The Concept of Integrated Rural Development

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1. Introduction

Over the last couple of years, the disappointment over the results of past development efforts in many countries has been growing in the world at large. Nobody brought it more emphatically to the notice of the general public than Robert McNamara in several of his speeches, culminating in the well-known statement that, in the 40 developing countries for which data are available, the upper 20 per cent of the population receives 55 per cent of the national income, while the lowest 20 per cent receives 5 per cent only.

This gap between rich and poor has only been widening so far, and, in many cases, has led to worse conditions for the poorer segments of the population. The traditional socio-economic environment of the rural population has often been destroyed without being replaced by a better alternative. The increasing population could not be absorbed by the existing rural system, this leading to massive migration to cities, and resulting, in many cases, in a virtual breakdown of urban societies. Measures for increasing agricultural production concentrated on the improvement of land productivity in the better areas with larger farms, leaving behind the poorer masses in the rural areas.

It is noteworthy that the increasing differences between haves and have-nots generated by past development are not restricted to the widening gap between rich and poor. The same growing dualism can be observed between regions within countries, and, on a world-wide scale, between industrial and developing countries. Reference is made to the proceedings of the UNCTAD-conferences.

In the final analysis, the reason for the very unsatisfactory results of past development efforts seems to lie in the basic approach. This approach can be characterized as an attempt to promote development by applying economic principles derived from experiences in developed countries. It was not fully realized that the conditions in developing countries were far more different, as regards for instance factors like

—the rate of population increase,
The reassessment of development strategies during the last years tried to surmount the trial-and-error period and to use the experience of the past to design a new strategy which, it is hoped, might yield better results. For the development of the rural areas, during recent years, the concept of integrated rural development has been widely accepted, and the aim of this paper is to introduce this concept and the problems of its operationalization.

2. Basic Issues of the Concept of Integrated Rural Development

It is not possible to understand the concept of integrated rural development without familiarizing oneself with some basic assumptions on which the concept has been built. This will be outlined in the following four chapters,

a) Rural development is part of the overall socio-economic development

Rural poverty is caused primarily by a limited access to resources. This limitation may result from an imbalance between population and available resources. We all know the difficulties of improving the balance by applying a successful population policy, and we know that a solution at long term will require a gradual closing of the gap between economic and population growth.

Besides the problem caused by population growth, access to resources is quite often limited for the rural poor because of the current socio-political situation. Here, the limited access to resources is deliberate, and the result is, that the available resources are underutilized because of obstacles of a socio-cultural and political nature. There are numerous examples of such a situation. Landless people cannot obtain land for cultivation, while landlords use their land extensively only; subsistence farmers have difficulties in obtaining credit; scarce means of production are supplied to certain sectors of the population only, etc.

If access to resources, i.e. to the factor responsible for rural poverty, is determined by the general socio-political situation, there cannot be a "rural" explanation to the rural situation. The reason for the poverty of rural areas is often to be sought outside these very areas. The ultimate cause of rural poverty is the lack of integration of rural areas.
into the overall socio-political and economic system. This holds true, not only for the national, but for the international system as well.

Poor rural areas and rural population find themselves in a marginal situation; they are not part of the overall system. They do not participate in the development process, either actively as producer, or passively as receiver of goods and services. Likewise, they hardly participate in the decision-making process. The result of this marginality is widespread apathy, especially among the older generation of the rural poor, and a dangerous gap between aspiration and reality among the youth.

The centre-periphery model of development theory offers a certain insight into the consequences. According to this model, the interests between centre and periphery are controversial, and only a change in the relations makes the integration of the periphery into the overall system possible. If this applied to our problem of rural poverty, it means that the situation of the rural poor can only be improved if these are integrated into the overall system. This demands that society becomes aware of the poverty problem and creates a suitable political climate which could result in budget allocations in favour of the poor areas. At the international level, it may require a new international division-of labour.

Here, it becomes clear that development is more than economic growth. The necessary political decisions will not come from change in production methods and economic situation alone. They also require a change in the social and political infrastructure, in human relations and especially in the power structure.

b) Development is a system of interrelated social change

Development is a process resulting from the integration of a number of elements, especially
— goals based on existing values,
— resources, natural as well as human,
— available technology,
— forms of socio-political organization.

These elements and their components are integrated in a system in which the elements are closely interrelated, i.e., if one element changes, the whole system changes.

We can illustrate this by an example from the agricultural sector: if we want to increase productivity in agriculture, the change is not brought about by the mere-application of new seeds and fertilizer.

The implementation of a new technology may require new forms of social organization!
such as the grouping of peasants in peasant's associations to allow the distribution of inputs, and instructions as to their application.

The continuous training efforts may affect peasant values, and, subsequently, goals. If our plan is successful, peasants may change their cropping patterns in favour of crops which proved more profitable. This has effects on other parts of the farm, and may, for instance, cause a reduction of animal husbandry. If the proceeds of animal husbandry belong traditionally to the women, as in some societies, this affects the internal relations of the family. We may, however, come to the conclusion that the new technology cannot be applied without a change in the land tenure system. A change in land tenure affects in turn the power structure and may change the goal-setters in the society and, thus, the relevant goals. This example could be elaborated further. It all results in the recognition that the system approach reflects most closely the development process, and projects and programmes aiming at one isolated element of the system are dysfunctional. It is true that it often is very difficult to quantify the influence of individual elements. This, however, must not prevent from understanding development as a system of interrelated changes which requires integrated instead of isolated measures.

c) Agriculture has a multitude of functions in the development process

Within the interrelated system of elements in the development process, agriculture has a number of very important functions: The most basic one is the production of food and raw materials for its own consumption, for the non-agricultural population, and for the developing industry. The increase in agricultural productivity sets the whole development process into motion. At the start, the increase of soil productivity is of the greatest importance, but, soon, it must be followed by growing labour productivity to increase the incomes of agricultural labour and free manpower for the secondary and tertiary sectors. The high population increase in many countries, for some time, makes it imperative for agriculture to absorb the surplus population for which there is no ether alternative, but, sooner or later, the other sectors will develop and draw on the human resources in agriculture.

This process is related with the transformation of subsistence agriculture into market-integrated agriculture, which not only sells its products, but requires non-agricultural goods and services. With this process, agriculture fulfils its third function, the creation of demand for non-agricultural goods which is a precondition for the expansion of the secondary and tertiary sectors. On the one hand, this demand meets the requirements of market-integrated agriculture, such as fertilizer, machinery and tools, etc.; on the
other hand, an increase in farmers' income results in a demand for consumption goods on
the part of the rural population.

In order to fulfill the fourth function of agriculture, part of the increased agricultural
income has to be skimmed off, this leading to capital formation in various forms. This
may take place in monetary form through taxes, rents or prices. Especially for agri-
culture, two other forms play a great role. The upbringing of children, who, later on, leave
agriculture, is an important form of creating human capital. Agriculture also creates physical
capital in the form of infrastructure and means of production. Especially the numerous
small increments of capital stock through fencing, planting of trees, improvement of
livestock, levelling of land, etc., in time and on thousands of farms contribute greatly to the
capital stock of a society.

It may be added that, in some countries, agriculture has the tasks of contributing
towards improving the situation of the balance of payments by providing export goods or
substitution for imports. Likewise, in recent times, the function of preservation, careful
handling and protection of environment has been gaining importance.

d) **Agricultural development is one aspect of rural development**

The functions of agriculture in the development process, as outlined in the last chapter,
indicate that agricultural development cannot take place without a simultaneous development
of other sectors. This holds true for industry and services, as well as for non-agricultural
parts of the rural sector. Even if it starts there, rural development goes far beyond
agricultural development and, in accordance with the system concept, includes all aspects.
For instance, in many overpopulated countries, a more favourable land-man ratio, which is
necessary for increasing agricultural productivity, cannot be attained by the physical
extension of the farms. Here, the possibilities lie in the application of improved
technology and better management systems. This, again, is a function of development in
non-agricultural fields of the rural area, i.e. training, research, and marketing facilities.
Other examples could be quoted. While the important fields involved in and to be
incorporated into the rural development policy will be dealt with the subsequent chapter,
two will be mentioned here already because of their importance: — Agricultural
development depends on a suitable framework of institutions which have to be created or
adapted to the requirements. These include administration, communication, market, credit
and extension services, at village, regional and national level. — Land tenure is one of the
utmost importance for the prospects of agricultural development because it restricts access
to land and to other resources, and leads to underu-
utilization. It determines the power structure and the incentive to produce, save, and invest, and restricts mobility. We all are aware of the difficulties of changing the existing land tenure system, which can be successfully accomplished only if it is accompanied by a reform of land management and by the supply of supporting services like credit, marketing, and extension. It should also be understood that land reform is a permanent process. There is no ideal land tenure system, but only one adapted to the social, economic, and political situation, and, as this is changing, land tenure has to be adjusted constantly.

3. Aspects of Implementation of Integrated Rural Development Policy

After discussing the basic assumptions underlying the concept of integrated rural development, the following chapter will concentrate on the contents of a similar program and discuss some issues of its implementation.

a) Components of integrated rural development

Integrated rural development is, at the same time, a goal and a methodological approach. The goal is to include the neglected masses of rural poor in the process of increasing the well-being of mankind. The approach for reaching this goal is the application of a bundle of well-balanced measures of economic and socio-political nature. In this process, by applying a system research method, the interdependent relation of all economic, social, political, and technical factors has to be taken into account. Here, we have to admit that a quantitative analysis would create many difficulties.

The content of this bundle of measures will vary in different cases. Therefore, any approach to rural development has to start with the assessment of the current situation and the identification of existing bottlenecks. The following, somewhat abstract, checklist gives an idea of the internal and external factors to be considered:

1. Natural resources, agricultural and non-agricultural;
2. Human resources (quality and quantity);
3. Pattern of social organization (values, social stratification mobility, power structure and land tenure system);
4. Economic structure (agricultural production structure, industry, market relations, etc.);
5. Technology in agriculture and in the non-agricultural sector;
6. Infrastructure (physical infrastructure, transport and communication, social infrastructure, spatial order);
7. Institutions and organizations (administration, people's organization, etc.);
8. Services (marketing, credit extension, social security);
D. Education and training (formal and informal).

The application of measures concerning the 'sectors listed above - perhaps with some additional ones - to a specific area,* will allow the identification of the elements promoting and restricting development possibilities, as well as their 'interrelationship.

b) **Differentiation in time and space**

The bottlenecks and key-factors pointed out are the starting point of activities for tackling the problem of rural poverty. However, integrated rural development cannot be understood as a big pot in which all shortcomings are poured and stirred up. Even after adding many ingredients, such a soup will not taste good. Because of limitations in resources and capabilities, all the necessary tasks cannot be undertaken simultaneously. Bottlenecks have to be recognized according to their relative importance. The first problem to be dealt with is the creation of the minimum requirements for development, and then the gradual expansion of the activities can follow.

In this connection, a reasonable proportion of activities, for increasing production as compared to those for improving the social conditions is of the utmost importance. Here, the fact that projects for infrastructure and social amenities are easier to implement than those to increase production plays a role. Likewise, the necessary time-span for results to be achieved has to be taken into account. It will be longer as regards infrastructure and social projects.

On the other hand, a minimum of infrastructure is a precondition for an efficient division of labour in the economic process. Only a network of communication makes it possible to create, between rural areas and urban centres, relations which allow each to contribute to the requirements of the other according to its capabilities. Such a process of differentiation of structure and integration of function at the regional level means the creation of a larger economic system which has a greater potential than the small global society of a subsistence economy.

c) **Area development as example of integrated rural development**

The process of development in all countries is structured by national development planning. The national -usually five year-plans stipulate macro-economic goals as a kind of target planning, and usually include a sector split-up. Within this overall framework, regional and area development plans must be integrated. These area plans are of the utmost importance for the integrated rural development. While its goals have to fit into the national development plans, practical implementation takes place within the regional
plans. A number of experiences are imperative for the importance of areas as units for the implementation of integrated rural development:

a) Only at the area system level is it possible to work out operationally feasible programs based on the analysis of the area resource potential and the interrelationship of its elements.

b) Technical and administrative capacity for implementation is usually located at the regional level and can best be mobilized there.

c) Economics of scale and the system of interrelated elements in the integrated rural development project require a minimum geographic area and population with a certain development potential.

d) At the area level, mobilization and participation of various groups can best be organized.

e) The area level provides best chances for integrating subsistence agriculture, and modern agriculture with non-agricultural activities, and for creating the new forms of social organization and production required.

The concept of regional planning emphasized the system approach. The regional system is located below the national and international system and above the local farm/enterprise system. Any change in one system will have implications for the other, and changes in one element of the system has consequences for the others.

To illustrate this, let us assume an increase in fertilizer price. This will reduce its application, and the consequence will be lower yields and, possibly, higher prices for agricultural products, or more imports with repercussions on the balance of payments. A reduced income in agriculture will result in less demand for non-agricultural products, etc. On the other hand, the increase in fertilizer price may cause a shift to crops which depend less on fertilizer, and change farm organization. This illustration might suffice to show the interrelation of elements in a system.

d) Decentralization and participation

In many of the rural development projects implemented in the past, there was a large gap between plan and implementation. The integrated rural development concept to fill this gap with the participation of the rural population which, hitherto, has been the mere object of projects. The success of integrated rural development programmes depends on the degree to which a population can be motivated. This again depends on how much their interests, their felt needs are taken into account, and to what extent they are involved in the planning and decision-making process.
Thus, the question of motivation leads to the problem of decentralization of planning, i.e. to a discussion which has been going on for years under the slogan of "development from below". In principle, centralized planning, bottom-up planning, involves all groups in the process, this being the prerequisite for the mobilization of local resources. It guarantees that the felt needs of the population, and not those of the planners, are taken care of, and the population considers the plans as their own. This altogether increases the efficiency to a crucial point because rural development does not seem to be possible as long as the rural population considers it to be the governments and not their own task. This is why the concept of integrated rural development attaches so much importance to decentralization and participation.

However, there are some problems and limitations. Local planning may easily come into conflict with national planning because the target-setters, their evaluation of the situation, and their priorities may differ. Lack of information on the overall situation, as well as limited competence at the local level, are difficult to deny. (In view of the ignorance of national planners regarding local circumstances, this shortcoming may be compensated for by similar lacks on the other side).

However, local planning is no guarantee for planning in the best interest of the local population. It is not unusual that local participation in reality means participation of the rural upper class, and minorities are easily neglected. Likewise, the disparities among regions can easily grow because the better regions and those in which typical leader personalities are encountered are often preferred to the others. Finally, we must be aware that decentralization of planning will be opposed by the administration as they dislike participation on the part of the population. Decentralized planning means a reallocation of power and influence, and is bound to meet with the antagonism of groups with vested interests. There is probably no clear answer as to "bottom-up" or "up-down" planning, but different subjects require different procedures. For instance, target planning, like the planning of agricultural production, is a field for "top-down" planning. Here, the initiative is at the top and, with incentives, planners will induce farmers to implement their concepts. However, resource development planning and planning of social infrastructure are typical fields for "bottom-up" planning, and the task of the national planning agency is merely to coordinate, and to outline the limitations produced by available resources.

This indicates that the whole question of "up-down" versus "bottom-up" planning is void. Of importance is an optimal mix of central and regional planning activities with
a participation of the population in keeping with the functions. This is not easy to implement, last but not least, the difference between planning and implementation as far as administration and the persons involved are concerned plays a great role.

Even local participation often results in some people doing the planning and some the work, and this division reflects the local stratification. Although the difficulties are great, the solution of the problem of local participation and motivation is a key to the success or failure of any integrated rural development programme.

**Literature**


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