

# **An overview of rural development policies and programmes in CMCs with special reference to sustainable rural livelihoods**

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CIRDAP

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# **An overview of rural development policies and programmes in CMCs with special reference to sustainable rural livelihoods**

- S.Narayan<sup>1</sup>

## **Introduction**

At the beginning of 2010, it is important to ask whether the initiatives for sustainable livelihoods, rural development and poverty alleviation of the last decade have yielded adequate results and whether it is necessary to revisit some of the assumptions. The approaches used in the past include the rights-based approach, governance approach and the microfinance approach but it is often argued that none of them has been good enough to reach the required results. Recent surveys of poverty estimates indicate that the economic growth of the CIRDAP member countries has still to reach a majority of the poor—the most recent estimates in India indicate a poverty line estimate that encompasses 37% percent of the population—a number that indicates that there has been less than adequate fall in poverty levels in the last decade.

Among the more important of the strategies in the CMCs has been premised on the basis that people in rural areas, especially the poorer sections are usually cut-off from economic services, i.e. from access to markets, inputs, information and finance. It is argued that services have been deteriorating during recent years in the course of reduced state budgets, resulting in service gap (vacuum) that has to be addressed through the building up of regional and local level institutional capacities and the strengthening of the political power of the rural poor to demand better services.

Broadly, decentralisation efforts have been integrated into nationwide public reform strategies. Typical country scenarios indicate that these are often sector-focussed, sector based and sector biased. There is an expectation of too much too soon from these local government institutions, which therefore suffer from serious capacity constraints. The cross sectoral coordination mandate remains unfulfilled due to lack to technical and organisational capacity building exercises, and as a result, the success of the efforts depends critically on the capacities of the functioning service systems.

There have not been any uniform strategies that have been adopted for achieving this goal, as there are no easy blueprint solutions for decentralisation, privatisation, civil society engagement and community ownership in rural regions. Situation-

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specific answers to the challenge of redesigning rural service systems have to be found, with due consideration of the principles of subsidiarity, complementarity, and competition between service providers. This has required a shift of the role government agencies and a corresponding organisational transformation process, along with the risk that enforced institutional transformation will result in reduced performance of the system. In short, the strategy that regional action against poverty, driven by local Government, as an all encompassing panacea has delivered only limited results in the CMCs.

The difficulties that have been encountered along the way are manifold: economic, socio-cultural, ecological, political-institutional etc. Political institutional aspects play a key role in designing appropriate decentralised institutional systems, including service systems addressing the needs of the poor and giving them a voice. The approach has generally been to bridge the gap between the poor and the service system—‘gap between the pillars’—through a variety of alternatives. These have included attempts to develop stronger Local Government initiatives through legislative and democratic empowerment. The gap has been attempted to be bridged from below by building community ownership, through strengthening role of clients, improving ability to articulate demands and interests. There have also been attempts to bridge the gap from above, through a more decentralised service system -- services closer to the people; control from below; new roles of service providers; dealing with structural limitations of state agencies through a more appropriate, pluralistic and diversified system of service provision, involving the private sector in poverty reduction etc.

### **Country scenario based on country reports and the Evaluation Committee**

The experience of the CIRDAP member countries has traversed through this entire gamut of alternatives. After a study of the country experience reports prepared by the member countries, it had been felt that there were several common features in the efforts of the CMCs. The country studies and the overview reports formed a major input for the evaluation studies carried out in 2008.

In 2008, the evaluation committee constituted by CIRDAP member countries studied the performance of rural development and poverty alleviation programmes in the CIRDAP member countries. The CIRDAP Evaluation Committee set itself the following tasks;

- (i) Examine the shift of the IRD paradigm over time,

- (ii) Review performances and identify constraints in the current work being conducted by four operational divisions (Research, Pilot Projects, Training, and Information and Communication) of CIRDAP<sup>2</sup>,
- (iii) Review all of the past “review and evaluation” of CIRDAP activities,
- (iv) Survey in the latest CMC Country Studies conducted in 2007-08 for this evaluation,
- (v) Consult with selected informed intellectuals on the subjects, and
- (vi) Interview most of CIRDAP senior staff members on opportunities and constraints that CIRDAP now faces.

The following are excerpts from the CEC report

*Particularly in the nineties, greater emphasis has been given on direct intervention for poverty reduction in most of the less developed countries of the region by identifying and targeting the poor, the deprived and the vulnerable, through separate projects for specific areas or sections of people. A good number of RD concepts, ideas, models and designs have evolved through research, pilot projects, experiments and practices. So many actors in the field, not only public sector but also NPOs, NGOs, CBOs and private sectors, have emerged by the end of last century. It is now really the time that a cohesive and all-pervasive model be worked out on the basis of experiences so far we have accumulated, which will ultimately fit into the imperatives of the future. That model and design must necessarily be based on, and manifestation of, a holistic approach towards RD eventually leading to poverty alleviation and prosperity for the teeming millions of Asia-Pacific region.*

*The fresh 2008 studies indicate the similar pictures across the CMCs<sup>3</sup>:*

*First, on the **food security**. In the last two decades, unlike the years of Green Revolution in the 1960s and 70s, there have been no major innovations in agriculture. Farming technologies, practices, inputs and outputs have not changed significantly. There has been a consequent drop in the growth rates in agriculture, when compared with manufacturing and services sectors. On the one hand, this is celebrated as the modernisation of the economy, with less people engaged in agriculture. On the other, however, the statistics indicate a slow down in food production. In fact, the reports clearly point out that the issue of food security that has surfaced this year (2007-08), could have been foreseen at least five years ago.*

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<sup>2</sup> For this exercise, refer to Chapter 3 of the CEC report

<sup>3</sup> The following six paragraphs are simplified excerpts from Dr. Narayan’s summary report which is based on the 11 Country Reports. CIRDAP, 2008 (mimeo.)

*It is clear that issues of food production and of investments in agriculture must be put back on priority. The question is whether to go back to old, tried and tested models, or to innovate with public-private partnerships.*

*Second, it appears that the targets of **UN Millennium Development Goals (MDGs)** are unlikely to be met in most of the CMCs. Among the more important reasons are those of governance and institution building. The country reports show that a clear strategy of delivery of services and the building of institutions to make this happen has eluded the policy makers in most of these countries. There have been attempts to reduce the role of state and public expenditure and to associate private enterprises, corporate and NGOs with diverse social responsibilities including education, health, water and waste management. On the other hand, there have been remarkable success stories. The initiatives that have emerged through self-help groups (SHGs) have succeeded in empowering rural women, sustaining livelihood, and indeed, bringing these groups into the mainstream of economic activity. But, the models that would be relevant for all the member countries, or even for the entirety of a single country, is yet to emerge.*

*Third, in short, **market economies**, rather than government programmes, has been the single largest contributor to reduction in poverty and improvement in living standards in CMCs. In this context, many governments are revisiting the role of the states. It has become important for the states to create an enabling environment so that these market forces can work. In several countries, this has been through development of infrastructure, better access to products and markets, better logistics, etc. In some other countries, there needs to be investment in creating human capital. There is now a focus on improving access to education, health care and other public services. In many of CMCs these physical and social infrastructures are all moving again to the front burner. Governments are now searching for organizational alternatives that would enable these responsibilities to be shared and delivered efficiently and effectively. The role of decentralised local government and of NGOs has become increasingly important in this context.*

*The reports, however, point to the dilemma of several governments, namely, the question of how much decentralisation is necessary to make rural governance effective. There is a concern over the capability of these institutions to deliver, at the same time the worry that giving up centralised authority may merely spawn a thousand experiments rather than effective solutions. There is concern in these*

countries over ethics and morality, corruption and capabilities. The reports point to different solutions.

Fourth is the **equity issue**. It is clear from the reports that improvements in GDP per capita, in overall growth, have been attained at the cost of increasing disparities in income. The last decade has witnessed significant income growth in all the CIRDAP member countries, but the incomes of the top deciles have risen much more than that of the lower deciles. The Gini coefficients given by the researchers, though not comparable, clearly indicate growing income disparities. In India in particular, there are also regional disparities with certain regions growing much faster than others. It is clear that the growth in Asia has not touched each citizen equally: that the concept of growth for all still remains a challenge.

Fifth, it is quite evident that **there has been less than adequate cross-fertilization of ideas and programmes among CMCs**. Policies have been driven by country specific needs and politics, and while they have addressed similar problems, there is little evidence of learning from each other's experiences. Similar programmes have been implemented by different CMCs, with varying results, and yet there is little attempt to analyse the factors behind the success in one country and the lack of it in another. The opportunities offered by a number of regional organizations like SAARC, ASEAN, etc., have not been seized upon. There is an opportunity to leverage the institutions as well as the linkages to tackle the emerging problems.

Sixth, and finally, very few of the reports have touched upon the other emerging problem, that of **energy security**. Most of CMCs are energy deficient, and energy importers. It is important to understand what the development strategies would be to ensure steady supplies of energy for their development, without this, development would be stunted. Issues of energy are linked with those of the environment, as the kind of fuels to be used in the future would have an effect on carbon emissions and on global warming. In rural communities, organic fuels and agricultural waste may be low-cost options. Problems of rural development cannot be addressed without assuring the basic requirements of fuel and food, and the new programmes of CIRDAP need to pay attention to these as well.

The CEC then identified the following areas that CIRDAP should address:

**Table1. CEC Recommendations on areas for CIRDAP**

| Areas                        | Sectors  | Issues   |
|------------------------------|--|--|
| Macro & micro economy        | <ul style="list-style-type: none"> <li>✚ Macro-economic management and stability</li> <li>✚ Resilience of local economy</li> </ul>   | <ul style="list-style-type: none"> <li>✓ Economic management</li> <li>✓ Budget allocation to RD&amp;PA</li> <li>✓ Pro-poor policy</li> <li>✓ Rural employment generating policies</li> <li>✓ Paradigms of free trade vs. “local consumption of local products”</li> </ul>  |
| Natural resources management | <ul style="list-style-type: none"> <li>✚ Land, forest and water</li> <li>✚ Disaster management</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Access to land, forest and water</li> <li>✓ Food security and food price</li> <li>✓ Credit, inputs and technology</li> <li>✓ Natural calamities</li> <li>✓ Bio-fuel</li> <li>✓ Rural eco-technology</li> </ul>  |
| Demography                   | <ul style="list-style-type: none"> <li>✚ Demographic dynamics</li> <li>✚ Rural-urban poverty</li> <li>✚ Rural-urban migration</li> </ul>   | <ul style="list-style-type: none"> <li>✓ State and process dimensions of poverty</li> <li>✓ Rural employment generation</li> <li>✓ Rural-urban linkage</li> <li>✓ Rural planning</li> </ul>  |
| Human development            | <ul style="list-style-type: none"> <li>✚ Education</li> <li>✚ Primary health care</li> <li>✚ Preventive health care</li> <li>✚ Safety net for minimum livelihood</li> </ul>                | <ul style="list-style-type: none"> <li>✓ Equal access to education</li> <li>✓ Equal access to primary health care</li> <li>✓ Access to reproductive health</li> <li>✓ Nutrition</li> <li>✓ Advocacy for serving poorest of the poor</li> </ul>   |
| Infrastructure               | <ul style="list-style-type: none"> <li>✚ Rural road</li> <li>✚ Irrigation</li> <li>✚ Water supply &amp; sanitation</li> <li>✚ Markets &amp; marketing</li> <li>✚ Rural industry</li> </ul> | <ul style="list-style-type: none"> <li>✓ Access to market</li> <li>✓ Diversifying farming systems</li> <li>✓ Safe water supply and sanitation</li> <li>✓ Product development and marketing</li> <li>✓ Rural job-creation</li> </ul>  |
| Rural institutions           | <ul style="list-style-type: none"> <li>✚ Local government</li> <li>✚ Cooperatives</li> <li>✚ NGO/civil society</li> <li>✚ Private company</li> </ul>                                       | <ul style="list-style-type: none"> <li>✓ Decentralization of power and budget</li> <li>✓ e-Governance</li> <li>✓ Capacity building of cooperatives</li> <li>✓ Effectiveness, coordination and transparency</li> <li>✓ Participation of women, vulnerable and ethnic groups</li> <li>✓ Rural micro-enterprises</li> </ul> |
| Regional cooperation         | <ul style="list-style-type: none"> <li>✚ Trans-boundary issues</li> <li>✚ Labour migration</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Trans-boundary issues like global warming, bird-flue and human trafficking</li> <li>✓ Job/workplace safety of migrant workers</li> </ul>  |

'The country researchers who participated in the Country Study in 2007-08 have also identified several areas where CIRDAP could prove to be an effective intermediary. These are enumerated below. Perhaps some of these could have been realized much earlier because CIRDAP must have been a networking institution between CMCs and CIRDAP Secretariat and also between and among CMCs. What could have been lacking so far, in their opinion, were information sharing, particularly on good practices, exchange programmes for staff capacity development, collaborative programmes, and overall, more intimate communication. They are indicative that occasional formal meetings such as annual TCs, assembling for conducting regular seminars, workshops and training programmes, pamphlets, newsletters and CDD were not enough to quench their thirst for better communication. One of the important thrust may be for many of the functionaries at various levels to see to each other working in their respective field sites facing the rural poor for the sake of uplifting their livelihood'<sup>4</sup>.

**Table2 Opportunities for CIRDAP as Identified by the Country Study of 2007-08**

| CMC         | Areas and issues                 | Remarks   |
|-------------|----------------------------------|---|
| Afghanistan | Poppy & opium economy            | Provide other CMCs' experiences in eradicating poppy culture and opium-dependent economy.               |
|             | Capacity building of AIRD        | Learning from best practices of other CMCs in capacitating AIRD in project planning and staff training. |
|             | RD&PA planning                   | CIRDAP's accumulated know-how in national RD&PA planning.   |
| Bangladesh  | Non-farm sector economy          | Sharing other CMCs' experiences in enhancing non-farm and non-agricultural sectors.                     |
|             | Increase in crop productivity    | For food security and for diverting labour to non-agricultural sectors.                                 |
|             | Micro-credit to the ultra poor   | Sharing micro-credit to the core poor among CMCs.   |
|             | Rural-urban migration study      | Sharing experiences among CMCs in combating excessive urbanisation.                                     |
|             | Web-based knowledge bank         | For sharing up-dated information among CMCs.  |
|             | Strengthening CIRDAP-LI linkages | (To be elaborated in Recommendation Section.)   |

<sup>4</sup> CEC findings

|           |  |   |
|-----------|--|---|
| India     | Resource pooling/sharing between ASEAN, SAARC, AARDO, etc.                                   | Work out effective collective action.   |
|           | Establish Knowledge-Networks for RD&PA   |   |
|           | Study on functional collaboration among different stakeholders in RD&PA, public and private. | For achieving functional partnership among diverse partners.                                      |
|           | Production and trade statistics of selected commodities                                      | CIRDAP takes lead in creating corpus for promoting innovations in this area.                      |
|           | Introduce IRD Index  | Take centre role in establishing network for the indices among those concerned incl. LIs in CMCs. |
|           | Various suggestions for strengthening CIRDAP HRD   | (To be elaborated in Recommendation Section.)   |
| Indonesia | Micro-credit programme   | CIRDAP develops and implements micro-credit programme suitable for Indonesian villages.           |
|           | Training in rural income and agricultural productivity                                       | Disseminate other CMC experiences   |
|           | RD&PA model with environmental and ecological integrity                                      | Also give training to local community for maintaining and enhancing the quality of environment.   |
|           | Skill training of women for sustainable livelihood   | Particularly for women in poor and remote areas.  |
| Myanmar   | Development of land, water, crops, animals and fish resources potentials                     | There are still a large potential of diverse agricultural resources development.                  |
|           | Community-based poverty alleviation  | Particularly in hilly dry zones, through rural micro finance, etc.                                |
|           | Rural water supply and sanitation  |   |
| Pakistan  | Collaborative skill training in RD&PA  | Joint work in collaboration with LI AHK-NCRD and CIRDAP.  |
|           | Enhancing rural micro enterprises  | Through skill training for rural micro enterprises with provision of micro-credit.                |
|           | RD&PA planning skills  | CIRDAP's assistance in planning and implementing RD&PA.   |
|           | Pilot projects for rural poverty alleviation   | Pilot projects of demand-driven and need-based with active participation of beneficiaries.        |

|             |   |  |
|-------------|---|--|
| Philippines | Poverty targeting and capacitating programme managers   | CIRDAP is expected to bring in other CMCs' experiences in these areas and issues.  |
|             | Microfinance initiatives  | CIRDAP is expected to provide knowledge, skills and cross-country experiences in this issue.   |
|             | Water supply and sanitation   | Again, CIRDAP's expertise in participatory planning will be relevant in this area, too.  |
| Sri Lanka   | Follow-up action of WCARRD lines  | Particularly in agrarian reforms, food security, environment degradation and climatic change.  |
|             | Mitigation of adverse effects of globalised economic system   | CIRDAP must shift concern from micro-level participatory planning and development to those of meso, regional and international levels.   |
|             | Make CMCs' farm and non-farm sectors more competitive nationally and internationally.   | CIRDAP to study East Asian experiences and draw lessons for South Asia   |
|             | Bridging between CMCs and SARRC, ASEAN, etc.  | CIRDAP should participate in specific niches as a specialised institution for RD&PA.   |
|             | Coordination with national and regional NGOs  |  |
| Thailand    | Indexing of HHI (Human Happiness Index)   | Quantify the Human Happiness by a number of quantifiable parameters such as economics, health, education, social and environment indicators.   |
|             | Global warming  | How can we be prepared to avert or accommodate this kind of global disasters?  |
| Vietnam     | Consultancy for Vietnam for RD&PA policy making   |  |
|             | Organize research, seminars and forums on what Vietnam is in need, and extend technical support in some needy areas and issues. | Rural models, RD directions, policies for environmental protection, land policies for raising land productivity and products competitiveness, integration into international economy, impact of WTO on agriculture and rural community, farm enterprises, etc. |

### **The Way Forward**

It is clear that, since 2007, CIRDAP has carried out a number of exercises that would help analyse its past performance and assist in developing a future role. These have included studies by county experts as well external consultants. There has been close consultation and interaction with Government and the link institutions. It is therefore not necessary to stray away from these reasoned findings to identify a role

for CIRDAP or its activities. The agenda set out in Table1 is comprehensive, well thought out and elaborate, and it may not be possible for CIRDAP to fulfil the entire mandate, given limitations of financial as well as technical resources. Repeatedly, the studies have pointed out to the need for synergies between the work being done in the ink institutions, and the need for sharing of information and expertise among the member countries.

Within the framework of these expert recommendations, the issues therefore are of setting priorities and to redefine goals in the national as well as the regional context. It has been argued earlier in this paper, that there is adequate evidence that the decadal approaches to poverty alleviation and sustainable livelihoods have not succeeded in removing abject poverty, and that nearly half a billion people in the CIRDAP member countries still live in conditions that cannot be said to be sustainable. It has also been argued that the approaches to development have been through attempts to improve deliveries of services, either through the strengthening of local Government institutions through alternative frameworks that have included public-private partnerships as well as micro finance initiatives. A fundamental issue that has repeatedly come up is the absorption capacity of those for whom the programmes have been intended, and the ability of those assisted to climb up the ladder out of poverty and into a sustainable lifestyle.

It is in this context that several of the CMCs are increasingly realising the value developing skill sets for their population. As economies grow in the CMCs, especially in India, Bangladesh and the neighbourhood, the initial efforts to improve literacy now need to be supplemented with providing skills for coping with the challenges of the new economy. In several of the states in India, skilled labour, especially in urban areas, is in short supply—as real estate and construction grows there is need for thousands of skilled workers that include masons and carpenters and electricians, as well as those with more sophisticated skills who can service the needs of the urban consumer—auto mechanics, television and air conditioning servicemen and the like. On the one hand, this helps take people off agriculture. At the same time, there is the paradox that food security concerns should ensure that arable land is efficiently cultivated, and this points to the need for investment in skills and technology in agriculture as well. It is likely that the next decade will see a number of initiatives, especially in India where the largest number of the poor live, of improving skills.

This brings back the concerns in agriculture. It is now clear that food security and water management are likely to become the two most important livelihood concerns in the CMCs in the coming decade. This would require policies that target

improvements in technology in agriculture, a full marketing chain that adds value to the produce and makes farm living a viable economic proposition and also to ensure that management of water is made more sustainable, through better water management and irrigation programmes as well as water conservation measures. These latter would not just be important for the management of the dwindling resources in these countries, but would be equally important for the management of concerns of global warming, that are likely to affect India and Bangladesh within the next couple of decades.

As a short to medium term agenda, these two issues, namely, skill development as coupled with the host country's education and human development initiatives, and the revitalisation of agriculture through technology, market orientation and water management appear to present a an important work plan for CIRDAP, that can then be adjusted to fit into country needs and priorities. Within this framework, exchange of best practices, county studies as well as research into new initiatives would make the role of CRDPA more meaningful and help achieve its regional agenda.

There appear to be three important ingredients for achieving these objectives. First, that CIRDAP is seen as furthering national agenda, not as creating an agenda of its own, and of assisting in carrying the national agenda forward through its network of institutions and global contacts. Second that CIRDAP should be strengthened both financially as well as through addition of technical expertise to be able to cater to country needs. Third, that there should be adequate opportunities for interchange of views, information, skills and knowledge among the CMCs and that the link institutions should play an important role in making this happen.

Among the recent initiatives has been the MOU signed between Technical Committee on Agriculture and Rural Development (TCARD) of SAARC and CIRDAP. The Third Meeting of the TCARD found merit in creating synergy between SAARC and the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) based in Dhaka and recommended signing of a MoU between the two organizations. Subsequently, the Twenty-third Session of the Standing Committee (New Delhi, 31 March – 1 April 2007) authorized the Secretary General to sign MoU with CIRDAP, which was approved by the Twenty-eighty Session of the Council of Ministers (Islamabad, 2 April 2007). Accordingly, a MoU has been signed between the Secretary General of SAARC and the Director General of CIRDAP at the SAARC Secretariat in Kathmandu on 20 April 2007. This is an example of CIRDAP leveraging its unique position for a regional initiative.