Rural Development Problems and Strategies

Desmond L. W. ANKER [1]

AFTER SEVERAL YEARS of emphasis in development theory on immediate industrialisation as a cure for the problems of less developed countries, there is now a growing body of opinion in favour of paying more attention to rural development. This trend is emerging at a time of disenchantment with policies aimed primarily at growth in output and of realisation of the importance of employment and income considerations in development strategies, an element lacking in earlier formulations. The need for rural development and more specifically for improving the lot of the rural poor, who make up the majority of underprivileged people in the world, has been frequently stressed by Mr. McNamara, President of the World Bank [2], and is shared by the executive heads of all the organisations in the United Nations system.[3] Similar views have been expressed by several members of the Governing Body of the ILO when examining the ILO long-term plan as well as the programme and budget proposals of the Organisation for the coming biennium. New insights into the problems of the rural poor, and new strategies for their solution, have been identified in each of the comprehensive employment strategy missions that have been undertaken in recent years under the World Employment Programme.

What do we mean by rural development? In the first place it should be made clear that rural development is not the same as agricultural development, although the latter is obviously an essential part of it. Indeed experience has shown that an exclusive concern with agricultural development from the point of view of growth and increased output can run counter to the basic objectives of rural development as defined below:

---

[1] International Labour Office. The author is indebted to several of his colleagues for comments made on an earlier draft.

[2] Most recently in IBRD: *Address to the Board of Governors by Robert S. McNamara, President, World Bank Group*, Nairobi, Kenya, September 24 1973, which was published after the present article was written.

[3] See ILO: *Employment policy in the Second Development Decade.* A United Nations family approach (Geneva, 1973).

there are examples to show that when absolute priority is given to the improvement of large-scale farming, and more particularly to the production of export crops, there may be a deterioration of the conditions of the rural masses and certainly a further skewing of income distribution in favour of the well-to-do. In short it is by no means certain that a rapid development of the most progressive sectors of agriculture will in fact subsequently benefit the rural sector as a whole; we shall revert to this point later.

Nor is rural development primarily a matter of welfare. There is a tendency, particularly in British usage of the term, to consider rural development as relating primarily to such activities as community development and the improvement of health and amenities in rural areas. While these must be important elements in the process, rural development is much more than that.

The essence of the concept is of course a geographical one—it is concerned with the problems of rural areas as distinguished from those of urban conglomerations. But it is also an operational concept rather than a theoretical one. A working definition therefore might be somewhat as follows: " strategies, policies and programmes for the development of rural areas and the promotion of activities carried out in such areas (agriculture, forestry, fishing, rural crafts and industries, the building of the social and economic infrastructure), with the ultimate aim of achieving a fuller utilisation of available physical and human resources and thus higher incomes and better living conditions for the rural population as a whole, particularly the rural poor, and effective participation of the latter in the development process ".

Such a definition, however, should not be construed as implying that strategies and programmes for the rural sector should be developed in isolation. On the contrary, in order to have maximum effect they must be co-ordinated with those relating to urban and industrial development, as will be shown later. Before the rural sector can make its proper contribution, however, it often needs priority in resource allocation.

Rural development is a problem that is of concern to countries at all stages of development. Even in advanced countries there is discontent among certain sections of the rural population, as is shown by protests and demonstrations of one kind or another, and this has led the authorities to pay special attention to rural development. However, the developing countries are most affected, because it is clear that the dire problems of poverty in rural areas are particularly urgent there; and it is accordingly to those countries that this article is primarily directed.

The fact that rural development is basically a geographical concept would not in itself necessarily justify separate treatment. What is it that sets the rural sector apart? The overriding factor is the nature of farming and its close dependence on nature: agriculture particularly is governed by nature, and consequently so also are many other economic activities in

the rural sector; the level of production can vary up or down, largely independently of human control. The farmer is therefore in an entirely different position from that of the manufacturer, who can adjust his output to variations in demand and other factors. A striking illustration of this lack of control over production in farming is provided by recent events in India. The Green Revolution has been heralded as a breakthrough in agriculture which holds promise of solving the world's food problem. The increased cereal production resulting from the introduction of high-yielding varieties of seeds and the related improved technologies has led in recent years to a situation where that enormous country can expect to be self-supporting in grain. However, this year the failure of the monsoon has had disastrous consequences and some areas are facing famine. Similar examples are the drought now ravaging the Sahelian region of Africa, and the disastrous effects of pests and animal and plant diseases. One can of course argue that there are other non-rural activities which also depend largely on the weather—ice-cream vendors on the one hand and roast chestnut sellers on the other, or winter or summer tourist industries—but these play a much less significant role than agriculture in the economy as a whole.

There are other factors that set rural activities apart: more than other production activities, farming is governed by the law of diminishing returns, i.e. increased doses of fertiliser, for example, do not result in proportionate increases in yield, and after so many doses yields stop increasing altogether; the demand for agricultural produce is limited by the demand inelasticities for food; as an individual producer the farmer has little control over prices—he typically sells at cost or at the best wholesale prices but pays retail prices for farming requisites as well as consumption goods; institutional forces, such as land tenure, are much more important than in the other sectors; in less developed countries many farmers and craftsmen are still engaged primarily in subsistence production, which means that production incentives operate effectively only up to the point where immediate wants can be satisfied; and finally, and perhaps most important, rural activities, even in more advanced peasant societies, are a way of life as well as an occupation.

Problems of the rural sector

Within the confines of a short article I shall not attempt to analyse in any detail the variety of problems that face the rural sector in developing countries. The following are among the more significant.

Low productivity

Low productivity is a typical problem in farming and other rural occupations in the developing world. Many farmers and craftsmen are

operating at a level of technology that has not changed in centuries. As far as farming is concerned, although in most developing countries one finds examples of highly productive land farmed efficiently with good yields, most of the cultivators—certainly most of those who are still in a subsistence economy—farm on impoverished soils, are subject to extreme uncertainties of climate, use primitive methods and equipment and have limited access to credit in order to obtain better inputs. All this leads to extremely low levels of output and therefore of income. Similarly the skills of rural craftsmen are essentially those handed down from father to son: they use poor materials and rudimentary equipment and their products are frequently of poor quality. Incomes from farming and other rural activities are therefore barely sufficient—if that—to cover minimum subsistence needs. Many of the rural poor are permanently in debt, and an unforeseen event such as a crop failure leaves them destitute. The market for the products of domestic industries is severely limited by the lack of purchasing power in the rural sector, where most of the population lives.

Underutilisation of human resources

The concept of underutilisation of human resources covers a broad spectrum of problems and may be considered from different points of view. In the first place there may be virtual unemployment in agriculture during the dead season or during times when climatic conditions make farm work impossible. Secondly, where the farms are small and use primitive methods, as in many of the less developed countries, the labour of the cultivator and of his family is not fully utilised except during certain peak periods of the year, and there are few possibilities of other employment. Thirdly, and in contrast to this, many farmers or rural craftsmen work very hard and long hours, but because of the poor resource base and the primitive technology employed their output is extremely low and there is therefore little material return for their labour. Various attempts have been made in recent years to estimate the amount of labour that can be withdrawn from agriculture without negatively affecting output; such estimates, which range from less than 10 up to 40 per cent, should be taken as representing no more than very rough illustrations of the possible dimensions of the problem. Nor should it be forgotten that during the short peak seasons, and particularly at harvest time, all available labour is required and extra hands even have to be brought in.

Defects in the agrarian structure

Various defects in the agrarian structure can be identified. Above all, there are systems of land tenure which either do not encourage

progress or which act as a definite brake on progress: they include, in particular, the concentration of land ownership in the hands of a few, with the consequential monopoly of economic, social and political power. These situations are frequently accompanied by systems of tenancy and of labour which border on serfdom and by a number of economic and social factors, such as the caste system in some countries, which act as a straitjacket on social mobility. In these circumstances there is no possibility, such as existed in the countries that are now industrialised, of climbing up the agricultural ladder, i.e. of starting out as a farm labourer and progressively advancing to the status of tenant and ultimately of farm owner. Other defects in the agrarian structure include fragmentation of holdings, frequently due to the rigidity of the laws of inheritance; customary tenures to the extent that they interfere with agricultural modernisation programmes; and the lack of an adequate institutional structure to cater for the needs of farming. This last point will be further discussed below.

Poor living and working conditions

Rural areas in developing countries typically lack good housing, social services and amenities, and wages in agriculture and small rural enterprises are lower than those in urban and industrial occupations. There is furthermore a considerable dearth of public services, especially roads, community facilities, water and electricity supply and sewerage. Much of this can be ascribed to the neglect of rural areas on the part of government departments, whether it be with respect to health and education or even to economic and technical services, especially for the rural poor. Agricultural extension services cater mostly for the bigger farms and extension services for rural crafts and industries are virtually non-existent.

Inappropriate education

This brings me naturally to the wider problem of education and training, about which I shall have more to say below. Until recently schools in rural areas in many developing countries were few and far between, so that the rates of illiteracy among the old are very high. With the rapid expansion of education the situation is changing rapidly. Inroads are being made on illiteracy, but it is another matter to know how to employ the school leavers, many of whom are not qualified for the jobs that are available because they have been taught the wrong things or because the jobs to which they aspire do not exist. It is largely a problem of matching employment opportunities and expectations.[1]

[1] See Louis Emmerij: " Research priorities of the World Employment Programme ", in *International Labour Review*, May 1972, p. 415.

Inadequate institutional base

Rural people, particularly those who are underprivileged, seldom have any organisation that can defend their interests and represent them in planning and policy-making bodies, or make it possible for them to participate in the development effort. Even co-operatives, whose original purpose was to improve the lot of the underprivileged, do not appear always to cater for the rural poor. In general there are few institutional credit or marketing facilities available for the small farmer and artisan. This must surely be regarded as one of the main reasons why most of the rural population remain on the fringes of development instead of being fully integrated in the development process.

It is therefore little wonder that so many of the rural poor, living in utter poverty and despair, decide to try their luck in the city and drift there in increasing numbers vainly hoping to obtain jobs that will enable them to make a decent living. This applies particularly to the young, whose education has given them aspirations which they feel they cannot achieve in a rural environment as it is now. But since industrialisation in developing countries has not produced the number of jobs required [1], too many of the migrants end up living in squalor in urban shanty towns. What is happening is that poverty, with its host of accompanying social problems, is being transferred from the rural to the urban areas.

Population growth

The problems briefly mentioned above are all becoming more acute with the rapid growth of population, especially in rural areas. In the past, with high rates of infant mortality, country people liked to have many children, so as to be sure that some of them would survive to help on the farm or to add to family earnings in some other way, as well as to take care of their parents in their old age. With improved preventive medicine, death rates among the young (and the old for that matter) have dropped, so that more children survive.

The rapid growth in population is reflected in various ways: less land per head and shrinking farm sizes; fierce competition for land, forcing up land prices and rents as future purchasers or tenants outbid each other; increasing landlessness; and equally fierce competition for jobs. It is hardly necessary to mention that population growth means more mouths to feed, so that in spite of improved farming techniques the food supply can barely keep up with the demand. Recent studies have shown that there is reason to believe that malnutrition of young children may result in brain damage, which is likely to affect their ability as producers in

[1] For a recent treatment of the problems of urban employment see Paul Bairoch: *Urban unemployment in developing countries. The nature of the problem and proposals for its solution* (Geneva, ILO, 1973).

adult life. Rapid population increases also exert further pressure on already inadequate social services and facilities of all kinds—schools and health and technical services—so that the quality or quantity of such services is diminished: for example, in some countries that have succeeded in reducing the proportion of illiterates, their absolute number is increasing.

Undoubtedly a tremendous effort is required to obtain acceptance of some form of family planning by rural people.

Approaches and strategies

In most of the developing countries the economy is a dual one: on the one hand there is a modern sector and on the other there is a traditional or " informal " one.[1] The latter is characterised by ease of entry, reliance on indigenous resources, family ownership of enterprises, small-scale operation, labour-intensive and adapted technology, skills acquired outside the formal school system, and unregulated and competitive markets. In the rural sector this division is apparent from the existence of plantations and other large-scale commercial farms and a few modern rural industries on the one hand and a mass of small farmers, landless workers and craftsmen on the other. The gap in income and social conditions between the two is already wide, and becoming wider.

In view of the above-mentioned duality of the economy, policy makers have a number of difficult choices to make.[2] Should they concentrate limited national resources and government assistance on the modern sector, which means in fact the formal urban sector and the plantations and large and progressive farms, in the expectation of promoting a rapid growth of output and of the gross national product, and also higher export earnings? Such a policy is likely to widen the gap between the rich and the poor and leave the mass of the rural population untouched. There is a grave risk, for example, that technological changes in agriculture, particularly the processes that have become known as the Green Revolution, will mainly benefit the better-off farmers, and that the conditions of the masses will become worse. The premise that the benefits of improvement in the most favoured sectors of the economy will ultimately trickle down to the rest is not borne out in practice. The

[1] On the concept of the informal sector see ILO: *Employment, incomes and equality. A strategy for increasing productive employment in Kenya*, Report of an inter-agency team financed by the United Nations Development Programme and organised by the International Labour Office (Geneva, 1972), pp. 5-6.

[2] For an excellent review of recent thinking on many of the topics touched on in the following pages see Guy Hunter: " The Food Research Institute's 50th Anniversary Conference, Strategies for Agricultural Development in the 1970s: a summary and critique ", in *Food Research Institute Studies in Agricultural Economics, Trade and Development* (Stanford University), Vol. 411, No. 1, 1973.

situation in such countries as Mexico, Iran and Pakistan appears to confirm this: very rapid strides have been made in some sectors, including agriculture in irrigated areas, but this has hardly benefited the bulk of the rural poor, who continue to suffer from unemployment, underemployment and low incomes.

Alternatively, should the policy be, without putting a brake on progressive sectors of the economy, to concentrate on improving the lot of the rural masses who are still largely in the subsistence economy? This could ensure fuller utilisation of labour, which is the major resource of developing countries, and a better distribution of income; and the resulting higher purchasing power of the rural masses would create a wider market for consumer goods as a basis for the development of domestic industry. This policy is a more difficult one to follow than that described in the previous paragraph, and it may well take longer to produce spectacular results, because of the very numbers involved and because it requires major institutional changes, which are long-term processes. It would seem, however, to be the only satisfactory solution, particularly if one bears in mind the cost of inaction so aptly described in a recent report.[1]

There is a further choice to be made with respect to rural development, and this is whether a sectoral or an integrated approach is to be adopted. There is much to be said in favour of a multi-pronged attack if for no other reason than that action in one field is likely to call for things to be done elsewhere; an increase in production requires marketing, which depends on roads, which calls for training of necessary workers, and so on. This does not, however, mean that nothing should start until all activities are ready to be launched. With respect to farming more and more countries are adopting a " package " approach providing all the necessary inputs, both material and in the form of assistance, in order to improve production. Such programmes should preferably be combined with other schemes for the generation of employment and income, such as those for the promotion of rural crafts and industries and rural works schemes for the unemployed and grossly underemployed. The necessary adjustments would need to be made in tenure arrangements so that agricultural improvement schemes indeed become possible, and a wide range of social services and amenities provided to make rural life more attractive. These various activities will certainly call for a considerable effort in training in various fields and at various levels, including the staff who are to be responsible for the implementation of the development schemes. Finally, all this needs to be accompanied by the promotion of suitable types of organisations of rural people, allowing popular participation in both the planning and the execution of the development effort. Appropriate action will have to be taken at the local level, and a

[1] ILO: *Employment, incomes and equality*, op. cit., pp. 325-329.

considerable degree of co-ordination among the government agencies concerned will be necessary.

In addition to being planned within the framework of national development policy, such efforts can with advantage be part of a regional development plan. The region, which should as far as possible have a certain geographical and economic unity, should preferably also contain an urban centre so that the various development schemes foster the closest possible links between the rural and urban economies and particularly a complementarity of benefits between the two sectors. There are likely to be advantages in creating a number of poles of growth or focal points around which the development effort can be built, so that there may be balanced growth of the centre and of its hinterland. Consideration can be given to a three-tiered structure, with villages, larger rural centres and the regional town which is the headquarters of the regional development effort.

Above all—and this applies to virtually all of the topics examined in this article—more needs to be known about how the rural sector functions, what are the constraints and bottle-necks impeding development, what incentives are likely to be of most use and what have been the results of development efforts so far. There is therefore a tremendous need for more and better data. Without this, to paraphrase Turnham [1], there will continue to be a huge gap between what we believe the problems to be and what we actually know about them, so that much time and money is wasted on preparing plans and implementing programmes without a clear idea of what is involved.

Technology

Technology in rural occupations needs improvement. But this does not mean that the most modern techniques are called for or that those which have been developed in the highly industrialised countries are necessarily suitable in developing countries. What is required is the introduction of technology that is appropriate to the particular conditions of the country concerned.[2] An example is the various types of farm implements that have been developed in Japan to suit the generally small size of holdings as well as the farming systems and soils and topography in that country. Inappropriate farm mechanisation is a good example of the errors that may be committed in introducing foreign technologies. Much has been written about the wastage of resources associated with large-scale mechanised agricultural schemes in Africa—wastage not only

[1] David Turnham: *The employment problem in less developed countries, a review of evidence*, OECD Development Centre Studies, Employment Series, No. 1 (Paris, 1971), p. 120.

[2] For a fuller development of this idea see Keith Marsden: " Progressive technologies for developing countries ", in *International Labour Review*, May 1970; also E. Owens and R. Shaw: *Development reconsidered* (Lexington (Massachusetts), D. C. Heath and Co., 1972).

because the equipment was not suitable and soon wore out, but also because tractor cultivation did severe damage to the soil. Those who travel in rural areas in developing countries are horrified at the amount of heavy equipment standing idle because of inability to effect repairs, lack of spare parts, etc. While there is a natural desire in all parts of the world to reduce the drudgery and the strenuousness of farm work, it is usually better to move into an intermediate stage of development—such as the use of animal-drawn equipment—than to pass directly from the hoe to the tractor.

I do not intend to discuss farm mechanisation in any detail here, particularly from the employment angle, since a series of studies on the subject have appeared in recent issues of the *Review*.[1] There are, however, two points which should be made. In the first place mechanisation in agriculture is likely to lead, as it has already, to a shift from tenant farming to wage operation, and thus to a further proletarisation of the rural sector with all its consequences. Moreover, as Gotsch has pointed out, it is apt to contribute to a further concentration of economic and political power in the hands of the larger farmers.[2]

Mechanisation does not of course involve only tractorisation. Especially in the more arid parts of the world there is a dire need for improved mechanical means of bringing water to the fields; this widens the choice of crops that can be grown, brings about increased yields and makes possible double cropping and other forms of more labour-intensive cultivation. Moreover, the Green Revolution and the various package programmes of agricultural inputs to which reference has been made already are examples of improved technology which can be expected to change the whole face of farming in the years to come and which are applicable to small farms. The point is to ensure that the new methods are made accessible to the mass of farmers and not only to the more progressive elements. Also, improvements need to be fully suited to the particular conditions of a given country, or of a given locality within a country. This calls for a considerably greater research effort which, if it is to have the fullest effect, must place much more emphasis than at present on domestic food crops and on livestock and pasture improvement, instead of concentrating on export crops.

There is similarly considerable scope for better technologies for handicrafts and small-scale industries. Equipment, raw materials, design and quality control all need improvement if these activities are to remain

[1] The articles relate to the following regions or countries: Thailand, by I. Inukai (May 1970); East Africa, by Eric S. Clayton (Apr. 1972); Latin America, by K. C. Abercrombie (July 1972); the Philippines, by Randolph Barker *et al.* (Aug.-Sep. 1972); India and Sri Lanka (Ceylon), by K. N. Raj (Oct. 1972); southern Italy, by Giuseppe Barbero (Nov. 1972); and Pakistan, by Carl H. Gotsch (Feb. 1973). All but the first of these studies appear also in ILO: *Mechanisation and employment in agriculture.* Case studies from four continents (Geneva, 1973).

[2] Loc. cit.

viable in the face of competition from manufacturers operating on a larger scale. In this connection, but also from the point of view of making rural life more attractive, much benefit can be obtained through rural electrification programmes and better systems of providing water in rural areas.

The adoption of appropriate technology is strongly influenced by fiscal and related government policies. If advanced equipment is allowed to be imported on favourable terms and if factor prices are manipulated in such a way as to favour capital-intensive technologies, the latter are likely to establish themselves irrespective of their social costs.

Education and training

The developing countries have in recent years made tremendous strides in extending primary and secondary education, so much so that one of the most difficult problems facing a number of countries is that of unemployed school leavers. Among the reasons that have given rise to this problem is undoubtedly the unsuitability, one might even say the irrelevance, of the type of education given. Frequently the educational system and the curriculum have been transferred without significant modifications from Western to developing countries. Certainly they have generally not served to prepare young people for taking up a job other than a white-collar one, and there are simply not enough of these to go round. In rural areas the instruction given is typically alien to the environment, and as such does not prepare young people for working in the rural sector; on the contrary, it leads these youngsters to ignore farming as an occupation, and to look for jobs elsewhere.

Much the same must be said about vocational training in a number of countries. Here again training courses for skilled workers and examinations leading to diplomas are based on Western (especially European) models and may bear no relationship to the jobs the trainees will have to do once they start work. International organisations have not been free from mistakes in the vocational training field; in the early days of technical assistance, and even now in some instances, the equipment provided for vocational training centres and especially those in rural areas was far too advanced and was ill-adapted to the simple needs of the trainees and their future job openings.

These same criticisms may also be levelled against some forms of farmer training being introduced into developing countries. Too often an agricultural extension scheme is a replica of a Western model and has not been adequately modified to suit entirely different conditions. In North America and Europe an extension system is conceived as an instrument to guide highly educated farmers and keep them in touch with improvements in agricultural science and related matters, whereas in the developing world the extension agent usually has to work with illiterate persons.

Moreover, few governments have the resources to maintain an adequate service, and in all too many instances extension work is too thinly spread, with one agent trying to cover several thousand farmers. For these and other reasons the service more often than not reaches only the more progressive farmers and leaves the masses untouched. Moreover, extension activities are apt to be too limited in scope, with insufficient attention being given to economic or social matters. Finally, a good many local extension agents have the wrong attitude to their job: they consider themselves superior and are afraid to get their hands dirty; they visit a farmer wearing a white shirt and tie, and do not speak his language, both in the literal sense as far as the dialect is concerned, and in the other sense of not being sufficiently practical. The better agents soon get disenchanted with work in the field and the poor conditions of employment and seek transfers to the capital.

There are of course brighter sides to the picture: there are examples of agricultural extension services doing excellent work, and the same applies to certain supervised credit schemes combining the granting of loans with technical agricultural and management guidance. A number of countries, especially those in East Africa, have also set up farmer training institutes where good basic agricultural training is given. Other countries are training " pilot " farmers who serve in their communities as a means of diffusing the improved practices which they have learnt and at the same time act as the point of contact between the community and the agricultural extension and other technical services.

Certainly any rural development programme must include a well-conceived and adapted system of training, including much-improved systems of communication and dissemination, both for the producer and for the various grades of technical and administrative staff required for development work in rural areas.[1]

Employment

A major difficulty in formulating an employment strategy for the rural sector in developing countries is the lack of even the most fundamental data. It is therefore very important to make every effort to obtain as much information as possible on the nature of the employment situation, the patterns of labour utilisation (particularly in its seasonal aspects), attitudes towards employment and income, and so on.

One thing is clear, and that is that the traditional Western concepts of full employment, unemployment and the eight-hour day, for example, are meaningful only within fairly narrow limits.[2] In many rural economies

[1] A thorough study of training for rural development has just been completed by the International Council for Educational Development, and a report entitled *Non-formal education for rural development* is to be published shortly.

[2] Cf. ILO: *Concepts of labour force underutilisation*, by A. Smith, Employment Research Papers, D. 23 1971 (Geneva, 1972; mimeographed).

there is no clear distinction between work and what an outsider might interpret as leisure activities, but which are in fact essential parts of rural life. Moreover, there are still a lot of happy people in the world who are satisfied with minimum requirements, and who are not inclined to work harder or longer than is necessary to obtain them. Also there are a number of situations in which nutritional deficiency and poor health act as severe impediments to what a Westerner would consider as a full day's or a full week's work. The whole fabric of economic and social relationships in the " informal " sector in developing countries, with the predominance of family labour and small undertakings, is one to which Western concepts of employment are largely irrelevant. A recent article has even questioned whether economic theory as applied to agriculture in developing countries should not recognise that labour is not a variable factor in production but rather a fixed one, and that farmers adjust their use of land and of equipment in accordance with the amount of labour they have available.[1]

In areas of high population pressure, rural development policy must of necessity encourage the application of labour-intensive methods. In farming, this would be consistent with emphasis on improving the performance of small farms, since most farm management research shows that output per unit of land is higher on small farms, though not on tiny ones. The introduction of high-yielding varieties of crops may very well lead to a more intensive use of labour because many of the practices that are required for the successful cultivation of these varieties—such as the heavier application of fertiliser and of water—are labour-intensive, especially if double cropping becomes possible. On the other hand the Green Revolution may also involve a shift from highly labour-intensive crops such as cotton to less labour-intensive ones such as wheat.[2] And it has to be remembered that there are constraints on the use of labour-intensive techniques—the availability of water, the adjustment of primitive farming methods, etc.

Labour-intensive methods are particularly suitable for small-scale industries in rural areas, as well as for handicrafts by definition. Rural people, including family workers, engage in a great variety of occupations in order to meet the needs of the community for consumer goods and services. This is the " informal " sector par excellence. But this does not mean at all that such occupations need to remain at a low level of efficiency: especially in countries at an early stage of industrialisation, the

[1] K. C. Abercrombie: "Rural employment, a primary objective", in *Ceres* (Rome, FAO), Jan.-Feb. 1973.

[2] For a comprehensive review of the economic implications of the Green Revolution see Keith Griffin: *The Green Revolution: an economic analysis* (Geneva, United Nations Research Institute for Social Development (UNRISD), 1972); see also Zubeida Manzoor Ahmad: " The social and economic implications of the Green Revolution in Asia ", in *International Labour Review*, Jan. 1972; and J. N. Sinha: " Agrarian reforms and employment in densely populated agrarian economies: a dissenting view ", ibid., Nov. 1973.

strengthening and expansion of small economic units constitute the most suitable strategy. If such units are to do a better job they need better equipment and raw materials and improvements in design, marketing facilities, and so forth. Moreover these industries require encouragement in the form of credit and extension services and other technical assistance.

The extent to which handicraft and small industries will be able to survive and provide increased employment depends on government policy with respect to industrialisation. If it is deemed desirable to maintain small enterprises, then fiscal and price policy must seek to confine capital-intensive technology to cases where it is more efficient in real terms than labour-intensive technology would be. It is of course true that as the rural sector becomes more fully integrated into the market economy there will be more specialisation of labour and a greater concentration of non-farm production in larger units. The latter can, however, be located in rural areas, or modern industries can subcontract the manufacture of components to small workshops or even to households in rural areas, as they have done in Japan.

Many countries place considerable hopes in the expansion of artistic handicrafts as a means both of earning foreign exchange and of increasing employment. There is obviously still scope for this, a good example being carpet-making, but it would seem wise not to build up exaggerated hopes with respect to the tourist market: not only is this highly changeable and subject to the whims of the purchaser, but as more and more people travel they become more selective in their purchases of tourist goods and expect increasingly high quality and good design.

Any rural development programme will usually include a rural works component. Some of these works, such as the building of community facilities, have only temporary employment implications. Others may have significant permanent indirect effects, as in the case of the construction of irrigation works that will subsequently make possible more labour-intensive farming, or road building that acts as a production incentive by making marketing easier. Lack of management skill and organisation appears to be the main factor preventing rural works programmes from bearing fruit.[1]

The application of labour-intensive policies in the rural sector is limited by a variety of institutional factors, namely land tenure, credit and marketing and the domination of the big landowners—questions to which we will now turn.

Agrarian reform

Of all the issues related to rural development, agrarian reform has probably been the most discussed, frequently with more feeling than

[1] Cf. Dudley Jackson and H. A. Turner: "How to provide more employment in a labour-surplus economy", in *International Labour Review*, Apr. 1973.

sense. It is now almost 25 years since it became a topic for international discussion in the Economic and Social Council and the General Assembly of the United Nations as well as at conferences of the Food and Agriculture Organisation (FAO) and the ILO. During that time a certain amount of progress has been achieved: a great deal of legislation has been enacted and in a small number of countries effective agrarian reforms have been implemented. But a great deal more needs to be done, as was shown clearly in the report of the FAO special committee which completed its work in 1972.[1] We need to get away from the mysticism and from talk and debate and get down to action.

There is now very general acceptance of the basic premises of agrarian reform: in particular that modern concepts of social justice cannot permit situations in which a small landed élite controls the lives and souls of the masses of the rural poor, and that abuses connected with the concentration of land ownership and the monopoly of economic, social and political power that goes with it must be removed. In countries where such situations still exist there is very little point in talking about rural development in the sense used in this article. Partial remedies are no good; an effective agrarian reform must attack the basic problems at the roots. But this does not mean that a reform must be carried out once and for all: agrarian structures are extremely complex and it is necessary to keep the situation under constant review and make such modifications and improvements to the reform programmes as are called for as conditions change. Experience has also shown that it is most unlikely that a successful reform can be implemented without the active participation of the rural population in both the formulation and the implementation of the reform measures.

There has been some criticism of the tendency to define agrarian reform in such a broad manner as to include a large number of subsidiary issues which some people feel detract from its essentials. An irrigation scheme, however beneficial, is not agrarian reform. The core of an agrarian reform programme must obviously be adjustments in the structure of land tenure, but this does not at all mean that land redistribution by itself is enough: on the contrary, once the land has been redistributed in accordance with the particular policy adopted by the government, a major task still remains; this consists of making available to the beneficiaries a wide range of services and institutions, accompanied by comprehensive training programmes, such as to permit them to become efficient operators of viable holdings.

---

[1] FAO: *Report of the Special Committee on Agrarian Reform* (Rome, 1971). For further reading see the series of reports on *Progress in land reform* published by the United Nations; ILO: *Agrarian reform and employment* (Geneva, 1971); Doreen Warriner: *Land reform in principle and practice* (Oxford, Clarendon Press, 1969); E. H. Jacoby: *Man and land* (London, André Deutsch, 1971); and Peter Dorner: *Land reform and economic development* (Harmondsworth, Penguin Books, 1973).

The type of land tenure to be introduced following the reform is a matter for each government to decide upon, and certainly there can be no universal model. While many governments favour individual holdings under private ownership, others have adopted various forms of group or collective tenure, including the producers' co-operatives in socialist economies. Sound arguments can also be made out for state ownership of land with long-term leases to individuals, co-operatives or even corporations; such a system helps to ensure that land is used in the public interest. Co-operative farm production is an attractive idea to many. It should be recognised, however, that in the developing world as a whole co-operatives have not always performed too well (as we shall see below) and problems arise in connection with such comparatively simple forms of joint activity as servicing, marketing and credit. Co-operative production is a much more complicated affair, and it would appear to be hazardous to introduce this without first having established a solid co-operative tradition.

Many people confuse agrarian reform with land settlement. It is true that the international definition of agrarian reform includes land settlement as one of the possible measures, and certainly it has its place in agricultural development, especially in those fortunate countries, such as many in Africa and Latin America, where there are still large areas of land available for development; but in countries where the agrarian structure has serious defects, especially excessive concentration of ownership, the promotion of land settlement will do little to correct these basic defects and therefore to free the mass of rural workers from the severe constraints on their liberty and opportunities for progress which these agrarian structures imply.

The ultimate objective of agrarian reform is to promote access to the land by the cultivator or the worker. Some reforms, such as those in Eastern Europe, have provided for the immediate abolition of all forms of indirect cultivation, such as tenancy and share-cropping; others aim at an improvement in the conditions of tenants and share-croppers until such time as a complete land redistribution plan can be implemented. It is important to recall that tenancy is not necessarily a bad thing in itself. Some of the most highly developed agricultural regions of the world, e.g. much of Western Europe and the Middle West of the United States, contain high proportions of cultivators who do not own their own land but rent it. In those countries, over the years, systems of tenancy have evolved that give the cultivator a high degree of security while at the same time letting him use his capital to improve equipment and other non-permanent assets, the latter being provided by the landowner. But there is little in common between tenants in such circumstances and those in Asia, North Africa, the Middle East and Latin America who live in conditions bordering on serfdom. For these the ultimate solution must undoubtedly lie in the abolition of tenancy and

share-cropping arrangements and, where this is not immediately feasible, stringent measures to improve the arrangements and make sure that the relevant legislation is effectively implemented. For that purpose it will undoubtedly be necessary to establish effective organisations among tenants.[1]

In countries where there is very high pressure of population on the land it will be difficult to reconcile the objectives of agrarian reform with those of employment in the broad sense of the term. In a country like India there is simply not enough land, at least under the present farming systems and methods, to give every rural worker a viable holding. It is true that the wider application of new technologies characteristic of the Green Revolution holds out the promise of making small farm units more efficient, especially in areas where there is an adequate water supply. Even so, from the economic point of view, it is important that small farms should produce a marketable surplus in addition to ensuring more adequate consumption for the farm family. Agrarian policies should therefore aim at creating farm units of sufficient size to achieve this; those who cannot benefit from access to land will have to be found employment under rural works schemes and other non-farm activities. In parts of Latin America, where there is more land available per head and where existing holdings, especially the large ones, are operated inefficiently, there is considerable scope for devising agrarian reforms in such a way as to meet employment objectives at the same time.[2]

Co-operatives and other rural organisations

Co-operation is another subject about which there is much talk. Too often, co-operatives are regarded as a panacea in the sphere of development, particularly rural development. The evidence appears to show that this is too optimistic a view. Purists among supporters of the co-operative movement spend a great deal of time arguing whether a particular form of organisation should be called a co-operative or not, using as a basis the extent to which the famous Rochdale principles are applied. These principles have great relevance to strategies to help the rural poor—one man one vote, refunds in proportion to transactions, open membership—but there may well be other forms of group action that can promote development.

It is hardly necessary to recall the very significant role that has been played by co-operatives in Europe and North America. It is largely

---

[1] See ILO: *Improvement of conditions of life and work of tenants, share-croppers and similar categories of agricultural workers*, Report VII (1), International Labour Conference, 51st Session, Geneva, 1967; also the Tenants and Share-croppers Recommendation (No. 132) adopted by the International Labour Conference in 1968.

[2] See Marvin J. Sternberg: " Agrarian reform and employment, with special reference to Latin America ", in idem: *Agrarian reform and employment*, op. cit.

through co-operative action that very substantial benefits have been obtained by rural people, and the co-operative movement has led the way in introducing a wide variety of technical, economic and social improvements in these countries. There are also significant accomplishments in the less developed countries [1]; but in recent years particularly there has been increased concern at the apparent inability of co-operatives to do all that is expected of them.[2]

Part of the reason is undoubtedly the fact that the models of co-operation introduced have too closely followed Western models which grew out of entirely different circumstances and conditions. On the other hand people who argue that co-operatives in developing countries must emerge from or be based on indigenous and traditional groupings perhaps go to the other extreme: although it has been shown that some traditional structures may in fact lend themselves to the needs of modernisation, there are others which by their very nature prevent progress. One of the main criticisms of co-operatives is that in certain countries they have not catered for the needs of the little man, whereas this was of course the fundamental objective of the societies which emerged in Europe during the nineteenth century. In India only a very small proportion of total agricultural credit is handled by co-operatives, and of this small amount only 15 per cent goes to farmers having 5 acres or less.[3] In several African countries, however, co-operatives are providing small producers with highly significant marketing and credit services.

In many developing countries the co-operative movement had, in its formative stages, to rely on support, financial and other, from the government. The assumption was that in due course this support would become unnecessary; this has sometimes happened but other movements have not yet developed sufficient strength to stand on their own feet.

In order to improve the performance of co-operatives a major effort is required in the field of co-operative education and training, for staff and officers of societies but also for the general membership. Along with this the movement must improve its management so that societies become more efficient and competitive with middlemen who take advantage of their monopolistic position. It is, however, an over-simplification to criticise all middlemen as parasites. Some of them do perform useful functions which nobody else is taking care of; and, considering the risks and high cost of these functions, their charges may not always be unreasonable.

---

[1] See ILO: *The role of co-operatives in the economic and social development of developing countries*, Report VII (1), International Labour Conference, 49th Session, Geneva, 1965.

[2] See for example the studies prepared by the United Nations Research Institute for Social Development in its series on " Rural institutions and planned change ", published in Geneva, 1971-73.

[3] Government of India, Planning Commission: *Study of utilisation of co-operative loans* (New Delhi, 1965), p. 169.

The support by the State to which reference has been made is closely related to two other features, compulsory membership in co-operatives and active intervention in their activities, both of which are contrary to the established principles of co-operation. These features are to be found in certain agrarian reform schemes, for example, where the beneficiaries are required to join a co-operative which is managed by an appointee of a government department. The justification for this is that people need to get used to the idea of co-operatives, and that to begin with the societies need financial help and guidance, which implies also some control, even though the ultimate aim is to have voluntary membership and an independent movement. It remains to be seen whether in fact such an evolution will take place.

One of the most striking gaps in the developing world is the small number of representative organisations of rural workers, be they trade unions or peasant organisations. European experience has been that such organisations have a vital role to play in rural development as well as in protecting the interests of their members, especially the rural poor.[1] The comprehensive employment strategy missions carried out by the ILO have found it extremely difficult to obtain the views of the rural masses in analysing employment problems in the countries visited, simply because there were so few representative organisations with whose leaders they could talk. The organisation of rural workers has run into considerable difficulties in the developing world; not only has the right to organise been questioned but even when it is legal, there has been strong opposition, in many cases accompanied by violence on both sides. A big effort is needed to devise suitable forms of organisation for rural workers; this is an effort in which urban trade unions, the international trade union movement as well as other voluntary bodies have an important role to play.

Rural incomes and amenities

The ultimate objective of a rural development strategy is of course to increase the incomes of the rural population and improve the way they live and work. The measures referred to in preceding sections should in one way or another contribute to this purpose. It needs to be recalled in this connection that in most developing countries the gap between rural and urban incomes is widening and that the bulk of the poor are to be found in rural areas. Higher incomes are therefore a matter of priority in terms of social justice; but they are also essential for economic development, which stands little chance of succeeding unless the purchasing power of the rural majority of the population is raised.

[1] For a comprehensive study in this field see ILO: *Agricultural organisations and economic and social development in rural areas*, by Xavier Flores, Studies and Reports, New Series, No. 77 (Geneva, 1971).

The gap between rural and urban incomes is not a problem that arises only in developing countries. For a considerable number of years agricultural interests in developed countries have fought for greater equality in incomes with the industrial sector. At least since the First World War, agricultural policy in the United States has been based on the principle of obtaining parity for agriculture, and various schemes of support and subsidy have been introduced over the years. In Western Europe farm interests have been fighting for a similar cause. The same is true with respect to wages in agriculture, and the attainment of wage rates that compare more favourably with those in industrial occupations is one of the main planks in the platform of agricultural trade unions.

The question of farm incomes is an extremely complicated one, and has many facets, ranging all the way from the elaboration of suitable price policies, including stabilisation measures, to means of reducing the spread between the prices paid by the consumer and those paid to the producer. Two points need to be raised in connection with income security for the less advantaged farmers. The first is the granting of some degree of protection against loss of income due to natural hazards such as drought floods, frost, crop diseases and pests, which can result in a complete loss of livelihood for the small farmer. A number of schemes, including crop insurance schemes, have been developed to grant some compensation for such losses. These schemes are still largely at the experimental stage and are by no means adequate. It may also be necessary as a corollary to the introduction of improved farming techniques to give the small farmer some protection against the risks of innovation. One of the reasons why the small farmer hesitates to introduce new practices is the fear that his yields will not come up to expectations and that his income will therefore drop. It should not be too difficult to devise schemes which would guarantee the farmer an income based on past yields.

The question of maintaining an adequate wage structure in farming in developing countries is a particularly thorny one. Although minimum wage regulation is being slowly applied to agriculture, there are a number of difficulties. Apart from large plantations and other commercial undertakings, most of the farms employing wage labour are small and the farmers' capacity to pay is rather limited. In addition much of the agricultural wage labour force is seasonal and casual, and farms are scattered and engage only one or two workers each—all of which makes the application of legislation extremely difficult. The problem is accentuated in areas of heavy population pressure, since this leads to an increase in landlessness and in competition for whatever jobs may be available. The same situation prevails, by and large, in the case of other small enterprises in rural areas. The spread of new technologies and particularly package programmes of inputs associated with high-yielding seed varieties may offer some prospects of higher wages because of their greater labour intensity and the resulting greater demand for wage labour, but so far the

evidence is not conclusive, although it is obvious that as farming and other rural occupations use more advanced technologies, the demand increases for workers with certain specialised skills (e.g. tractor drivers) who can command higher wages.

The incomes of tenants and share-croppers, who constitute a very large proportion of the labour force in many developing countries, depend on the way in which the proceeds of total farm income are distributed between the landowner and the tenant or share-cropper. Tenancy reforms, to which reference has already been made, are partly designed to lead to a more equitable distribution. Here again there are difficulties of application, particularly where there is such a hunger for land that tenants outbid each other irrespective of legislative provisions. Also, and again in connection with the Green Revolution, there are some indications that large landowners are turning towards direct cultivation (using mechanised methods) and are evicting their tenants. Tenancy regulation within a framework of agrarian reform is a continuing need, not only to maintain the tenants' incomes but also as a means of providing more incentive, through greater security of tenure, for agricultural improvements. The enforcement of tenancy legislation will be facilitated to the extent that peasants establish suitable organisations to protect their interests and through which they can participate in implementation.

The lack of social and welfare services and amenities in rural areas, not only in developing countries but in the world at large, is well known. The situation is particularly serious in developing countries, however, where the resource level is very low to start with and a more-than-proportionate share is allocated to urban areas. Much greater efforts need to be made to prevail on central government departments to show more concern for the rural sector and to make a larger provision in their budgets for this purpose. A strengthening of local government machinery is also required. Moreover, it is not enough merely to provide facilities and amenities; it is also necessary to staff them, and there is a universal problem in finding technicians and administrative staff willing to work in rural areas, especially where amenities are lacking. Hence the need to devise appropriate incentive schemes. In some countries university graduates in such fields as medicine are required to serve in a rural community for a certain period before embarking on their careers.[1]

One means of ensuring that country people have access to a wide range of technical, economic and social services is to establish strategically located centres in which the various services would be made available. One can conceive of a rural development centre, possibly in a market town, where the farmer would find the local official of the agricultural

[1] The Kenya employment mission recommended that " at the end of the upper secondary education all pupils should serve the community in their home area for a minimum period of one year as an integral part of their educational career " in such fields as rural works, statistical surveys, health and education. ILO: *Employment, incomes and equality*, op. cit., pp. 247-248.

department, the extension agent, the credit institution and the co-operative as well as the doctor, the social worker and so on. This would also be the place where the secondary school, the experimental or demonstration farm, the agricultural machinery repair and service station and so forth, are located. Such an arrangement would not only make life easier for country people but could lead to the establishment of a community with the necessary amenities which would act as incentives for government officials and others to work in the country.

Great hopes were placed in community development in the 1950s and early 1960s; much was accomplished at the local level in getting the people more involved, in undertaking village improvements, in developing a grass-roots approach. But there has been some disenchantment in recent years: efforts were too localised; they concentrated too much on welfare and too little on economic activities, even so hardly touching the most underprivileged groups; there were difficulties of co-ordination between new government agencies and well-established technical services. However, the interest which community development activities aroused certainly helped to draw attention to the many grave problems with which rural areas in developing countries are confronted.

Conclusions

It is evident from what has been said above that rural development is an extremely complex matter. To accomplish everything that has been mentioned in the earlier sections represents an ideal that will probably not be attained soon, if at all.

An endeavour has been made to show the inter-relationship between the various components of a rural development programme and to demonstrate that an integrated approach is therefore necessary not only within the rural sector itself but also in order to take account of the close interdependence between agriculture and non-farm activities in rural areas and between the rural and the urban or industrial sectors.

It seems to be clear that in the developed countries marginal small farmers—and probably peasants—are likely to disappear from the scene before too long because there is no place for them in an increasingly industrialised society with a rapidly decreasing agricultural labour force and a need to ensure agricultural production through fairly large and heavily mechanised units. This disappearance will increasingly raise serious problems of maintaining adequate services in rural areas for a dwindling population. In the less developed countries, this stage of development is not likely to be reached for some time: there the essential need is to develop a progressive rural sector offering a variety of employment and producing more efficiently, so that incomes can be increased and a wider and more complete range of amenities supported.

In such rural economies the level of technology, the institutional base and the educational process must be adjusted to local conditions—more specifically to the needs of the rural poor. It is through an increase in the incomes of the latter, who make up the bulk of the population, that sufficient purchasing power will be created to enable domestic industry to expand and to lead to a better balance between the rural and urban sectors and between the traditional and the modern. Such a development will pave the way for a higher degree of industrialisation, which is the ultimate objective for most countries, and it is at that stage that it will be possible for " peasants " to become real " farmers ", as Weitz has stated.[1]

But how is this to be achieved? There is the approach of the technocrats on the one hand and of the reformers on the other.[2] The technocrats give priority to growth through an increase in production by the more progressive elements; the reformers place the emphasis on creating an appropriate social climate which will enable the masses of rural workers to benefit from improved techniques. The answer probably lies in a good mixture of both approaches.

The international community stands ready to assist the developing world in the enormous task of rural development, which calls for resources beyond the means of the developing countries themselves. Several bilateral aid programmes are already heavily involved in this task and attach high priority to it. The World Bank is initiating a new programme of rural development (distinct from its considerable effort in agricultural development) which includes both research and direct operational activities designed to assist in the financing of programmes for the benefit of the rural poor. In addition the Bank is becoming more concerned with employment problems and the extent to which its investment policies might be related to employment considerations. The FAO, by focusing attention on human resources development and mobilisation, better income distribution and strengthening of rural institutions, and problems of agricultural employment, is also giving a high priority to rural development. For its part the ILO is increasingly concentrating on problems in the rural sector not only in connection with the World Employment Programme but also with respect to living and working conditions, training and the strengthening of workers' organisations, the latter two subjects having been placed on the agenda of the International Labour Conference for 1974.

The rural development programmes of the organisations in the United Nations system are being placed largely—but not exclusively—within

[1] Raenan Weitz: *From peasant to farmer: a revolutionary strategy for development* (New York, Columbia University Press, 1971). By this he means that subsistence farmers will become fully market-oriented and will develop appropriate systems first of mixed farming and then of specialised agriculture, as has happened in highly developed agriculture in many of the industrialised countries.

[2] E. Feder: *The rape of the peasantry* (New York, Anchor Books, Doubleday and Co., 1971).

the framework of the agreed strategy for employment policy.[1] In the rural sector this strategy aims at overcoming two major problems—the poverty level of incomes and the low productivity of labour. These problems are caused largely by imbalances, first between the growth of population and labour force and the over-all growth of the economy and secondly between people's aspirations and opportunities. To cope with the income problem, employment and living conditions and amenities in rural areas must be improved so that the bulk of the labour force can be retained until there is more alternative productive employment available in other sectors. In addition to specifically employment-oriented development plans and policies, this calls for a strengthening of institutions and for structural changes in land tenure, production structure, organisations of rural people, institutionalised economic services and facilities and government services at all levels.

The challenge of the rural poor is undoubtedly one of the key issues that will be facing the world for many years to come, and one to which the ILO must continue to devote the closest attention.

---

[1] See ILO: *Employment policy in the Second Development Decade*, op. cit.