



RURAL DEVELOPMENT



Sustainable Development: Brief History



1962 “Silent Spring” by Rachel Carson

1972 “Limits to Growth” by Club of Rome

1972 UN Conference on the Human
Environment in Stockholm

1973 First Oil Shock

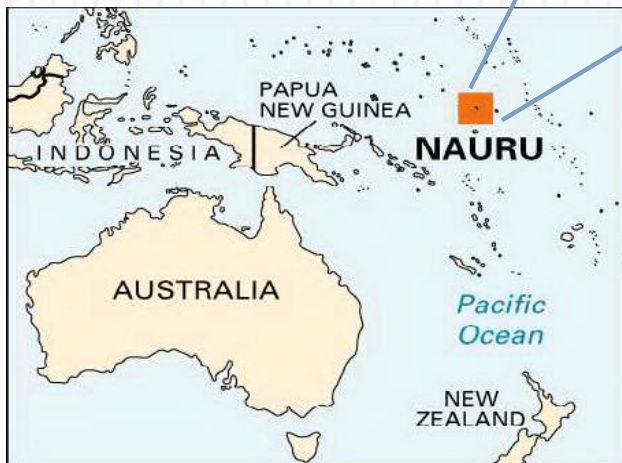
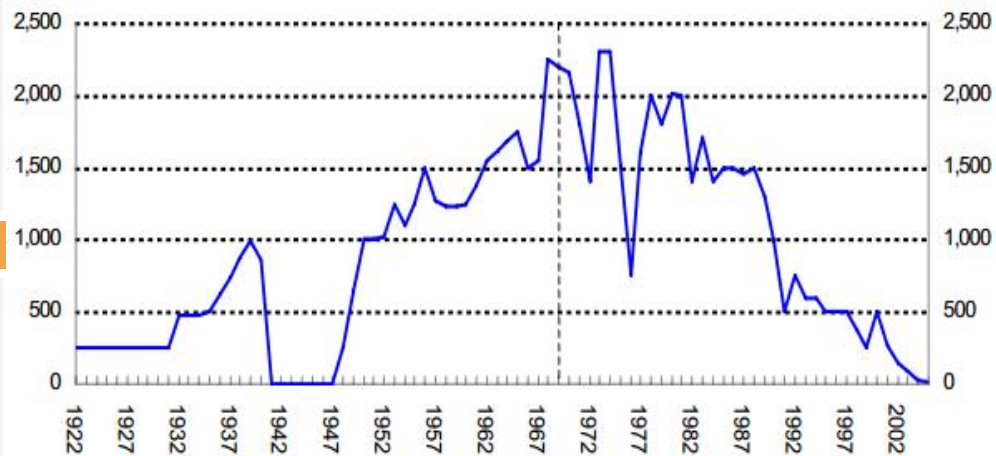
1987 Brundtland Commission Report : “Our Common
Future”

1989 Montreal Agreement in reducing CFC

Sustainable Development: Brief History



- 1991 World Business Council on Sustainable Development
- 1992 Earth Summit in Rio
- 1997 Kyoto Protocol
- 2005 Katrina / GE launch “Ecomagination”
- 2010 Organisation for Economic Co-operation and Development (OECD): Interim Green Growth Report
- 2011 United Nations Environment Programme (UNEP) Green Economy Report
- 2011 European Commission’s EU Low Carbon Roadmap



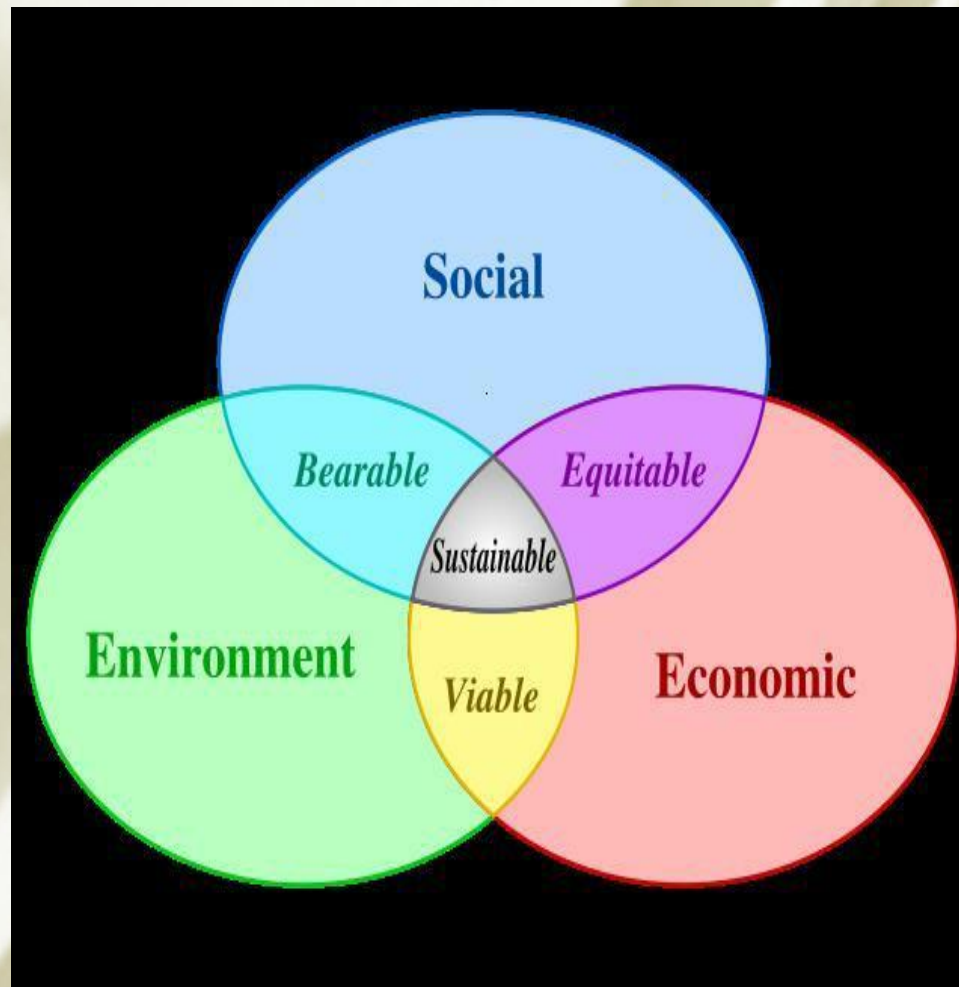
- The Nauru Islands – 8.5 sqMile 1970s
- The second highest GNP per Capita
- “Phosphate”
- The 1990s → Financial crisis
- In 2009, GNP per capita was \$5300, The UAE’s was \$54,000

Sustainable Development

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

Ref. : *Our Common Future*. World Commission on Environment and Development (WCED), 1987. p.43.

Sustainable Development



Two regimes of Globalization

Environmental Globalization

1970s

1980s

1990s

2000s

Environmental Globalization

- Stockholm Conference (1972)

- Sustainable Development (1987)

- Earth Summit (1992)

- Rio+ 10 (2002)

- Rio+ 20 (2012)

Economic Globalization

Economic Globalization (Neo-Liberalism)

- GATT(1947)

- Washington Consensus (1989)

- WTO (1995)

- FTA (2004)

Agrarian Development

- Agrarian development is seen as the rapid fundamental change in the relations of land, livestock, cropping and community.
 - increased production and sustainable use of natural resources:
 - Livestock farming and related value chain development (exploring all possible species for food and economic activity); and
 - cropping and related value chain development (exploring all possible species, especially indigenous plants, for food and economic activity);

Rural Development

- *What and why* Rural Development Projects in the first place?
- *How* are Rural Development Projects formulated and implemented?
- Rural Development Projects formulated and implemented *by whom?*

Community Development Definition

10

“The Process of intervention into existing structures of society, cultural, economic, political and conservation goals”

Furse, De lacy Birckhead, 1996

Community Development

11

“Community Development can be tentatively defined as a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest possible reliance on the community’s initiative”

United Nations, 1995

Community Development



“Community Development”

- as a “process”...
- as a “project”...

Community & Market & State

Eicher & Staatz Ch.5

- **“Community-yoke” thesis: Pro-Market viewpoint**
 - [Adam Smith/Friedrich A. Hayek/Milton Friedman]
 - “Market”
 - is efficient in resource allocation and also provides the ‘rules of justice’
 - Transition from pre-capitalist communities to modern economies is beneficial to a majority of the poor
 - “Community” → ‘traditional ties and despotism’
 - Bound by hierarchical status, traditional customs, and personal ties

Community & Market & State

Eicher & Staatz Ch.5

- **“Evil-market” thesis: Pro-Market viewpoint**
 - “Community” → There are morals that are considered necessary for the efficient functioning of a market economy, which are based on the contracts among free individuals
 - E.g. honesty/trust/restraint/mutual help/income sharing
 - Bound by common religion and mutual love
 - Exchange of labors/use of communal property
 - Secures minimum subsistence for all community members
 - Patron-clients relationship → provides informal social controls on the better-off member to redistribute wealth

Community & Market & State

Eicher & Staatz Ch.5

- **“Evil-market” thesis: Pro-Market viewpoint**
 - **“Market force”**
 - **“demoralizing and self-destructive”**
 - **the release of self-interests and material greed**
 - **Destruction of rural community relations**
 - **Dependency & external variation factors**
 - **Community members tend to rely more on the external legal means to protect their properties**
 - **Max. income to buy purchased goods from outside instead of buying goodwill among their fellow villagers**

Community & Market & State

Eicher & Staatz Ch.5

- **Market-failure and Community Correction**
 - Are 'community-yoke' and 'evil-market' thesis rival or complementary?
 - 'Market failure': Production externalities
 - Customary rules/moral principles >> formal laws/explicit contracts
 - Close social interaction/communication → reduce opportunism/cheating/moral hazards

Community & Market & State

Eicher & Staatz Ch.5

- **Community-failure and Market Correction**
 - Lag institutional adjustment
 - Community mechanism
 - is bound to be limited to a small community
 - Is effective in resolving intra-community conflicts but fails for inter-community conflicts
 - Prisoner dilemma tends to emerge among village/tribe
 - Mutual help → mutual shirking!?
 - Feudal and exploitative rules and institutions in the traditional village communities → Market penetration could strengthen local bargaining positions

Community & Market & State

Eicher & Stataz Ch.5

- **Anti-community & Anti-market policy**
 - Government intervention..

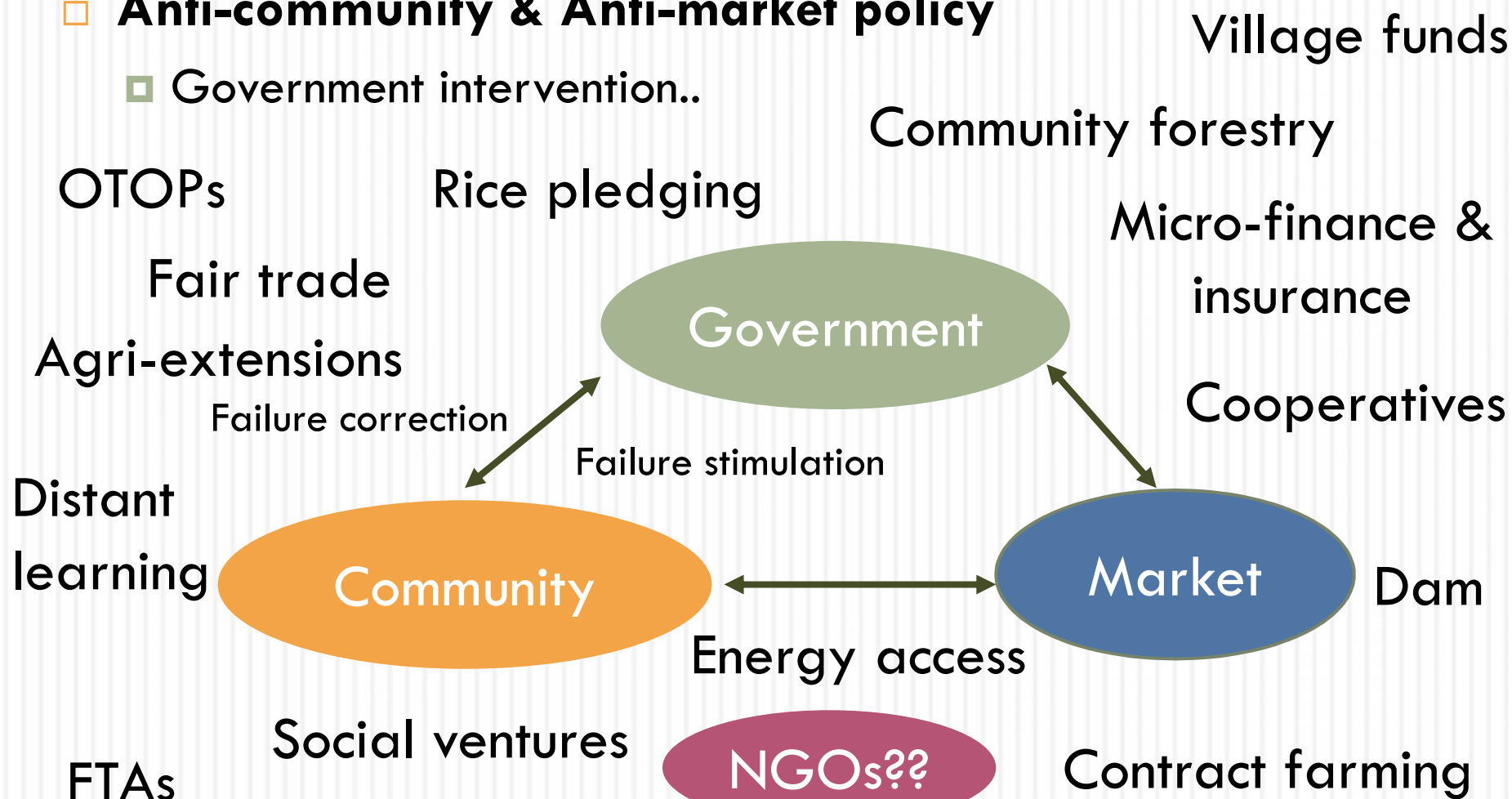


Community & Market & State

Eicher & Staatz Ch.5

□ Anti-community & Anti-market policy

- ▣ Government intervention..



Community & Market & State

Bowles & Gintis (2000)

- Community governance addresses some common market and state failures
 - but typically relies on insider-outsider distinctions that may be morally inconsistent;
- The individual motivations supporting community governance are not captured by either the conventional self-interested preferences of *Homo economicus* or by unconditional altruism towards one's fellow community members;

Community & Market & State

Bowles & Gintis (2000)

- Well-designed institutions make communities, markets and states complements, not substitutes;
- With poorly designed institutions, markets and states can crowd out community governance;

Social Capitals

Hayami (2009)

- 'Social capital'

- commonly refers to the mechanism of such social relationships as networks, norms and trust to induce people toward cooperation
- the structure of informal social relationships conducive to developing cooperation among economic actors aimed at increasing social product, which is expected to accrue to the group of people embedded in those social relationships.

Social Capitals

<i>Attributes of:</i>	<i>Embodied in:</i>	
	<i>Physical goods</i>	<i>Humans</i>
<i>Private goods</i>	<p>Private physical capital</p> <p>= alienable/tradable goods e.g., machines & factories</p>	<p>Private human capital</p> <p>= personal work skills & patentable knowledge</p>
<i>Local public goods</i>	<p>Social overhead capital</p> <p>Local infrastructure: e.g., village roads, local schools & municipal drainage systems</p>	<p>Social (relation) capital</p> <p>= informal social relationships</p>
<i>Global public goods</i>	<p>Global infrastructure: e.g., lighthouses & national highways</p>	<p>Global human/social capital</p> <p>non-patentable scientific knowledge, formal institutions, cultural values & ideologies</p>

Rural development?

- Whatever is not urban is considered rural
- Urbanity: Different definition
 - ▣ **Australia** urban areas are defined as population clusters of 1 000 or more people, with a density of at least 200/km²
 - ▣ **China** city and town with a population density higher than 1,500/km²
 - ▣ **India/Thailand** All places with a municipality, corporation, cantonment board or notified town area committee, etc.

Rural development?

□ Thailand

□ Municipality:

- city municipality- have a population of at least 50,000
- town municipality- have a population of at least 10,000 and sufficient income to cover the tasks of a town
- tambon or subdistrict municipality -
 - may not cover a *tambon* completely, or conversely, it may extend over parts of more than one *tambon*
 - have a gross income of at least 5 million baht and a population of at least 5,000 with a minimum density of 1,500 per km²

□ Rural area => 'Non-municipal areas'

The *What* Question

Old paradigm:

- ✓ Focus on agriculture sector
- ✓ Focus on increased yields, production and commodity surpluses
- ✓ Neglect of personal incomes
- ✓ Neglect of well being of rural people
- ✓ Neglect of equity considerations
- ✓ Neglect of women issues
- ✓ Top-down processes with no stakeholder participation
- ✓ Supply-driven processes

The *What* Question

New paradigm:

- ✓ Focus on all sectors in rural space
- ✓ Emphasis on personal incomes and rural poverty
- ✓ Emphasis on rural well being
- ✓ Emphasis on participatory processes and ownership of rural development projects by key stakeholders
- ✓ Focus on women issues

The *Why* Question

28

Old paradigm:

- ✓ Agriculture as the engine of growth, with two-sector growth models
- ✓ Agriculture as a “horizontal growth percolator”
 - ▣ Since agriculture is the dominant sector in rural space, its growth will somehow diffuse horizontally to the other sectors in rural space
- ✓ Rural man and woman has been treated as “the invisible man/woman” of development theory and development practice

The *Why* Question

29

- ✓ Agriculture as source of raw materials for agro-industries
- ✓ Agriculture as source of food for the urban population that constitutes a threat to governments through powerful urban-based trade unions
- ✓ Agriculture as source of foreign exchange earnings to balance a country's external account
- ✓ Agriculture as source of wage goods and market for goods and services from manufacturing in the non-agricultural sectors
- ✓ Agenda and guidance of foreign donors

The Why Question

30

The New Paradigm:

- ✓ Failure of agriculture as a “horizontal growth percolator”
- ✓ Rural people, as “people” or “human beings”, not merely as producers of surpluses of commodities required by the urban economy of developing regions and the developed countries
- ✓ Democratization of political regimes and rising political importance of the neglected rural majority
- ✓ Accelerating rural-urban migration and the rural development imperative
- ✓ Pressures from changing fashions of foreign donors

The *How* Question

The Old Paradigm:

- ✓ Rural Development Projects prepared by foreign donors and /or their collaborators in the ministries of food and agriculture and related ministries and their private sector friends in the consultancy community with practically no involvement of the rural people, the intended beneficiaries
- ✓ Rural development priorities were determined by foreign donors and their public sector collaborators on perceived needs basis rather than on basis of actual needs and priorities of rural people

The *How* Question

32

- ✓ No explicit rural development policy to guide the formulation of rural development strategy and projects
- ✓ Rural development projects not treated as varieties that should of necessity be subjected to *varietal trials* for sensitivity to environmental stresses before implementation to minimize implementation (varietal) failures
- ✓ Non-involvement of intended beneficiaries in implementation
- ✓ Absence of impact assessment

The *How* Question

The New Paradigm:

- ✓ Participatory processes in project formulation involving wide spectrum of stakeholders and intended beneficiaries
- ✓ Involvement of intended beneficiaries in rural development priority setting
- ✓ Rural Policy frame to guide the formulation of rural development strategy and projects
- ✓ Subjecting rural development projects (RDP) to varietal trials for sensitivity to environmental stress
- ✓ Well formulated and well implemented RDPs

The *By Whom* Question

34

The Old Paradigm:

- ✓ Formulation by donors, civil servants, the consultancy community, to the neglect of other stakeholders
- ✓ Priorities set by donors, civil servants and policy advisers
- ✓ Implementation by foreigners appointed by donors, civil servants from ministries, with intended beneficiaries as spectators
- ✓ Weak monitoring and evaluation by civil servants, donors and their friends, lacking independence

The *By Whom* Question

35

The New Paradigm:

- ✓ Stakeholders and intended beneficiaries involved in project formulation and implementation
- ✓ Intended beneficiaries involved in priority setting in a bottom-up approach
- ✓ Intended beneficiaries involved in project implementation
- ✓ Intended beneficiaries involved in project monitoring and evaluation
- ✓ Intended beneficiaries involved in project impact assessment

The *For Whose Benefits* Question

36

The Old Paradigm:

- ✓ Farmers and consumers of present generation
- ✓ Foreigners, contractors and merchants in the supply chain
- ✓ Political leaders and civil servants engaged in rent-seeking behavior
- ✓ Unintended beneficiaries

The New Paradigm:

- ✓ The rural majority, rural people
- ✓ Present and future generations of rural and urban people
- ✓ Intended beneficiaries

New Paradigm of Rural Development

- Rural development focuses on, but is not limited to:
- Necessary focuses:
 - “Physical changes”: Productivity increase, Income generation, Access to basic needs, food security
 - Means:
 - the revitalization of old and creation of new economic, social, and information and communication infrastructure, public amenities and facilities in villages and small rural towns, etc.
 - Agri. extension projects, the livelihoods project (health/education/basic needs)
 - Top-down and Outside-in development/ Physical changes

New Paradigm of Rural Development

□ Sufficient focuses:

- The “empowerment” of rural people and communities;

“Empowerment involves people in assuming control or mastery over their lives. (Rappaport, 1987)

“Empowerment is a social action process that promotes participation of people, organizations, and communities towards the goals of increase individual and community control, political efficacy, improved quality of community life and social justice.” (Wallerstein, 1992)

- Powers on ‘decision making’, market power, socio-economic independency, freedom and human dignity

New Paradigm of Rural Development

□ Sufficient focuses:

- Means:
 - More integrated/multi-dimensional and qualitative aspects of the projects
 - Social mobilization to enable rural communities to take initiatives;
 - establish savings clubs and co-operatives for economic activities, wealth creation and productive use of assets
 - community-based resource management/ land reform
 - non-farm activities for strengthening of rural livelihoods;
 - leadership training, social facilitation
 - the community-based social safety net (e.g. Concurrent for retirement and disability pay: CRDP)

New Paradigm of Rural Development

Sufficient focuses:

- democratization of rural development, participation and ownership of all processes, projects and programmes;
- co-ordination, alignment and co-operative governance (Local municipalities, traditional councils, provincial government);
- participation of Non-Governmental Organizations (NGOs) including faith-based organizations, Community Based Organisations (CBOs) and other organs of civil society; and
- social cohesion and access to human and social capital.
- Bottom-up and Inside-out development/ Attitudinal change