumers." (29, p. 1)

The above represents the orientation of much current developmental thinking and it is from that perspective that this paper looks at rural development.

II. What is Integrated Rural Development:

Before giving a definition of integrated rural development, a distinction should be made between rural development and agricultural development. Agricultural development has as its aim an increased growth in agricultural output and supplies. Of itself, it is non-value oriented approach concerned primarily with generating income for reinvestment, supplying enough food for a growing population, and perhaps earning some foreign exchange through selling off any food surplus. Traditionally agricultural development has been approached in one of three ways (1) production campaigns; (2) estab-

lishment of large commercial or administered farms; and (3) socio-economic planning of family farms and rural communities. (43, p. 391) But no matter what the approach has been, the aim has typically been quantitative.

There are those in the development field that say that agricultural development should be the primary focus of any developmental strategy. Dr. Edward Schiffman of AID's Supporting Assistance Bureau is one who says that the biggest factor for any rural development effort, is agricultural development. The argument runs that if production is maximized, greater long term benefits will accrue to all sectors of the agricultural population even the bottom-most income groups. Social constraints such as lack of an adequate land tenure system should be dealt with only when it is an impediment to production. While a system of large scale land holdings may lack social justice, if they serve the production goals they serve a long term development purpose.

Others, though, while recognizing that agricultural development is the backbone of any development scheme, say that this concept is limited and other factors must be included before true development can occur. In a paper entitled "The Concept of Rural Development," Montague Yudelman summarized these factors under three headings: income and employment, social overheads, and occupational criteria. Under income and employment, he specified that development includes the notion of widespread participation in the process of economic growth and a widespread distribution of the gains made from that growth. A first criterion of rural development then is that it benefits the underemployed and the lower income groups in the rural areas. Under social overheads, rural development includes the provision of social services of the kind usually provided by the public sector to enhance the welfare of rural people, particularly the small farmers, farm workers and the landless. Under the occupational criterion is the raising and better distribution of rural incomes and employment including agricultural incomes and employment. (66, p.2)

This criterion is implicit in the definition given for rural development in the American 1972 Rural Development Act:

The planning, financing and development of facilities and services in rural areas that contribute to making these areas desirable places in which to live and make private and business investments; the planning development and expansion of business and industry in rural areas to provide increased employment and income; the planning, development, conservation, and use of land, water, and other natural resources of rural areas to maintain or enhance the quality of the environment for people and business in rural areas; the processes and procedures that have said objectives as their major purposes. (67, p.20)

But perhaps a better definition for the LDCs would be one quoted by Lunan from "Rural Development," Report of a Working Group, Ministry of Overseas Development; *any series of integrative measures having as their purpose the improvement of the productive capacity and standard of life in its broad sense of those in developing societies who live outside the urban areas, and particularly of those people who depend directly or indirectly on the exploitation of the soil. It will include those engaged in agricultural, forestry, fishery and related production, rural industries and handicrafts, trade and commerce and services in the rural areas. But whatever the specific measures adopted may be, the economic and social advancement of all sections of the rural community must depend in the final analysis on the success or otherwise of the action taken to improve the productivity of agriculture (64, p.2)*

Thus while rural development does mean that there must be an increase in productive capacity, three other changes must occur as well: 1) changes in the attitudes, values of the rural population, economically, socially, and politically; 2) changes in material resources and technology; and 3) changes in organization-ownership or control-of resources with a concurrent integration of marginal groups into society. (48, p.3) If these changes, whatever the functional approach employed, were brought about in close concert with each other and in an essentially complementary manner then one would have what has been called integrated rural development. Inherent then in any notion of integrated rural development is the notion of simultaneity.

A. T. Mosher in one paper has stressed this idea saying:

The actual administration of land reform, construction of irrigation facilities or clearing new lands and getting them into cultivation involves intricate technologies and may, therefore, be most effective when separately organized. The important thing is that where land reform, or irrigation, or settlement is undertaken it is most likely to bear full fruit if an integrated agricultural development program is launched simultaneously in the same area. (29, p.3)

One other notion, which appears to be crucial for any rural development to succeed is that it must be self sustaining at some point. Uma Lele of the World Bank stresses this point. The success of the Comilla scheme is cited often because it has a capacity for self-growth, it did not depend on outside inputs and, it had self generative capacity dependent only upon itself.

III. Centers of Discussion for Integrated Rural Development

Within the last few years there has been increasing discussion of integrated rural development as a possible approach to development problems and assistance. Although a systematic treatment of the current findings or identification of the "centers" where discussion is occurring is not readily available, the following would have to be included on any subsequent comprehensive list:

1. AID: Within AID, the Technical Assistance Bureau has been particularly active in determining in what way they might assist a country contemplating an IRD approach with many inter-office memos in circulation. Much of this has stemmed from a working draft paper on integrated rural development concepts submitted to the agency by Dr. Douglas Ensminger of the University of Missouri. Perhaps some of the most important work has been done by the Office of Development Administration. Under the leadership of Jerome French with the help of Gordon Alderfer and Mike Birnbaum and the assistance of an Advisory Group representing other bureaus and offices, a series of papers was produced under the general title of "Role of LDC Institutions and Joint Organizations as Program Intermediaries for Increasing Local Action Capability." The papers evaluated four types of organizations that had a rural development orientation:

1. "Servicios" in Latin America and the Chinese-American Joint Commission of Rural Reconstruction. Both are bi-national organizations.

2. The Philippine Rice and Corn Production Coordinating Council - A host government organization.

3. The East Pakistan Academy for Rural Development (Comilla) - A semi-independent organization.

4. The Brazilian Institute of Municipal Administration -- A non-government organization.

The study group started from the premise that intermediaries are important, perhaps essential mechanisms for stimulating local action. Many of their findings are used throughout the body of this paper.

In addition to in-house work, TAB also has many projects under contract of which probably the most significant is the Agricultural Implementation project (Contract AID/csd 3630) under the direction of Albert Waterston.

2. The Food and Agriculture Organization of the UN in conjunction with the Swedish Technical Assistance Agency (SIDA) sponsored a symposium entitled Agricultural Institutions for Integrated Rural Development in Rome in 1971.

Twenty-one developing countries that had expressed interest in the integrated institutions approach to development were invited to send two representatives each. Various international and bilateral agencies providing technical assistance to the developing countries also participated. Team leaders and national spokesmen from projects where the principle of integrated institutional development is being tested were also present, including the FA/SIDA(CADU) project Ethiopia; the Intensive Agricultural District Program, India; Comilla in Pakistan; the Cachin region, Israel; the Fucion and Naremma development zones in Italy; and the IBRD Lilongwe project in Malawi. The objective of the gathering, which was attended by Charles P. Edwards, AFR/TAC, was to agree on a framework for an integrated approach to rural development projects. The symposium concerned itself with six major topics: generating a conceptual framework, institutional coverage and strategies, consideration in selection of an initial area, organization and management for IRD, generating popular participation, financial considerations in establishing a coordinated system, and the organization and management of specific projects. In addition there were a number of papers submitted by the delegates. Some of the titles are:

CA DU; An Ethiopian Experiment in Developing Peasant Farming;

Effectiveness of Multiple-Function Farmers Organizations;

Farmers' Association as an Institution for Integrated Rural Development, and;

Pilot Project for Rural Development Promotion in the Western State Nigeria.

Copies of these papers are on file at AFR/TAC/DA. Some of the symposium findings are incorporated in the body of this paper also. Two smaller follow-up symposiums are scheduled to be held in Spring 1974 in Nepal and Ethiopia.

3. The Rockefeller Foundation, according to Ralph Cummings, Jr., has also been doing some work on possible approaches to IRD. A committee on "Rural Integrated Development" made up of one vice president and three directors was established last year but

neither an official policy nor any papers have been released. Mr. Cummings has summarized the thinking of the committee by saying -- for the most part the committee was pessimistic about developing an integrated approach that would have applicability to a wide range of situations. The committee felt that any integrated project would be prohibitively expensive. It might be more profitable trying to develop some way to measure the various constraints, either social or economic, holding back broad based development and then targeting them for correction.

4. The World Bank has looked at the problem and apparently some studies are being circulated internally. None of these are for general release. A major study on rural development projects in Africa coordinated by Uma Lele supposedly is in draft form but not scheduled for general release until the end of March 1974. In addition, a special Rural Development Unit has been set up in the "Bank" which is attempting to coordinate individual rural development projects into a more integrated package.

5. The Overseas Development Institute, London, in conjunction with Reading University is attempting to test the transferability of rural development approaches from one country to another. They are currently testing six propositions in India and East Africa.

a) In the earlier stages of development there must be some unit of management that provides direct access to technical advice, engineering service, supplies, credit and marketing arrangement. (This is very similar to French's definition of an intermediary.)

b) In areas where there is a great gap between the rich and poor, management services must come from the outside.

c) The management of external services to the farmer should be controlled by an agency responsible for both technical programs and agricultural investment.

d) Any staff should be controlled by a definite structure, and not by reliance on the goodwill and administrative tact of a mass of junior staff with differing departmental allegiances.

e) Any cooperative must be defined precisely with a specific policy objective and related to the local environment.

f) In any elected local committee a distinction should be made between popular participation in development and politicization of the rural areas. (23, p. 246).

6. A seminar on small farmer development strategies, sponsored by the Agricultural Development Council, was held at Ohio State University. The objectives of the seminar were: (1) to assemble information on some rural development projects for purposes of comparison, (2) to attempt to draw from these cases patterns of success and failure, (3) to outline an analytic framework for small farmer development analysis, and (4) to identify priority issues for further research. Thirty participants with backgrounds in economics, sociology, and political science attended. (40, p.5)

IV. Components of Rural Development:

Before discussing the essential elements of integrated rural development, a distinction should be made between those projects which are integrated and those which are not. Historically, most approaches to rural development have been non-integrative, i.e., a particular constraint was identified in the rural sector, usually one thought to be inhibiting agricultural productivity, and it was attacked. This rather narrow approach was typical either because the LDC or the developing agency within the LDC had limited resources or because the local environment made an integrated approach impractical.

French describes the limitation of resources rationale:

"Since very few intermediaries are sufficiently well endowed to permit them to cover the entire spectrum of possible activity or to reach all members of the target population, the most effective ones tend to concentrate their efforts. This is not inconsistent with the basic history of foreign assistance for local development purposes. Almost invariably initial large programs have tended to become more concentrated as awareness of the difficulties and cost of achieving results on a large scale has increased." (2, p.?)

The other condition which leads to narrow projects is that the local environment is such that no integrative approach is possible. For instance, during its short lived existence on the mainland, the Chinese American Joint Commission on Rural Reconstruction was designed to deliver a series of coordinated, integrated attacks on the total range of problems of a chosen rural community. "The core idea was to mount in pilot local communities a set of related activities such as adult education, land reform, agricultural extension, rural health, and local administration improvement, to be implemented more or less simultaneously." Alderfer points out that because of deteriorating conditions on the mainland and the forced move to Taiwan, this wholistic approach to the rural community was laid aside in favor of a more pragmatic program oriented to specific production-action values implemented through narrower and more direct

"projects". (53, p. 19). Other examples of the non integrative approach would be the Colombian community development program and the Peruvian Supervised Credit Program.

Throughout the literature there seems to be broad general agreement as to what exactly are the essential elements of rural development. In a general way, one might look at these essentials as the elimination of certain restraints which are impeding rural progress.

Lunan has identified four types of these restraints:

technical-shortage of water or fertilizer and/or presence of tsetse fly, lack of suitable crops and stock/infrastructure-lack of road and other communications, social-apatetic attitudes of the people, lack of knowledge institutional-lack of credit, farm supplies or available markets. (64, p.3)

Phrased positively, Lunan has identified the components of rural development as: technical knowledge, communication, physical environment, incentive of community, access to markets, an adequate land tenure system, an extension service, the farmer's ability to obtain inputs, an institution for the distribution of credits and inputs, and limited outside assistance. (64, p. 3)

Carroll Streeter in Reaching the Developing World's Small Farmers is more general in listing technology, persuasion, whole system effort, land, credit, materials, markets, and organization. (45, p. 69-71). R. T. MacMillian, basing his listing on Mosher's Getting Agriculture Moving, contends that there are ten elements: Land Tenure, Farm Credit, Land Improvement, Rural Education and Research, Transportation, Health and Family Planning, Trade Manufacturing and Services in Rural Areas, Rural Organizations, Production Incentives, and Planning. (47). Raniner Scheckele says that there are five basic needs of farmers for bringing about a rapid rate of progress; local transportation and marketing facilities; research and extension services; credit and marketing services; price and cost incentives; and a favorable rural social environment. (43, p. 64). In a paper entitled "Integrated Rural Institutional Development for Providing Government Services to Agriculture," D. C. Kimmel notes that success to date in the preparation and implementation of integrated rural development projects has been less than expected and identifies seven problem areas which are likely to be involved in most rural development projects and which should always be considered by planners. These are: "(a) inadequate opportunities for productive and remunerative employment; (b) lack of town-like amenities in the country; (c) inadequate involvement of people in the preparation and implementation of plans, programs

and projects intended for their own betterment; (d) inadequate transportation, communications and electrification; (e) deficiencies in general education, technical education and training; (f) failure to recognize the problems and gear programs to the needs of rural youth; (g) lack of plans, policies, organizational and institutional arrangements for efficient use of resources in the promotion of development."

But perhaps the most useful typology is that given by A. T. Mosher in "Projects of Integrated Rural Development." Mosher presents a list of the elements of the system of overall agricultural development (see Col. A Table I). (Column B lists the kinds of activities included in one or another of most integrated agricultural or rural development projects and shows the relationship of these to the elements of the overall agricultural development system depicted in Column A. Items B 1-6 are the various activities that comprise "agri-support" activities. It is these activities Mosher says, that make up most integrated agricultural development projects. Items B-7 to 16 do not increase agricultural production but they do raise the standard of rural living. However, since integrated projects rarely include schools, local government, or religious activities, most projects normally include a combination of Items B 1-13, "depending on which ones are considered to be needed locally and are feasible for the project to undertake." (29, p. 2).

According to Mosher, this typology makes it possible to identify six major types of integrated projects, each type of which consists of different combinations of elements from the A and B column. Type I consists of projects which are aimed at changing the current land tenure system. It usually is necessary to include all agri-support activities (B 1 to 6) that aren't yet functioning in the area. Type II consists of projects which introduce a new irrigation system (A V). Other elements are selected from within the same range as Type I. Type III consists of projects in which one element is the opening of new agricultural lands to settlement.

(The last three types of projects do not include any elements from Column A except for some rural agri-support activities and are limited to elements of Column B.) Type IV consists of item B 1-4 and concentrates on agricultural development. An example is the Intensive Agricultural District Program in India. Type V projects have as their objective rural development but with emphasis on raising personal incomes. Mosher says that the Israeli technical assistance agency has been active in supporting this type of project. Finally Type IV consists of projects concentrating strictly on non-agricultural rural development

Table 1 ^{1/}

Elements in Various Integrated Projects
of Agricultural or Rural Development

<u>A</u>	<u>B</u>	<u>C</u>
<u>Overall Agric. Development</u>	<u>Project Activities</u>	<u>Types of Integrated Projects</u>
I Research		
II Producing or Importing Farm Inputs		
III Rural Agri-Support Activities	<u>Agricultural</u>	1. <u>Agricultural development project</u>
IV Production Incentives	1. Markets for Farm Products. 2. Retail Outlets for Farm Inputs 3. Production Credit 4. Extension Education 5. Local Verification Trials 6. Farm-to-Market Roads	
V Land Development		2. <u>Rural development projects with an agricultural component (Selections from among B 1-13)</u>
VI Training Agricultural Technicians	<u>Non-Agricultural</u>	
	7. Rural Industries 8. Rural Public Works 9. Community Development Construction Project 10. Group Activities--Recreational --Cultural 11. Home Life Improvement Extension Services 12. Health Facilities 13. Family Planning Programs	3. <u>Rural development projects without an agricultural component (Selections from among B 7-13)</u>
	14. Schools 15. Local Government 16. Religious Activities	

1/ Source: Seminar on Small Farmer Development Strategies
 "Projects of I.R.D."
 by A. T. Mosher
 Agricultural Development Council New York, N.Y.
 Ohio State University Columbus, Ohio
 Sept. 13-15, 1970

(B 7 to 13 only) because either the agriculture sector is in good shape or it is so bad that it is written off as unimprovable. (29, p. 2-4)

Necessity for an Adequate Land Tenure System; It would seem that Mosher had good reason for labeling his first type of IRD project as one which aims at changing the current land tenure system. In the entire literature of rural development, the one thing on which there is broad consensus is the need for an adequate land tenure system. Mosher has defined such a system as having five characteristics: 1) it should encourage putting each field to its most productive use, 2) it should provide adequate incentives to maintain and increase soil productivity, 3) it should enable farms to change size in response either to technology or the size of the working force, 4) it should provide for mobility into, and out of farm operations and 5) it should be compatible with welfare goals of a social and political nature (56, p. 619-620).

Alderfer has described how the Chinese-American Joint Commission on Rural Reconstruction recognized land reform as essential and made it its first priority. Koteen (AID) has noted that a poor land tenure system is preventing the success of the CADU project in Ethiopia. The UN Symposium on Integrated Rural Development in one of its few specific recommendations said that without an adequate land tenure system an integrated rural development project probably would not succeed. In a review of Rockefeller sponsored projects, Carroll P. Streeter has described how in El Salvador attempts to establish a viable rural credit system were frustrated by the very high rent that farmers had to pay for their land.

But if one regards rural development projects as having an orientation towards social justice as well as agricultural productivity, then land reform has social as well as narrow economic implications. Land reform usually eliminates or weakens the power of the traditional landed elites who control most peasant societies and who usually block efforts at rural development because such plans threaten the prestige, power, and wealth of their class. The distribution of land temporarily assuages the land hunger of peasants and also ties the peasantry to the new political and social order. (43, p. 357)

Agents for Integrated Rural Development: Perhaps the most sophisticated typology for the types of organizations that could initiate an integrated rural development program has been done by the Office of Development Administration, AID under the direction of Jerome French. French uses the term intermediary to refer to organizations or mechanisms which serve as linkages between development resource providers and ultimate users. (2, p. 1)

Table 2

Matrix of Most Significant Causal Factors

	Servicios	JCRR	EPARD	IBAM	RCPC	Vietnam Local Govt.
1. Leadership quality	low generally	high	high	high	high	low
2. Donor/Recipient/ Clientele Mutuality of Interest	variable	high	variable	modest	high	low
3. Basic Environmental Factors	adverse	advantageous	adverse but overcome	adverse	advantageous	adverse
4. Utilization of Past Experience	low	high	high	fairly high	high	generally low
5. Autonomy - (Freedom of Action)	high	high	mixed	limited	high	generally low
6. Legitimacy - (Acceptance of Role by Others)	variable	high	variable	mixed	high	low
7. Basic Resource Endowment (Funds, Manpower, Expertise)	high	high	modest	modest	high	high
8. Managerial effective- ness (How well resource endowment utilized and expanded)	modest	high	high	fairly high	high	low
9. Use of other Organi- zations (extension and outreach)	limited	high	high	mixed	mixed	mixed
10. Degree of Congruence and integration with broader interests, policies & programs	mixed	high	mixed	low	high	mixed
11. Extent of concen- tration on dispersion of resources	mixed	concentrated	concentrated	mixed	concentrated	mixed

* See Sources Item 2

His study concentrated on five case studies and maintained that an intermediary of some sort was necessary as an integrating factor. In all cases, its function was to facilitate the delivery of outside resources in a usable form to local levels and to combine them with local resources to achieve desired results. "Resources included such tangibles as capital, and technical assistance but also such intangibles as legitimacy, information, political support, etc." (2, p.2)

According to French his working group concentrated on four different types of organizations: bi-national-Servicios in Latin America and the Chinese-American Joint Commission of Rural Reconstruction, host government-the Philippine Rice and Corn Production Coordinating Council, semi-independent-Comilla, and non-government organizations - The Brazilian Institute of Municipal Administration. They then analyzed the studies to identify the positive and negative causal factors relating to success or failure of the organization. Three factors seen as being independent in the sense that their presence does not depend on any of the other factors, and may not be controllable by them. They are: leadership, mutuality of interest, and environmental factors. Five factors were identified as partially dependent because their presence as a positive causal factor in determining the organization's effectiveness does not lie wholly with the control of its leadership. These factors are: legitimacy, autonomy, resources available, congruence, and the use of other organizations. Three factors were classified as wholly dependent since they are determined by the leadership of the organization. They are: use of past experience, managerial effectiveness, and the extent of concentration of resources. According to French, the intermediaries with the highest presence of positive causal factors were the Joint Commission on Rural Reconstruction and the Rice and Corn Production Coordinating Council. See Table 2.

In his paper on the findings and the implications of the five studies, French maintains that the single most important factor for the success or failure of any project is the quality of leadership provided by the host country. For instance, in his study of the JCRR, Alderfer points out:

The fact that the five Commissioners were appointed by the presidents of the two respective countries gave the JCRR at the outset the dignity, prestige and operating strength which relatively few aid mechanisms have received. (53, p. 35-36)

It is noted in the study of the PCPCC that the leadership appointed to that council by the president gave the council a force of authority that it would not otherwise have had. In fact, when interest in the part of the president waned, the council became less effective. This seems to be a common characteristic of all rural development projects: as soon as the national leadership loses interest in the work of a particular project, the effectiveness of that project begins to decline. Whatever the cause, the basic interest, motivation and orientation on the part of national leaders will have to be carefully considered before any project is initiated.

As French has pointed out:

There was ample evidence from past experience that the political leadership has a natural propensity to make heavy resource investments in crash efforts during crisis situations but to divert resources elsewhere once the crisis passed.

Leadership on the local level is just as important, perhaps more so, than national leadership. Obviously it must first represent the interests that one expects it to serve, but even in some of the most successful rural development projects this has not always been the case. In Comilla, for instance, Alderfer has shown that while the leadership exercised by Dr. Khan, the leader of the academy, and some of his associates were extraordinary, the same could not be said for some of the local union council members in Comilla and the surrounding Thanas. It was these people who controlled the allocation of resources in the labor intensive rural works program and according to Rehman Sobhan, council members were "overwhelmingly drawn from the top 10-15% of the income strata of the rural areas.

French in speaking about council leadership has pointed out:

There is little pressure on the Council Chairman to involve those below him in other than a controlled capacity... A venal chairman could further consolidate his dominant position by using his control over the rural program to secure bribes, kick-backs and other pay-offs; to serve as or control the activities of money lenders in the absence of effective alternate credit sources; to control selection of road sites, location of markets, licensing of market operators and so on... In fact, the rural works program has not substantially increased income levels and there is evidence that the position of subsistence farmers has been adversely affected. (54, p. 26).

Assuming for the moment, though, that one could identify and place into power leadership representative of and responsive to the class they are supposed to serve, there is a further problem of making that leadership self-sustaining. Alderfer and others document how Dr. Khan and the rest of the Comilla academy carefully and patiently were able to identify the natural leadership at the local level and by doing so were able to build more deeply into the local society. Yet the fact that attempts to duplicate the academy in other Thanas have been largely unsuccessful, may indicate that when highly charismatic leadership is relied upon instead of some sort of institutionalized framework, the chances of success of a rural development project will fluctuate widely.

However, charismatic leadership is better than either false leadership or no leadership at all. Carroll Streeter describes how one Pedro Caprenedo, the president of a small cooperative in Brazil, travelled 1,300 miles to Rio and overcame all sorts of obstacles to obtain credit for his farmers. (45, p. 28) Caprenedo's fortitude is not exceptional in the history of rural development. Natural local level leadership seems to be present in abundance just as long as it is allowed to emerge. What does seem to be exceptional are rural development institutions like Comilla which both allow and encourage this local leadership to emerge. Perhaps one of the reasons that the JCRR was so successful was that the grass roots cooperatives were highly organized and yet still representative of the tenant class they were supposed to serve. But for the most part, rural development projects will not be set up in a climate as favorable as that of Taiwan's so the problem will not be to link sophisticated national leadership to responsible local leadership, but to identify and develop a local leadership that can implement a particular rural development plan. Ralph Cummings of the Rockefeller Foundation has gone so far to say that if a proposed project lacked the type and degree of local leadership necessary for its success then the Foundation would probably withhold its sponsorship. In the same vein Cummings noted that the Rockefeller Foundation was currently funding two feasibility studies on rural development in Indonesia (Gajamada University) and Thailand (Thammarsart University) and that they probably could be designing the project faster than is being done now, but would prefer to have it done slower and have local leadership and initiative emerge.

Planning: If the quantity of the material available is any indication of the importance of the subject matter, then the role of planning is one of the most important aspects of any rural development program. R. T. MacMillian has criticized current planning for rural development projects as ineffective because local citizens lack an understanding of objectives, adequate knowledge of procedures, and are generally uninvolved in the planning process, thus being less likely to participate in any implementation phase. He notes also that too much planning, either by the host government or an international assistance agency, is performed without adequate

analysis of the problem, investigation of appropriate alternatives, and lacks consensus regarding the most effective solution.

Yet if a rural development project is going to succeed, there is general agreement that the planning will have to be done more comprehensively than it has in the past. Lunan has noted that planning for an integrated rural development project should consist of three basic considerations: 1. Identification of the necessary components of development and the constraints to development, 2. Selection of priorities and the phasing of a plan which will take those priorities into consideration, and 3. Selection of the area for development.

Lunan says there are four constraints to development: technical, infrastructure, social, and institutional. In the past both local agencies and international aid agencies have developed a high degree of competence in identifying technical constraints at the expense of other constraints. The planning phase is the stage where these constraints must be identified and a judgment made as to whether or not they can be overcome. Ralph Cummings, of the Rockefeller Foundation, has said that he thinks it is probably only in the planning stage that an integrated approach can really be used. After the primary constraints are identified, a planner can best determine the allocation of resources. Once allocated however they probably would be more effective under separate control.

Lunan has said that there are six possible ways to organize planning: expatriate planning teams, national planning units, ministerial planning units, university planning units, local planning units, and regional planning teams. Each type of unit has inherent virtue and faults. If an expatriate planning team is employed, while they may produce logical plans, they may fail to take into consideration felt local needs. French has noted that the initial planning for SRDP, Vihiga, Kenya was done well by outside experts but because elements of the local government did not participate in the planning, they were reluctant to participate in the project. (61)

Nellis has noted that while university planning units are usually more free from political pressures and can take a more objective and wider view than a ministerial unit, in practice, they have sometimes been inclined to be too theoretical and to avoid the practical details of planning. Their plans tend to dwell on principles and broad outlines and often do not provide sufficient detail on the administrative framework needed by the program. (64, p. 6)

Local planning units are usually inexperienced in planning and the plans tend to become shopping lists of projects. Typically there is little understanding or concern for either manpower and financial considerations or of the relationships of the plan with national policy. In order to overcome these problems, some have suggested regional or provincial planning teams which would provide a scale of planning smaller than the national, but large enough to include all the forces that shape growth. At the same time it would be small enough to go into detail on the project level and to come up with operational development programs which cannot be properly dealt with by planning at the national level. (64, p. 6) A similar proposal has been made by Raanan Weitz in his book From Peasant to Farmer. One requirement is that the planning body of the implementing organization be capable of coordinating national objectives with the needs and possibilities of the region in which the planners work. This requires the establishment with the region of an interdisciplinary planning team containing experts of various professions that are relevant to the formulation of the regional plan. This team should receive its terms of reference, i.e., the national objectives and constraints, from the policy-makers at the national level. Even these terms should be modified through a continuous dialogue between the regional team and the national planning authority. Within this framework, the interdisciplinary team can formulate a comprehensive regional plan that includes the establishment and development of institutional structures, the integration of different sectors, and the translation of the overall development plan into concrete projects worked out in detail to the point where they can be implemented.

But while there may still be debate on the best approach to planning, there is a general consensus on the quality of the planning approach. Wietz has noted that all planning for rural development should be integrative, dynamic and in some way, it must involve local leaders. There must be some horizontal coordination but most important is the necessity for what he calls an "activating-activated relationship."

Creating a direct relationship between those who are responsible for development planning (the activating) and those for whom the development effort is made (the activated) is the cardinal principle of institutional planning. It is this direct contact which provides the development team with the knowledge and the "feel" of those factors which elude analytical tools. (43, p. 99)

Probably some of the most valuable work that is being done to develop a planning process which could be used in a more rational

development policy is being done by the Agricultural Sector Implementation Project under the direction of Dr. Albert Wasterston. While not yet complete, the project under the sponsorship of AID, is attempting to "bridge the gap between planners and farmers by improving the planning, implementation and management capabilities of those in the developing countries." (47, p. 1) Eventually assembled information about how to formulate, implement, and maintain programs for the agricultural and rural sector will be incorporated in a course of instruction and will be taught to agricultural managers in the LDCs.

One more thing should be said about planning, - the time element. Weitz stresses the importance of a time schedule in the course of implementation. The main purpose of a planning schedule is to insure that resources for implementation are available when and where they are needed. Another reason for linking the planning program to a time schedule is that it makes it possible to check the rate of development attained during any period of time.

V. Organizational Structures

While there is general agreement that Mosher's typology provides a useful framework for classifying integrated projects, there is little if any agreement on what shape an organization should take to effectively initiate a rural development project. Most of the articles reviewed recommend no specific model as universal. Instead there is a constant hammering on the idea that every rural community is unique and so an institution for rural development must be equally unique. There does, however, seem to be some agreed upon principles which might be worthwhile to enumerate.

The 1970 FAO conference on Integrated Rural Development concluded that no matter what the organization structure provided, it must be linked with the civil administrative system at all levels so as to insure that agricultural development would be closely linked to the overall effort for rural development. The symposium did not give an example of where such linkage had been achieved so one must assume that this would be the ideal situation. Most of the rural development programs available for examination show that any linkage with the regular administrative structure is usually infrequent and confined to specific areas which are essential for the program's success.

The symposium did reach a conclusion that was separately arrived at by French's task force, that is, that there must be some intermediary outside of the already established structure which will direct the specific rural development project. The symposium

conceptualized this as a "local agricultural development center." Such a "center" should not be an extension downwards of regular government services and yet it should have direct lines of communication to the national level. The leadership of this agricultural agency should be independent of local authority and headed by an administrator rather than a technical man. The validity of this conception was not reviewed.

Mosher raised the point that there is an assumption that all integrated rural development projects are inevitably public projects. While health programs would normally belong to the public sector, there are others like credit, which do not necessarily have to be included in the public sector. What is important he says is that the particular agri-support service be readily available nearby and that the farmer has a choice among two or more merchants or leaders. Mosher goes on to say.

Farmers tend to distrust all middlemen, whether private, cooperative, or governmental, and particularly if they have no choice among them, yet it must be recognized that there is a natural tendency toward monopoly wherever the size of functioning farming localities is small due to rudimentary transportation, and communication facilities. Where such monopoly exists and it would be uneconomic to overcome it, public regulation is the only partial solution. (27, p. 7)

While most discussions on the organizational and structural characteristics of rural development intermediaries is vague, Alderfer has done some work in his paper on the Chinese-American Joint Commission on Rural Reconstruction (JCRR) which might have applicability to the design of new rural development intermediaries. Alderfer notes that it had four structural characteristics and seven operating principles. The structural characteristics are bi-nationality, jointness, semi-autonomy and a permanent secretariat and unified staffing. Of these, it would seem that semi-autonomy and some degree of unified staffing would be essential for any comprehensive rural development project. Alderfer documents how the JCRR because it was uniquely bi-national was assured semi-autonomy in terms of internal organization, funding, procedures and programming. "As these were clearly not inconsistent with the intentions of the two governments, the JCRR was able to manage its affairs and programs in its own terms of reference with only minimal involvement with the procedures and inhibiting influences of standard governmental bureaucracies." Alderfer stresses, however, that any semi-autonomous device can operate outside of the authoritarian system so long as its goals are consonant with the objectives of the regime. This is what French means by mutuality of interest and this is why all autonomy must of necessity be qualified as semi-autonomy.

The principle of unified staffing seems to be a characteristic not only of the JCRR but of most other successful rural development projects as well. Alderfer in a separate paper on Comilla describes how the unity of training, research and action were more readily achieved because there was a unified staffing pattern. (54, p. 28).

The eight operating principles which Alderfer sees in the JCRR were unanimity of decision-making, non-competitiveness with other agencies, multi-level and multi-sectoral range, project reliance on local sponsoring agencies, a pragmatic project approach, a unified personnel policy and semi-independent funding. Unanimity of decision making does not seem to be essential for a rural development project; effective decision making, however, does. Non-competitiveness with other agencies seems to be an essential operating principle though it might be more realistic to try to keep competitiveness within bounds or establish some grievance resolving machinery.

Alderfer describes how the JCRR had no competition for funds or staff since it had its own designated sources which were used to complement and cooperate with other rural development efforts. A multi-sectoral range would seem to be important as would a project reliance on local sponsoring agencies. One of the reasons that Comilla can be rated a successful rural development project was because it was multi-range and it touched the most localized elements of rural society. Likewise, the JCRR was not an operating agency in the standard sense of the term; i.e., its business was to supply technical assistance and financing to projects it deemed valid which were to be carried out and maintained by a wide variety of local and regional entities.

Both the JCRR and Comilla employed a pragmatic project approach. The JCRR criteria for project selection, for example, were demonstrated need at the local level, arrangements for satisfactory distribution of accrued benefits from the project, the presence of a qualified and effective local sponsoring agency, project feasibility and provisions for frequent inspections and audits. As general principles, they would seem to be applicable to any project, so too would a unified professional personnel policy and semi-independent funding. Alderfer describes a provision in the original JCRR agreement which allocated 10% of the total of U.S. aid to agriculture and rural development. This provided a firm baseline and assured the funding continuity of the organization. Furthermore, control of the funding process was relatively simple and direct and more expeditious for project needs than would have been the case in traditional bureaucratic management. (53, p. 16).

VI. Selection of Site and Size for a project

The FAO Symposium considered the question of site selection and recommended that an area of 650 - 1300 square kilometers with 10,000 to 20,000 households would be a manageable area. Mosher in a separate paper argued that the optimum size for an integrated project would be a farming district:

We begin with the fact that the virtue of any integrated project is that it makes a set of complementary services conveniently available to rural families and that it facilitates intimate interaction in matters related to the satisfactions of rural living. These considerations define the importance of the farming locality which is the land area that can be conveniently served by one "service center"; one place (usually a small market town) at which there are an established market for farm products, local outlets for farm inputs and production credit, and the services of an extension agent. (29, p. 5)

Mosher then goes on to note a basic conflict in any project selection:

"on the one hand, convenience to farmers dictates having each locality as small as possible; on the other hand economy in providing each service is increased by having each locality as big as possible."

"The other reason why integrated projects servicing only a single village or a single farming locality are too small is that local facilities must themselves be serviced by wholesale facilities, supervision, and (in the case of production credit) by rediscounting banking facilities. The farming district is the smallest land area that can provide the farming localities within it with these wholesaling, supervisory, and rediscounting facilities and is, therefore, the "natural" optimum size for an integrated agricultural development project. (29, p. 6) The actual optimum size for a farming district will vary widely from place to place. Normally it will need to be large enough to include at least the farming localities and to include at least twenty to twenty-five extension workers (since that is the minimum number for effective and continuous in-service training). The upper limit is set by convenience in supervision and serving from the district headquarters. In general terms, this means that the optimum size will normally lie somewhere between 1,000 and 3,000 square miles. At that size, an integrated project can take advantage of most of the economies of scale of large projects, and is of a size that is appropriate for multiplication in additional units of similar size in other areas of the type to which it is suited." (29, p. 6).

Apart from consideration of size, Mosher also argues that project selection should be determined by trying to identify the type of project needed for an area rather than finding an area for a specific type of project. He distinguishes between three types of projects: those with immediate, future and low growth potential. Areas with immediate agricultural growth potential are usually dependent only upon an infusion of technology for a significant breakthrough in growth as for example the introduction of the new strain of seed or fertilizer. Areas with a low agricultural growth potential, Mosher feels, probably would be more appropriate for a non-agricultural integrated project such as the development of health facilities. Areas with only future agricultural growth potential would not benefit from any integrated agricultural development project and instead should concentrate on research to identify and alleviate its basic constraints to production.

As Mosher says:

"When the research or irrigation or transportation access that is the immediate need has been completed, then the content of project in such areas can be expanded to include appropriate elements related to agricultural development." (29, p. 5)

One important idea to keep in mind whenever a site is being considered is whether or not the choice of a particular site will be conclusive to a project's replicability. Aside from other considerations, both Comilla and the Puebla project in Mexico were designed in such a way as to be applicable to other parts of the country. Comilla has been tried in other Thanas but without much success probably because the leadership of Dr. Khan seems to have been so crucial. The Puebla project has enjoyed better success in replicability.

VII. Generating Popular Participation

Any project, whether it has an agricultural or non-agricultural orientation, needs a certain amount of popular participation if it is going to be a success. While it is true that most if not all rural development projects are not self initiated but imposed from the above and outside, it is also true that those that endure have the benefit of considerable participation by rural people in modifying the program over time and even in administering it. How then does one mobilize participation? The FAO symposium recommended that, depending on the dynamics of the situation of each country, the following means could be used:

- A) small groups of people involved in and benefitting from specific production oriented activity programs such as tube wells;
- B) voluntary people's organizations acting as animators or catalytic agents;
- C) field demonstrations of new technology supported by farm broadcasts with provision for feedback and a two-way channel of communication;
- D) adult education programs with special emphasis on functional literacy (68, p. 15)

Of these, perhaps option B would be the most effective. In a paper entitled "Effectiveness of Multiple-Function Farmers' Organization for Agricultural and Rural Development -- Farmers' Association in Taiwan", Yu Kun Yang, the chief of the Farmers Service Division of the Joint Commission on Rural Reconstruction, gives a detailed discussion on how farmers cooperatives on Taiwan were instrumental in the success of the JCRR. Basically, it facilitated the provision of information and services to the individual. The cooperative's role in providing services and disseminating information reduced the burden of individual education that the government would have had to take on. It was a sustaining source of information for the farmer of refresher information about modern agricultural methods, credit and the inter-agencies established by the land reform law. Almost the whole range of rural needs was serviced through these agencies with facilities at the township level which were directly accessible to virtually every farm family. Also, the many functions were performed at considerable savings in what is essentially a cooperative format. Not all countries, though, have the sophisticated cooperative organization that Taiwan does, but the lesson seems to be that, if at all possible, they should be developed.

One important caution to observe - there is a tendency of any rural development project, but especially the capital intensive ones, to eventually benefit the surplus farmer at the expense of the subsistence farmer. For instance, Alderfer notes that the union councils of East Pakistan (Bangladesh) may be considered somewhat analogous to the farmers association of Taiwan, but "there is considerable evidence to support the thesis that the surplus farmers in East Pakistan exercise an undue influence in diverting government programs to their market-oriented interests, leaving the subsistence and near-landless farmers with insufficient means to benefit from Government programs." (54, p. 12) As noted earlier, a similar thing happened with the ADAP program to increase food production in India.

It is also important to remember that whatever the approach, participation means more than just popular participation. If any rural development project is going to have a sustaining quality it must eventually be incorporated into the present governmental system. Mosher notes that a special administrative problem has to be faced whenever a pilot integrated project is launched completely independent from the regular administrative structure of the government. While one can make a case for innovative freedom, experience has shown that governmental officers look upon independent projects as implicit criticism of their own established activities and are sometimes eager to see them fail. Mosher says, "it is worth taking considerable pains to have the initial pilot project not only approved by, but administratively related to an established unit of governmental administration from the beginning." This might be called generating popular governmental participation.

VIII. Funding a Program/Role of Credit

Funding for the JCRR was semi-independent and was guaranteed over a period of time. This is not a typical situation and probably not applicable to many other types of aid projects. What seems to be more common is either competition between local development agencies for funds or no funds available at all. Like most other aspects of integrated rural development, writers on the subject say that there is no agreed upon approach and that the choice of financing a project is dependent upon local conditions.

No matter what the approach employed, however, there is agreement that the dispersion of any excess funds collected not go to the surplus farmer. For instance, it was the intention of Dr. Khan and government leaders to develop a central cooperative association like that of Comilla in all 411 thanas throughout the country. Yet Alderfer, while praising the efforts of Dr. Khan, emphasized that there was little to indicate that the province-wide program was fortified by the overall political and social philosophy of Comilla or that the new cooperatives would be able to fend off the domination by the surplus farmers to the detriment of the near-landless. (54, p. 13) Other rural development projects in that thana, like the rural works program, concentrated on the type of road building that tended to benefit the surplus farmer. The Water and Power Development Agency had "little interest and no expertise in who uses the water it develops" and "defers all the problems of social and economic organization and plays into the hands once again of those relatively few quick enough to cash in on the benefits." (54, p. 13) French documents how the Rice and Corn Production Council of the Philippines concentrated on farmers with high resource endowment as opposed to the more marginal ones. Thus, there seems to be a tendency for

any program to eventually drift toward the surplus farmer or what Mosher called "an area of immediate growth potential." The designers of a financial support system should be aware that this is a tendency in any rural development program.

Because all agriculture has as its immediate or long-term goal increasing production, it is perhaps understandable how resources such as credit could gravitate toward the surplus farmer. Yet the design of any credit program, as Dr. H. Belshaw has noted in Agricultural Credit in Economically Underdeveloped Countries, should be:

"Not considered in isolation but as part of an integrated process of economic development and social betterment applied in such a way that rural populations share in the results. Efficient systems of agricultural credit are necessary if agriculture is to make its contribution to national improvement. But credit will run to waste, or its contribution will be limited, unless it is supported within the rural sector by other measures, as well as by the growth of the other sectors of the economy."

When a credit program is devised in isolation from other sectors of development, there is a tendency to get a situation similar to the Peruvian supervised credit program where (1) high payoff technology did not accompany additional credit, (2) borrower selection and debt collection responsibilities were separated and (3) program objectives led to credit being granted as a political sop with a resulting high rate of default. (40, p. 18) Even in a pilot program in Southern Brazil, where the repayment percentage was excellent, the production problems faced by the small farmer were more complex than originally thought and overall there was no substantial increase in productivity as a result of the use of credit. The appropriate technology was not available, the extension knowledge base was too thin, and participating agencies did not see enough production increase to develop support for further efforts. (40, p. 19)

It would seem obvious then that no matter how good and sophisticated the credit program, it stands a good chance of failure unless supportive factors are built around it. The small farmer credit issues paper drafted by AID supported the notion that credit institutions built around an integrated program such as regional development or a settlement authority rather than a functional speciality would have a better chance of success:

proliferation of semi-autonomous regional and crop authorities presumably becomes undesirable eventually, and functional specialization appears inevitable. But to concentrate scarce managerial and financial resources by priority region or crop program made sense initially. Among other things, it allows planners to identify clear and unambiguous project objectives (69, p. 17)

The draft went on to recommend that regardless of the institutional form that credit services might take, rapid multiplication of the program to the majority of small farmers depends on the following elements: 1) taking advantage of group rather than individual activity whenever possible. Not only does that bring administrative costs within tolerable limits, but it develops a cooperative ethos usually not present among small farmers. 2) there is a need for considerable government control to improve management but also limit usurious lending practices by the private sector. 3) some degree of forced savings program similar to those in Korea would seem to be necessary if credit resources are to expand. 4) Programs must be designed specifically for the small farmer.

IX. The Role of Aid Donors in Projects

Given the premise that integrated rural development projects are possible and that they are beneficial for the country that initiates them, what is the role that a donor country or institution could play to facilitate them? While it is difficult to suggest specific proposals for a donor agency there does seem to be general directions which are worth investigating. Some of these areas have been under investigation for a long time while others have been barely touched upon. They are:

1. A More Careful Degree of Project Selection by the Donor Agency: From the previous discussion of political will and the historical experience of rural development projects which lacked strong central government support and leadership, it seems obvious that unless LDCs are committed to the success of their rural programs and are willing to give them sufficient backing, little real progress can be achieved no matter what the outside contribution might be. Yet in the past, donor response to aid requests have often been granted without sufficient study of the political climate or of a proper evaluation of who the project was supposed to benefit. As R. T. MacMillian has said of past assistance efforts:

For better or worse, international assistance agencies have extended large amounts of economic and technical assistance to LDCs without much impact on per-capita productivity, income and living conditions, especially in rural areas. This generosity may not continue indefinitely

unless recipient countries themselves begin to provide the essential environment which is more conducive to overall development. The donor countries, in adhering to the "no-interference" doctrine, have overestimated the absorptive capacity which contains too few of the essential elements for accelerating agriculture and rural development. (48, p. 19)

Thus in the future donor agencies should be more selective in responding to requests for assistance.

When government is willing to institute modernizing policies, then we can help with some confidence that a more humane society will gradually evolve. Where development is concentrated among the few, we should not feel constrained to help, even in the name of anti-communism. (48, p. 159)

This type of project selectivity would probably demand a greater flexibility on the part of the donor agency and more intimate relations with the recipient. Whether this is possible at a time when many donor agencies are reducing their budgets and their overseas staff is difficult to say. In the Vihiga Special Rural Development Program, for example, a permanent on-site evaluator from the staff of the Institute for Development Studies had to be canceled because of budget considerations (62, p. 12). The fact remains that unless there is on-site representation which is both professional and culturally sensitive, donor agencies will be making blind choices. In analyzing any rural development project, along with traditional economic factors, donor agencies will have to weigh non-economic ones as well, and this simply cannot be done through traditional economic project evaluations. For donor agencies, the question of political will have to receive as much attention as economic considerations. This obviously is a sensitive issue that is potentially volatile for donor-recipient relations. However it would be better for the recipient government, the donor, and the people that a project is supposed to benefit if some determination could be made that there is sufficient political commitment for a project to be a success.

2. The Donor Agency Must Evolve and Accept a New Definition of Economic Progress:

Dr. Arthur Coutu, North Carolina State University, made the very good point that for many of the leaders of developing countries, projects of integrated rural development simply would not be acceptable because the problem of food production is so pressing that all development efforts must be focussed on that. However, except for cases like sub-Saharan Africa, it seems that the distribution of production and the development of non-productive rural services would be almost if not equally as important as production. In fact, if there is one thing responsible for

growing interest in the concept of integrated rural development, it is the realization that the Green Revolution did not necessarily mean that all will share equally in the general increase. It is necessary to devise methodologies more sophisticated than the ones currently employed.

Owens has put it:

"Economists are presently working almost entirely with statistics which present national totals, such as GNP or national averages such as per-capita GNP. A number of topics should be added to the conventional economic analysis of which the most important are job creation, income distribution, the relative costs of capital and labor, and the influence of these on the pattern of savings and investment by small producers. In addition, economists should analyze development from the bottom up as well as from the top down. For example, there are now a number of excellent studies of overall agricultural and industrial development in Taiwan. There is barely a handful of studies on development from the point of view of individual Taiwanese farmers or small businessmen, or the township farmer cooperative, or industrial expansion in an individual market town, or the development of local consumer goods industry. Yet, these are the problems which interest individuals and local communities." (42, p. 160)

Beyond developing analytical tools which are more precise economically, there is also the need to develop some indicators of progress which go beyond economic definitions. AID currently has a contract with Iowa State University to develop social indicators. They have been defined as "a statistic of direct normative interest which facilitates concise, comprehensive and balanced judgment about the condition of major aspects of society." (57, p. 4) Applied before, during and after the completion of a rural development project, such statistics may offer a way to measure non-economic and subjective factors which are part of "the quality of life". The Iowa contract is not yet complete but it will be extremely difficult to apply a universal social science methodology to different social situations. However, new approaches should be explored. The social indicators, if refined earlier, would have been extremely helpful on some past projects.

More micro-economic studies and measurement methodologies like the social indicator movement do seem to be the type of tools that are worth exploring for donor agencies. Especially since some donors are developing a new definition of economic progress, one which has a heavy orientation toward social justice and the redistribution of wealth. There is, however, still a very formidable task of getting the donor agencies to in fact "act on" the new emphasis on social justice and to turn away from capital development. If one learns anything about the bureaucracy, it is that programs are designed and things are done the way they were done and designed in the past. It would probably take an administrative commitment to go to "war" if necessary to turn an agency toward a new direction in foreign assistance.

There is one other inhibiting factor that any donor agency should face up to, and that is -- the donor himself may experience a crisis of political will. Certainly all western national foreign assistance agencies depend on their legislatures and at a time when foreign aid is close to becoming a dirty word, there would be an understandable tendency on the part of foreign aid leaders to embrace projects which offer the hope of a quick and high impact. But the fact is most projects of integrated rural development, if they develop at all, develop slowly. French has pointed out that a donor will probably have to settle for a more patient long-range institution-building effort which aims at creating mechanisms whose full value may only be realized at some future date, and with the real risk that an adequate development return on the investment may never be realized. There is a real question as to whether or not a foreign assistance agency, under domestic pressure to show some immediate results, can invest heavily in long term slow growth projects like ones of integrated rural development. This is a hard problem for any donor agency but it will be especially difficult where there is strong national sentiment against foreign aid.

3) A Donor Agency Must Shift Away from Strictly "Technical" Solutions: Doug Owens has emphasized that instead of more trained manpower, more factories, and the more money approach of the last two decades, development planning should concentrate on local institutions and systems through which people might 1) gain access to the economic and social system of their country, 2) learn how to use modern technology in individual occupations, 3) develop local organizations, and 4) be linked to the higher levels of the economy and society. (42, p. 159) Such concentration demands a greater degree of cross disciplinary work than has usually been done in the past. Coutu made the following point: "the thing donor agencies have done well in the past has been to identify the specific biological or technical constraints inhibiting development." Yet, there are other types of constraints which eventually must be identified. Constraints of organizational structure, of blocked political power, or leadership vacuums -- are as important as the lack of a particular fertilizer. Weitz has pointed out, that in implementing a rural development program in a developing country, the primary goal of raising agricultural output will not be attained unless sub-goals concerning institutional arrangements are fulfilled simultaneously:

-These sub-goals relate, for example, to land use rights, organization of the rural communities, organization of the supporting systems of services and facilities, or the spread of know-how among farmers. Such factors represent different elements of the institutional structure with which the economic forces operate. Unless this structure is properly adjusted, the effort to increase total production is bound to fail. (43, p. 90)

MacMillian in his paper "Essentials for Accelerating Agriculture and Rural Development in Less Developed Countries" lists land tenure, farm credit, land improvement, rural education, transportation, health, trade, local government, production incentives, and planning as the ten elements which must be adequate for the small farmer as well as the large one before one could expect development to be possible. While saying that it depended on the situation, Ralph Cummings did say that unless certain prerequisites could be met, the Rockefeller Foundation would probably not commit themselves to a project.

At a time when institutional constraints are finally recognized to be as important as biological or technical ones, it would be appropriate for a donor agency to begin to develop an expertise in identifying institutional constraints at least equal to the level of skills they now possess in identifying and correcting technological ones. The AID Office of Development Administration has done this to a degree but it is not clear that their findings have been utilized well by the operational elements of AID.

4) A Donor Agency Must be Willing to Have the Host Country Set the Direction of the Program. It may seem a contradiction to have earlier said that the donor agency must play a more active role in project selection and now say that it is the host country who should set the direction of any rural development project. It isn't. The choice of program support should remain that of the donor agency and it should be based on the fact that certain prerequisites have been met by the host country. But once support has been decided upon, the host country should have the primary administrative responsibility for designing and implementing the program. I say this because it is my contention that there are limits to what one can expect from the social sciences. As tools to monitor social change, the techniques of social science are invaluable, but it is expecting too much of a donor to be able to not only judge the quality of the local leadership but create a way for local leadership to emerge as well. The history of rural development has shown that locally initiated projects have been more successful than those designed by outsiders. Comilla, Vihiga, and P Puebla, all considered successful projects, were essentially indigenously generated. It would be arrogance on the part of the donor agency to assume a complete knowledge of the sociological structure of a recipient society. Questions such as -- Who are the natural leaders of a region or village? more often than not are beyond the comprehension of the donor. In rural development efforts the donor might be better advised to confine himself only to evaluating and supporting locally initiated projects.

Planning is one area, though, where the donor should play a more active role. The problems of rural development should be articulated by USAIDs in such a way that the host country will perceive it in its own best-interest to initiate rural development projects oriented toward low income groups.

X. Conclusion

If one were to look through the literature of rural development, he might notice that practically all of the articles on the subject which are oriented toward integrated rural development were written after 1968. The conception of integrated rural development is a relatively new one and knowledge about it has not yet been adequately institutionalized to give definitive answers to such basic questions as -- What are the specific environmental conditions necessary for the success of any IRD project? While much of the literature says that food production is an overriding constraint and that local conditions are so important they preclude much generalization as to universal principles, the fact is that options open to a donor agency vis-a-vis integrated rural development have not yet been systematically explored. There's a lot of information circulating around AID, the World Bank, the Rockefeller Foundation, and in monographs. This paper, limited by both time and knowledge, was an attempt to tap these sources. Perhaps a donor agency should consider a task force to systematically evaluate the information available. Guy Hunter, a member of the Overseas Development Institute, in speaking about his own rural development research project, has said:

The central fact is that this body of previous experience has not been adequately analysed into an ordered body of principles of wide application which would give, at least prima facie, criteria for choice. A Director of Agriculture or a consultant faced with a problem of a major small holder development, cannot look to such principles. He will of course know some, perhaps much of the record; but is it applicable? If a method failed in Tanzania, what are the chances that it will fail in Thailand? What are the critical factors in comparison, and what are the inessential? (23, p. 241).

Admittedly, saying that more study is needed isn't particularly profound. But if the donor is to know what lessons might be learned from past rural development efforts, past experience must somehow be codified. If not, a donor agency will always be at the mercy of the little it knows rather than the all that could be known.

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