Rural Development Policy
Course Outline, Assumptions and Methods

If development is conceived of as access to resources, then whether it is access to income, access to clean water, access to decent education and health care, or even a healthy environment, the rural areas of the world lose out. Urban settlements have better public services, basic infrastructure, higher income levels, lower infant mortality rates and longer life expectancies, yet in terms of the world as a whole, most people still live in villages and rural settlements.

Traditionally, agriculture has been the basis for income and employment in the rural areas. But, for many reasons, it is increasingly unable to sustain the rural areas with many serious negative consequences. In many parts of the world, the ‘rural exodus’ has led to land abandonment, village depopulation, desertification and the tremendous growth in urban slums. One of the chief challenges for rural development policy is how to deal with this impoverishment of rural life.

The key aims of this course are to investigate some of the major forces driving this development and to examine how practical policies might mitigate or even reverse some of these trends. The course will draw on development studies, anthropology, agricultural economics and sociology and will examine some of the key alternatives that have been developed at national, supranational and micro level to address the course of the rural decline. The majority of the case studies will come from Europe and Asia, especially the former socialist countries although reference will be made to other parts of the world during the course.

As a subject, rural development is at an early stage. There are relatively few places where it is taught, there are few textbooks and research has tended to focus on developing countries. Having said that, the scope of the subject is potentially vast. It can take in natural sciences and social sciences, knowledge that is non-academic – related to both traditional approaches and the experiences developed out of practical development projects.

The result is that this course does not attempt an overview of rural development. Instead, we will look at select case studies that highlight common issues, so for example, the question of producer groups is connected to the development of the small scale agricultural sector, the development of rural non-farm employment and the expansion of social trust. If rural development has anything to contribute to modern public policy, it could be in its relational concepts such as ‘complementarity’, ‘integrated rural development’ or even the OECD’s latest offerings ‘jointness’. We will use the case studies to investigate the meaning of these concepts and their practical implications.

Methods

Every seminar will address one issue within rural development policy. One common reading will assigned and, to enable a broader discussion, each student will be expected to read one other. This will be allocated in advance. Assessment will be based on a single essay and on classroom contributions.
Week One
Introduction to Rural Development

The aim of this introductory class is to consider some of the basic concepts and approaches used within rural development. Although there has long been an interest in the topic in developing countries, in the industrialised countries rural policies have up until recently been principally about agriculture. In recent years there has been a move towards policies concerned with the wider rural economy and society. The enlargement of the EU and the opening up of the countries of the former Soviet Union has focused attention on rural development for several reasons. One is the continued significance of agriculture for rural employment and national GDP, second, the postsocialist rural transformation has exacerbated many problems that were latent under socialism, such as disintegrating rural services, out-migration, poverty and under-employment. Thirdly, there is an increasing recognition of the repercussions of rural neglect whether these are expressed in social, economic or environmental terms.

Required Readings


Alin Rus, ‘Rural Development versus Traditionalism and Synergy versus Poverty in Rural Romania’, East European Countryside, 10, 2004

Questions for Class

1. What would you consider to be the principal problems facing people living in the Romanian villages as described by Rus?
2. How far do the theories and approaches described by Ashley and Maxwell apply to these situations?
3. Do you agree with Rus that, in the current environment, there is no potential for rural development?

Week Two
Rural Migration

There are many forces that are responsible for the current state of rural areas in post-socialist countries, but perhaps one of the strongest forces is migration. The traditional approach is to focus on those who leave the rural areas, often young people who are perhaps reluctant to remain in the village, preferring to experience life in the towns and cities, or increasingly, abroad. During the socialist period, as the agricultural workforce declined, the numbers of people living and working in towns and cities increased. A less studied but arguably just as significant development was internal migration, whether from rural areas to rural areas or from urban areas to rural areas. The low status and low wages from agriculture meant that there were often shortages on collective farms, sometimes made good by ‘volunteer’ labour and other times by labourers migrating from poorer areas. A second form of socialist migration was the job assignment whereby newly qualified professionals would be sent on their first posting to work in rural clinics, schools, veterinarians, and farms. Once there it could be difficult to leave.
Post-socialist migration is less centrally directed, more international and reflective of fluctuations in the economy, border policies. Some questions such as its impact remain the same, others are perhaps newer and reflect the contemporary nature of migration.

Required Readings


Additional Readings


Dumitru Sandu, ‘Emerging transnational migration from Romanian villages,’ Migration online, Focus on Central and Eastern Europe, 2002 http://www.migrationonline.cz/studies_f.shtml?x=195089


Questions for Class

1. How do we know who currently lives in the rural areas?
2. How can we characterize current out migration and in migration to the rural areas?
3. What is the significance of remittances to the development of rural areas?
4. What is the significance of rural migration in terms of social relations?

Week Three

Land Policies for Growth and Poverty Reduction

It is increasingly recognised that the systems for owning, using and transferring property are of “fundamental importance to sustainable growth, good governance, and the well being of and economic opportunities open to rural and urban dwellers – particularly poor people”. There is a great deal of research from Central and Eastern Europe that investigates the transformation of property rights through privatisation and restitution. In this class, we focus on the problem of land fragmentation and the development of effective institutions for land administration. We focus on policies to promote the consolidation of land holding and a case study that examines
some of the difficulties in developing land institutions to both serve and regulate the new property regimes.
Questions for Class

1. In what ways do property systems have a negative impact on economic development?
2. In what ways are they tied up with good governance?
3. Why is important to try to consolidate land holding in rural areas?
4. Why have owners resisted consolidating their holdings in the past?
5. What do you consider the greatest challenges in developing effective policies for land consolidation?
6. According to Stanfield, what have been the principal challenges in the development of functioning land administration institutions to date?
7. Does the Albanian case offer any lessons on the sequencing of land policies?

Week Four
Small-scale agriculture in the rural economy

It is fair to say that post-socialist agricultural development has not gone the way that policy makers expected. Free market inspired reforms that privatized land, dismantled state and collective farms did not produce a mixed economy of family and commercial farms. Instead farming throughout the former socialist world, with a few exceptions, now has a profound dual structure with large farms co-existing alongside very small semi-subsistence holdings. Not only have the larger farms proved to be precarious in terms of surviving and adapting to post-socialism, the semi subsistence sector has proved itself very resilient. Policies towards this sector have varied between general, indiscriminate support to relative hostility. This class will examine some of the current approaches to the small-scale sector, their current impact and likely long terms effects.

Required Reading

Additional Reading


Friedhelm Streiffler, ‘Continuation of the Farm versus ‘Growing or Disappearing’ – Part-time Farming in Germany’, *East European Countryside*, Vol. 10, 2004, 45-59


Questions for Class

1. What might explain the persistence of small-scale agriculture as a significant feature of the post-socialist rural economy?
2. How does someone move from part-time to full-time farming?
3. What are the principal obstacles to the commercialization and consolidation of small farms?

**Week Five**

**Contemporary Collectives? – Promoting Producer Groups in Central and Eastern Europe**

Although its extent might be hard to gauge, there are significant numbers of co-operative structures and associations within the modern agricultural sector. Whether they are grouped around the common interests of producers of a particular commodity or producers within a particular geographical area, producer groups are viewed by the EU, at least, as providing a fundamental and non-governmental benefit to the rural economy. Producer groups are seen to improve quality standards, improve the purchasing power of small producers, lead to economies of scale for suppliers and generally enhance incomes from agricultural production. In former socialist countries, although they have been encouraged by start up funds from government and the EU, producer groups have been remarkably unsuccessful, often viewed with suspicion by farmers and regional agricultural bodies. Simply put, they are sufficiently unknown as to resist characterization, although perhaps the closest that they do come to is the old agricultural production co-operatives of socialist times.

**Required Readings**
Chapter One, ‘The role of governments, policies and institutional framework related to the Farmer’s Interest groups involved in provision of input and output services in CEE and the EU experience’, from *Farmer Organisations in Central and Eastern Europe and their role in Provision of Input-Output services in the context of accession to the European Union*, Proceedings of an FAO workshop, 2001

Chapter Two, ‘Formation, Operation and the role of Farmer’s groups and organisations in the provision of input-output services in CEE Countries’, from *Farmer Organisations in Central and Eastern Europe.. ibid*

Additional Readings

Chapter Three, Farmer’s Self-organisation in provision of services in Pannonian region of Croatia, from *Farmer Organisations in Central and Eastern Europe.. ibid*

Chapter Four, Farmer’s Self-organisation in provision of services in the southern great plain region in Hungary, from *Farmer Organisations in Central and Eastern Europe.. ibid*

Chapter Five, Farmer’s Self-organisation in provision of services in Poland, from *Farmer Organisations in Central and Eastern Europe.. ibid*

Chapter Six, Farmer’s Self-organisation in provision of services in Dorna, Iasi and Ilfov regions of Romania, from *Farmer Organisations in Central and Eastern Europe.. ibid*

Questions for Class

1. What are the different types of producer groups and how might you characterise them taking into account their potential risks and their potential rewards?
2. What is the role of government in establishing producer groups?
3. What might explain the success of the producer groups that have been set up?
4. If you were charged with promoting producer groups as part of a program to raise rural incomes, what would be your biggest concern? What methods would you use to demonstrate the benefits of being a member of a producer group?

---

**Week Six**

**Rural Non-farm Employment**

The development of rural incomes outside of agriculture is increasingly recognised as a potential fruitful area for policy intervention. The mechanised nature of intensive agriculture and its reliance on inputs rather than labour means that alternative sources of employment are vital in both halting the ‘rural exodus’ and addressing rural poverty. What are the factors that determine growth in non-farm incomes and to what extent are policies able to have a positive impact on this process? In the recent literature there are several streams of thought ranging from the rural entrepreneur approach that tries to capture the secrets of their success in order to repeat it elsewhere to those that focus on the institutional dimensions of encouraging rural ‘innovation’ or ‘sustainable livelihoods.’ The aim of this class is to examine in a number of settings this dynamic
of rural non-farm employment and critically consider policies which have an impact on its growth.

Required Reading


Additional Readings

The following four papers can be found at the website of the Rural Non-Farm Economy Project
http://www.nri.org/rnfe/papers.htm


Junior Davis and Douglas Pearce, The Non-Agricultural Rural Sector in Central and Eastern Europe, Natural Resources Institute Report No. 2630


Questions for Class

1. Why is important to understand the relationship between work on farms and work off farms?
2. How might we assess in practice whether the drivers for development of the non-farm sector are ‘distress led’ or ‘demand pulled’?
3. What is a rural entrepreneur?
4. What does a pro-innovation policy look like?

Week Seven
Field trip

One of the complaints of governments is that when deciding where to allocate resources for rural development, it is sometimes difficult to find suitable projects to support and build upon. Part of this is a problem of representation but there is equally much to be said about the real difficulties in the production of ‘best practices’. How can ‘lessons’ be learnt from one site that will make a positive difference to another?

Required reading

Csaba Csaki, Scaling-up the impact of good practices in rural development: a working paper to support implementation of the World Bank ‘s rural development strategy, 2003
Week Eight
Rural Governance and access to power

The aim of this class is to look at the distinctive nature of rural governance focusing on two themes that seem especially significant – participation in decision making and capacity for action. This allows us to consider various questions concerning the relations between rural and urban governance, and to investigate how the rhetoric of popular participation translates into everyday practice in the rural areas.

Required Reading


Department for International Development Briefing, Third Party Arbitration Courts: resolving land disputes in Eastern Europe and Central Asia, 2004

Additional reading

Lutz Laschewski and Rosemarie Siebert, Social Capital Formation in Rural East Germany, in Goverde, h, de Haan, H and Baylina,M (eds.) *Power and Gender in European Rural Development*, Ashgate, 2004


Questions for Class

1. How would you characterise the relationship between the mayor and the various groups described in the Verdery article?
2. What mechanisms were there for holding such an official accountable for his actions?
3. In the readings given in what ways do villagers appear able to have an influence on either the formation or the implementation of policy?
4. Do you agree that there appears to be a need for alternative institutions to deal with contemporary rural problems such as land disputes?

Week Nine
Rural Tourism
As agriculture declines as the principal countryside employer many commentators look to rural tourism as an alternative source of jobs and incomes. Seeing the relative success of converting farm buildings into guest homes, rural tourism has been widely promoted in central and eastern Europe. Like farming, tourism is seen as having positive impacts on the wider rural economy, creating employment opportunities in related fields such as recreation and leisure. In countries such as Britain, tourism to the rural areas has overtaken farming in terms of number of jobs and contribution to GDP. Yet, there is some (limited) scepticism towards the potential of rural tourism to provide reliable alternative incomes and an appreciation that a stunning landscape on its own is not enough to attract the visitors.
Required Readings


Additional Readings


Questions for Class

1. What appears to be the basis for the successful development of an area for tourism?
2. What would be a realistic estimation of the contribution that tourism can make to rural employment and incomes?
3. Which are the key agencies that can promote tourism?
4. What should be the role of government in this area?

Week Ten

Microfinance schemes and affordable credit

Affordable credit has been an ongoing problem for development in the rural areas, particularly in agriculture but in other business. Despite the exhortations of governments and the assumptions of foreign advisors, commercial lenders have proved consistently reluctant to provide affordable credit for rural dwellers. Even larger agricultural entities complain of excessive interest rates, penalty clauses that invoked at the slightest infringement and a refusal to accept anything but vital machinery or personal property as security. For the small-scale producer, borrowing from a commercial lender would appear very risky to say the least. The aim of this class is to consider some of the alternatives that have been developed, most notably, taking their lead from the success of the Grameen Bank in India, the community based savings and loans schemes.

Required Readings

Additional readings


https://marriottschool.byu.edu/microfinance/current.cfm?issue=fall03


Questions for Class

1. What are the preconditions for the development of a financial market that is appropriate for small-scale rural producers?
2. What are the alternatives in terms of offering reliable security?
3. What are the potentials for village based micro-finance schemes as an alternative to the mainstream market providers?
4. What are their preconditions for success?

Week Eleven
Managing Water resources for rural areas

The aim of this class is to consider how the institutions for managing natural resources have changed in the transition. In the pre1990s, the system of water supply to farming was part of the collective farm system. The break up of that system saw the collapse of irrigation regimes through CEE with the attendant loss of farm land and the various environmental problems that this causes. Water offers a chance to examine one of the commonest themes in rural development in CEE, namely the need for new institutions that can deal with the needs of small-scale users. This continues the theme of new property regimes and examines the issues of participation and co-ordination of collective action.

Required reading
Questions for Class

1. What are the principal changes to irrigation practices in Bulgaria?
2. What have been the principal economic and environmental consequences of those changes?
3. What are the difficulties faced in determining the pricing of water?
4. Is it possible to create policies that can minimise the impact of free riders?
5. What seems to be preventing the FAO from realising their goal of greater user involvement in the management of water supply systems?

Week Twelve
Question for Class

Rural development policy is a well meaning but futile attempt to slow down urbanization and the industrialization of agricultural production. As such it will have only superficial impact and can be characterized as a marginal policy experiment. Discuss