

Position Paper

Rural Development

**A Summary of Sida's
Experiences and Priorities**



SWEDISH INTERNATIONAL DEVELOPMENT
COOPERATION AGENCY

Department for Natural Resources and the Environment
May 1999

Foreword

This is one of four position papers produced by the Department for Natural Resources and the Environment (NATUR) during the period 1997 - 1999. It is intended to form the basis of a process which will culminate in a policy for Sida's work in the rural development sector. The other three papers deal with sustainable agriculture, forestry, and the management and use of water resources.

Inevitably there is some overlap between the four papers, but they should be seen as forming a whole. In particular, this paper on methods for rural development should be read together with all the other three papers.

Rural development is a wide concept. A large proportion of Sida's operations concern rural development and this field is therefore far from being the sole responsibility of NATUR. A large number of Sida's approaches can claim to fall under this heading and a great amount of work would be required to cover all of them in one document. We have therefore refrained from dealing with all Sida's activities in this area and take up the natural resources sector only. We have done this in the full awareness that there are several common denominators for Sida's work in rural development in all sectors which should be given prominence and defined in detail in future work on methods development.

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Stockholm, May 1999

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Executive Summary

1. Points of departure

Rural development in this context refers to measures which are intended to make a permanent improvement in the living conditions of the poorest people in rural areas through the sustainable and productive use of natural resources.

The approach which is presented below includes activities in many sectors of society. It has two points of departure:

- The needs and priorities of the people themselves in respect of a regular income and quality of life in rural areas;
- Sida's ambition to promote increases in production in the sectors of farming, forestry and fisheries. This is a prerequisite for improvements in the welfare of people living in rural areas.

The focus shall be on people. The roles of women, men and various groups of people, their responsibilities, and their use and rights in respect of natural resources must be analysed and taken into consideration.

The role of governments and authorities should primarily be to create favourable conditions for the sustainable use of natural resources in rural areas.

2. Target group

The target group of rural development programmes supported by Sida are the poorest people in rural areas. Special attention shall be given to activities which reach women in the productive sectors in rural areas. The immediate target group consists of government employees at provincial, district and municipal levels, and popularly elected representatives at village level. A further target group consists of the institutions at local level, voluntary organisations (NGOs) and the private sector.

3. Objectives

- Food security and better living conditions
- Economic and ecological viability
- Pluralism and the commitment of different parties at local and national level

Through its support to rural development, Sida wishes to contribute to making it possible to improve living conditions and increase incomes, primarily for poor people in rural areas. The sustainable and productive use of renewable natural resources will lead to an improvement in the livelihoods of poor people in rural areas. This includes local production, consumption, processing and other functions of importance for the well-being of people.

4. Priorities

Sida works actively to support the capacity of the partner countries to identify and implement rural development programmes and to make it possible for the partner countries to extend their planning perspectives and work on a longterm basis.

Sida gives priority to three main areas for cooperation in rural development:

- Sustainable use of natural resources in rural areas
- Development of knowledge and capacity building
- Development of policies and institutions

5. Working methods and principles

Sida's work with rural development in the natural resources sector should be permeated by:

- A focus on poverty, on people, and a clear gender equality profile
- Sustainable management of renewable natural resources with a focus on the sustainable and productive use of available natural resources
- Support for the diversification of the productive activities in rural areas and for an increase in employment opportunities outside farming
- Concentration without losing the holistic perspective
- An emphasis on obtaining full support locally through a large measure of popular participation in both the planning and implementation of programmes, and strong local ownership
- Identification of, and support for, favourable political intentions and sound macro-sector policies
- Support for the development of the local administration at different levels

In the work on rural development special attention shall be given to four aspects: local ownership and local support, production, poverty and the environment.

Furthermore Sida's support should be integrated at various levels and, at the same time, adapted to local conditions.

A careful analysis must precede every programme to enable models for local ownership to be devised. Models which permit an increase in popular participation should be tested. Projects should be designed in such a way that they lead to a more efficient use of available productive resources. Projects must be justified on the basis of this perspective. They should focus on small farmers, sometimes in combination with special measures to reach the landless.

Special attention shall be given to activities which reach female producers. Effects on the environment shall be assessed with special consideration given to effects on biological diversity. Capacity building and human resource development of the local administration and support to civil society in rural areas are important elements in programmes for rural development. In consideration of the fact that these programmes are often complicated, have a long-term perspective and are difficult to

assess, it is often suitable to link a component for continuous data collection and monitoring. This can sometimes be arranged as a programme of research cooperation with local institutions.

1. Introduction

This position paper describes the approach to rural development of Sida's Department for Natural Resources and the Environment (NATUR). It should be read together with other position papers drawn up by the department in respect of agriculture, forestry and management of the use of water resources.

The point of departure of this paper are the objectives of Swedish international development cooperation which Sida has transformed into four action programmes: poverty reduction; peace, democracy and human rights; gender equality; and sustainable development. The objectives of Swedish international development cooperation express a comprehensive approach in which sustainable development is as important as social progress and economic growth. The paper has the aim of showing the complexity of rural issues and of demonstrating how the broad approach of Swedish development cooperation can contribute to providing sustainable development for women, men and children in rural areas.

The paper has the primary aim of developing an approach to the issue of sustainable development in rural areas which can be used as a basis for the identification of suitable areas and forms for development contributions in rural environments and for decisions in respect of such contributions. A further aim is to inform Sida's partners in cooperation of Sida's methods in the rural development sector.

The approach presented in this paper covers activities in many sectors of society. There are two starting points: firstly, the needs and priorities of the people themselves - to be able to make a livelihood and to enjoy a reasonable quality of life in rural areas, and secondly, Sida's ambition to promote growth in the productive sectors of rural areas - agriculture, forestry and fishing, which is a prerequisite for improving the welfare of people living in rural areas.

Section 2 presents a summary of experience gained from rural development programmes in the natural resources sector. Section 3 takes up current development trends and issues which affect forms of development cooperation in the sector. Section 4 provides points of view on the content of future contributions.

Support to rural development is also provided by several other departments at Sida including the Department for Democracy and Social Development (DESO), the Department for Cooperation with Non-Governmental Organisations and Humanitarian Assistance (SEKA), the Department for Infrastructure and Economic Cooperation (INEC) and the Department for Central and Eastern Europe (Sida-East). The approaches vary in several respects and this paper does not claim to take into consideration all the support given by Sida for rural development. It is intended to provide guidance for programmes of international development cooperation and to contribute to the development of strategies at NATUR.

2. What is rural development? What experience do we have of rural development?

2.1 The concept of rural development

Rural development covers all the areas which affect the living conditions of people living in rural areas. Its aim is to *improve the living conditions of the poorest people* in rural areas and to improve their prospects of making a tolerable livelihood based on the economic and productive long-term use of natural resources.

Sustainable production must be based on the social situation and local needs of people - women, men and children. Production is promoted by improvements in levels of education and health. The process of interaction between the rural areas and the small towns is of great importance. Communications and transport are important components in this process. Other important factors can include clean water, soil conservation, plant nurseries, small industries, and literacy campaigns. However, from the users' perspective (farmers, local population) the world is not broken down into sectors. Spreading risks is a survival strategy for the poor farmer who has needs in many different areas, including those mentioned above. Support to rural areas should therefore be based on an analysis of these needs and on priorities based on objectives formulated in advance.

The organisation of support is influenced by relations between men and women, the formal and informal institutions in rural areas, legislation, the economy and other factors of importance for the living conditions of poor people. The sustainable use of natural resources requires specific local ownership in both the planning and implementation of development projects in rural areas. Support to rural areas contains substantial components of methods development to promote local participation.

2.2 Summary of experience gained

Swedish development cooperation has supported rural development in developing countries for some 30 years. Over the years the focus of the support has changed. In the 1960s and 1970s it mainly consisted of sectororiented projects (agricultural projects and forestry projects). In later years the support was transformed into broad, integrated projects which included both agriculture and forestry and other measures for social and economic development.

These projects have had the character of local support rather than national programmes, and have focused on small farmers and their families with the aim of improving living conditions through, for example, better soil use and increased production. The methods used to achieve development have varied over time, but the projects have often included experimental activities, advisory services and credits as well as strengthening the capacity of the local administration to undertake local planning activities and follow-ups.

Support for the sustainable management of natural resources is really support for a process in which popular participation, based on the priorities of the people, is a fundamental and essential component. Experience shows that the implementation of this type of support is complicated. The experience gained by Sida hitherto in this area can be summarised as follows:

1. People's priorities shall be the primary governing factor where the organisation and implementation of projects are concerned. The focus must be placed on the living conditions of the people. It is not possible to have the well-being of the land or the forest as the sole objective.
2. Increasing levels of employment should be given priority. "Modernisation" has sometimes led to a fall in levels of employment. Marginalised people or people living in marginalised areas can be forced to use natural resources unsustainably in areas which are unsuitable for the intensive use of natural resources.
3. Productivity in rural areas must increase. If productivity in farming is increased, the need to cultivate marginalised areas will diminish. Improved technologies can reduce the need of taking more marginalised areas into use.
4. There is a wide variety of peoples and societies. It is therefore important to understand the social, cultural and institutional framework within which projects and policies are implemented. The projects must be specific to their context, i.e. adapted to the local situation and the prevailing socioeconomic conditions.
5. The projects should start on a small scale. If they make good progress and the requisite conditions are in place, they can grow. Initially it is often difficult for projects of this type to absorb development cooperation funds - unless they include "heavy" components for the construction for roads and houses.
6. Difficulties in working on a cross-sector basis and shortcomings in institutional capacity are problems in the partner countries. The prospects of the partner in cooperation being able to coordinate projects for rural development are complicated by the fact that projects of this type are both cross-sectoral and multi-sectoral, while the institutions Sida usually cooperates with are sector institutions.
7. Human resource development and the assumption of responsibilities must take place at local level. It is essential to make the best use of existing capacity and to build up this capacity and to support institution development, particularly at the local level and in conjunction with the contribution. The planning phase itself can be organised in project implementation form with considerable elements of capacity building of the local public administration, and possibly of non-governmental organisations as well.
8. Development takes time. The importance of along term perspective in the planning of support to rural development cannot be overemphasised. It is reasonable and natural that the introduction of new methods and concepts leads

initially to setbacks and problems, and that it takes time to remedy these problems, often 20 years or more (see Fact box 1).

9. A process of constant adjustment to new conditions and new knowledge is necessary. Economic, cultural and social development often leads to complex processes which can assume unexpected forms. In order to obtain a wider understanding and adjustment to these processes, a research component linked to the project can provide assistance and support.
10. Sustainable development in rural areas requires serious political intentions and backing at both the national and local levels, in particular a sound macro-economic policy, coordinated sector policies, and legislation and regulations on the right to use natural resources and, above all, land.
11. The role of the international organisations is important. Structural problems in the organisations of donor bodies (internal and external) can make it difficult to implement integrated or holistic measures. Can donors with different methods and financing procedures, as well as different agendas, agree and work together for the best of the local population? Improved cooperation between donors in both local and national contexts is desirable, as well as the exchange of experience and methods development.

To sum up, we can learn the following:

- ♦ **The socio-cultural situation must be analysed initially, understood, and followed up regularly.**
- ♦ **Start on a small scale.**
- ♦ **One overall objective should be a sustainable increase in production.**
- ♦ **The projects must be given time but may not continue for ever - a final date must be set.**
- ♦ **The projects should be a part of a national programme (pilot programmes must also have the support of the national level).**
- ♦ **A positive national policy is of decisive importance, even at the local level.**
- ♦ **An important objective, and a prerequisite for sustainability, is to build up local capacity.**

Fact box 1: Rural development takes time

Some major and well known rural development projects which have received support from Sida during the following periods:

- ♦ *CADU (later ARDU), Ethiopia: 1967 - 1986*
- ♦ *National soil conservation programme, Kenya: 1974 - to date*
- ♦ *Matara IRDP, Sri Lanka: 1979 - 1999*
- ♦ *RESP, Bangladesh: 1982 - 2001 (planned ending)*
- ♦ *Mountain rural development programme (FCP later MRDP), Vietnam: 1990 - to date*

3. Current trends and issues

The emphasis of programmes of rural development must be on enabling people and local institutions to create development. The tasks of the institutions of society and of development cooperation are to be a facilitator and to create favourable conditions.

Below a presentation is given of current issues and trends which are currently of importance in the discourse on approaches to sustainable development in rural areas.

3.1 The role of government - formulation of policy

Success in the rural development sector is dependent in essentials on the intentions of the country. There must be a macro-economic policy in place which promotes economic growth while avoiding the creation of injustices in society. Programmes of support to macro-economic reforms, policy development and so on are important instruments for the promotion of positive development in rural areas. If obstacles to positive development are removed and sector policies are improved, there is a greater possibility that external support will be meaningful. The improvement of sector policies in this respect includes, for example, a fair distribution of the government's resources to guarantee that infrastructure and services are provided equally for all citizens and adapted to local conditions.

Likewise the government should promote a greater degree of sector coordination and mobilisation, take advantage of local interests and local initiatives, and strengthen decision-making processes from the bottom-up. This requires processes which focus more on dialogue, processes which can appear to challenge the traditional (existing) interests of politicians and government employees.

In poor countries an increasing number of rural households merely exist at subsistence level and lack the resources necessary for survival through periods of unsuccessful harvests. Small farmers living in poverty and financial insecurity can be forced to over-exploit the natural resources they have access to. Development without reforms which create security for the people in question, for example in respect of price policies and the right to own the land they cultivate, makes it difficult to maintain an economical use of natural resources.

Activities at the local level often show a need for changes in policies. Such changes can only be made at the overall national level. The formulation of policies pre-assumes the knowledge and capacity to express national intentions. This requires sensitivity as well as the capacity to collect, process and analyse statistics and other information, a capacity that is often lacking in partner countries. This, in turn, often requires the strengthening of institutions in central administrations through support and programmes of education and training for management functions.

3.2 Food security and the role of women

An increase in food production is needed in the partner countries to enable them to feed a growing population. Both women and men participate in the production and use of natural resources, including water. Levels of production in rural areas are not merely dependent on the climate, soil etc, they are also dependent on the standards of education and health, access to alternative forms of employment, and the possibility to exert a political influence.

A greater degree of consistency in the integration of gender equality aspects into the programmes of support for industries in rural areas also contributes to increasing productivity and efficiency. By specifying, with the aid of a target group analysis, the needs and access of women and men to natural resources and the means of production, it is possible to steer investments more systematically so that the resources provide the best development effects. Investments in the sector are often sounder economically when the production efforts and interests of both women and men are taken into consideration in the planning and implementation of programmes.

The work of women in and around the home is not, as a rule, given sufficient attention in national statistics. Macro-economic analysis seldom reflects the important role of women for the household economy, the rural area economy and the national economy. This means that important sources of income and investments are not included. Likewise mistakes arise when censuses use standard categories for the employment of women instead of real divisions of work.

In large parts of sub-Saharan Africa, women are responsible for the predominant proportion of farming work. Despite this, legislation and/or practices are shaped in such way that it is mainly men who have the legal right of ownership to land and access to credits and advisory services. The family's income is often regarded as belonging to the man in the family, even in countries where women are responsible for both production and sales. In many places the important role of women in agricultural production has a historical explanation: the men have been gainfully employed somewhere else.

Fact box 2: Equality and the distribution of resources

- *Kenya: by providing women with the same amount of capital goods and further training as men, production can increase by 20%;*
- *Tanzania: by introducing time-saving measures for women among the small farmers producing bananas and coffee, cash income can increase by 10%, work productivity by 15% and capital productivity by 44%;*
- *Zambia: if the investments in capital goods and land for women are increased to the same levels as those for men, yields from agriculture can increase by 15%.*

Source: World Bank 1998

3.3 Population - urbanisation - migration

The work of developing rural areas is complicated by population growth and the redistribution of the population caused by the movement of people to towns or other rural areas. The inland rural areas are tending to become depopulated, while the rural areas near the coast are becoming more densely populated. The complex relationships between demographic dynamics, development processes, resources and the environment must be taken into consideration.

The movement of people in and out of rural areas is due, among other things, to the issue of access to land and employment. It is possible to exert an influence on migration but not to exercise complete control. The movement from rural areas to the towns and imbalances between the population and the resources in different areas can be diminished by making investments in infrastructure and improving access to land, education and health care.

All over the world the family structure is being affected by urbanisation and other socio-economic changes. The multi-generation family is starting to disappear. Changes in the family structure often have the effect that traditional systems of security and production are disintegrating and this also affects production in rural areas. Furthermore migration leads to changes in lifestyles which, in turn, lead to shifts in eating habits towards food based more on livestock production. Urbanisation will make considerable demands on the transportation on food from the rural areas to the towns, improved communications and more effective markets.

One of the contributory factors to the change in the composition of the population in the rural areas is the expansion of HIV/AIDS. As the disease spreads, there is a reduction in the proportion of the population which is able to work. This leads to changes in production patterns among those who are still able to work and thus has implications on agricultural production. Changes in the use of land, divisions of labour and cultivation systems affect food supplies. At the same time knowledge and skills disappear when people of working age die.

Paradoxically many poor family farms in rural areas suffer from a lack of labour despite the growth in population. This is chiefly due to the fact that large proportion of the men in the labour force seek work in other places. The migration of the men

gives the women an excessive workload. As long as women are not able to obtain access to the knowledge and tools necessary for farming and other productive activities in rural areas, as well as methods which make it easier to obtain water and fuel, there will always be a need for large families - for additional productive hands.

Population pressure has a severe effect on the environment. Depleted environments lead to increases in the flows of refugees. The number of people who leave their homes on account of changes in the environment and of increasing difficulties in obtaining an income from the land, forest or water is approximately the same as the number of refugees from wars and persecution, some 20 million people each year. In all probability this figure will increase.

3.4 Sustainable development - the environment

Sustainable development, or the sustainable use of natural resources, takes place in a complicated process of interaction between people and nature. Decisive factors for sustainable production in rural areas include the stress on the environment and the quantities of the given natural resources which are consumed, as well as the relationship between the number of people, their consumption and production patterns and their use of technology. In poor farming areas, where population pressure is high and growing, the adjustment of farming methods is made difficult, which increases the pressure on natural resources. An increase in environmental degradation has a negative effect on the possibilities available to people to make a livelihood. The sustainable development of rural areas is therefore a question of the distribution of incomes, distribution of resources, consumption patterns and selection of technology.

The report "Sustainable Aid - Swedish Development Assistance after UNCED" (Ministry for Foreign Affairs) contains a description of the close relationship between the environment and poverty. In this document it is emphasised that poverty reduction requires a broad and fundamentally social approach in the natural resources sector. Issues such as equality between women and men are therefore increasingly important for sustainable development.

The emphasis on sustainable production does not mean that the environment shall be protected for its own sake - it shall be protected for the sake of people. The focus of our interest is on people. The renewable natural resources - water, land, vegetation (forest and crops) and animals (domestic animals and wild animals) can best be protected and used sustainably by those who live off them. It is in their own interest. Sida is therefore working actively to promote local supervision and maintenance of renewable natural resources.

The environment is often best protected by increasing the productivity of existing farming land. This reduces the need of using unsuitable land for production purposes. Increasing employment outside the traditional productive activities of the rural sector can also be a way to reduce the strains and stresses on the environment. The creation of job opportunities in towns in rural areas, in industries, in trade or in forestry can reduce the overexploitation of land and water.

3.5 Popular participation - local planning - follow-up

Popular participation is a fundamental prerequisite for sustainability in rural development. Planning imposed from the top often results in passivity, dependence, and not least projects which are badly planned and lack the acceptance and support of the people, while local influence and control over commonly owned and/or utilised production and natural resources is often a precondition for the sustainable use of resources.

However, the authorities are often unwilling to give responsibility to poor people. An important task for development cooperation is therefore to participate in processes which give powers to the local population and allow them to formulate their own needs and participate in decision-making processes at the local level. The use and development of methods such as PRA and PLA¹ as well as other approaches which promote popular participation are instruments in these processes.

It is also the case that all local planning should be based on the limits set by nature, should see the whole picture, should take into consideration not only existing limitations but also all the opportunities, and should thereby seek solutions which are sustainable in the long term.

Local development strategies shall form the basis of the "municipal" planning of operations, of regional and national decisions for making priorities in respect of natural resources, and for other sector policy programmes.

It is necessary to make an analysis of prevailing socio-cultural conditions (for example incomes, gender equality, and the ownership situation) as early as the discussion stage of each programme. It is difficult and time-consuming, but also very important, to monitor how these conditions change during the life cycle of a programme. Therefore, where major programmes are concerned, it is necessary to have a function which collects data and makes follow-ups regularly. This can be an independent research component which should be planned in close consultation with those who are affected by it and should be implemented in cooperation with a local university or corresponding institution. This is sometimes referred to as "impact research".

¹Participatory Rural Appraisal (PRA) and Participatory Learning and Action (PLA) are methods which have the aim of giving prominence to information and knowledge from the local community and to stimulate popular participation and the "ownership" of planning processes.

Fact box 3 "Impact research" - a supplementary feature of natural resource programmes in Vietnam, Laos and Cambodia.

The programmes supported by Sida in Vietnam and Laos have been supplemented since the mid-1990s by independent contributions for applied research and follow-up in the form of a programme of cooperation between international, regional, Swedish and local organisations and institutions. Examples of themes which have been focused on within the framework of this programme are:

ICRAF - alternatives to slash-and-burn, training in agroforestry

RECOFT - regional network on training in community forestry

SAGU - capacity building in social anthropology at the Hanoi University

IIED - analysis of issues concerning sustainable sources of livelihoods and land reform issues

EWC - studies and analysis of local development trends in northern Vietnam

REPSI/SEI - policy development in the natural resources sector focusing on sustainable development

The programmes of cooperation have the aim of building up both local and external capacity to make broad social analyses which focus on highlands problems in the regions and of creating a network for the exchange of experience in these issues.

Some of the results achieved are:

- identification of a number of important problem areas for further studies
- an increase in the demand for qualitative development analyses
- a number of studies of direct use for the ongoing projects
- a dialogue on land reform and land legislation in Vietnam and Laos.

3.6 Equality

Increased equality between groups in society is a precondition for poverty reduction. At the UN's Women's Conference in Beijing in 1995, it was laid down that, on account of their roles in production and reproduction, women have a central role in combating poverty and in working for sustainable development. It is important to support gender equality approaches in rural development programmes from the perspectives of effectiveness and justice.

Rural development often has the aim of increasing employment, raising incomes for households which earn their living in rural areas, and improving food security. An explicit aim is to reach women in households of these types. Popular participation is a basic component in which women and men make a joint analysis of their living conditions and their needs, and identify their demands on projects. Development plans based on this analysis are drawn up for the entire village and then discussed with the local authorities.

In this type of planning it is necessary that women and men can articulate their needs and priorities. In this connection it is more difficult, in general, for women to make their voices heard, partly on account of their subordinate role in local society and partly since they are seldom represented in decisionmaking bodies. It is

therefore essential that special efforts are made to facilitate the participation of women.

In both established and emerging democracies it is necessary that the participation of individual citizens, and above all of women, is strengthened. Legislation and the application of laws which improve the position of women are important contributions in this respect. The type of legislation in question here can refer to inheritance and ownership of land and property, participation in politics or public affairs, access to the means of production, information and education.

Fact box 4: Support for the participation of women in Matara, Sri Lanka

In the Matara IRDP a method has been developed to give credits to poor households. The method is based on the villagers themselves appointing a "social mobiliser" who must have at least eight years' education, suitable leadership qualities and the ability to communicate. These people are given four months training by the programme and then start training programmes for small groups of ten to fifteen members. Over a period of three years each mobiliser shall have trained twelve groups of this type with a total of 150 members.

The members are collectively responsible for loans to the members of the group, so-called group loans. The loans shall be used for productive purposes.

After several years of operations 95% of the mobilisers are women and 95% of the group members are women. In 1998 8,000 members had taken group loans. The level of repayments was as high as 97%. The women used the 'loans to purchase raw materials, for example for production of coir (coconut fibre) work, seeds for kitchen gardens, material for leather and textile production, and the purchase of animals, for example for small-scale milk and egg production.

In addition to a modest, but decisive, improvement for the economy of households, the programme has also had the result that many people have acquired a strong feeling of self-esteem, recognition and a voice in local society.

3.7 Poverty

While an extensive amount of development has taken place during the last few decades, the gulf between the rich and the poor has widened - between and within countries and between towns and rural areas. Being poor means lacking financial resources, access to food, water and housing. Poverty also includes a lack of influence: powerlessness.

As a result of the pressure brought about by economic stagnation, the resources available to the public sector are decreasing in many countries, and therefore the possibilities available to governments to meet the needs of the poor are also diminishing. This situation has a particularly severe effect on poor people in rural areas. They often live in marginalised areas or work in the so-called informal sector. The majority of the poor people in the world are women, often single women responsible for a family.

It is not possible to do anything about the deep levels of poverty and the differences between towns and rural areas with limited sector projects. An economic policy which promotes the development of productive activities in rural areas is essential, both to reduce the widespread poverty and the differences between urban and rural areas. The focus of economic policies previously worked against farming and other land-based activities. The policies are gradually changing and, as a result of the economic reform programmes, the possibility of improving the lot of rural areas is now better in most Sida's partner countries.

However, macro-economic changes, the deregulation of price controls, and the elimination of restrictions on markets are not enough to develop agriculture in the long term. Energetic political action is needed as well as an increase in resources from both the public and the private sector to make it possible to achieve the growth in production which is necessary to reduce the need of imports and thereby reduce poverty. A policy which creates the necessary conditions for an increase in production in rural areas includes, among other things, favourable prices for agricultural products, agricultural research and advisory services, and better infrastructure.

Poor people can be found in almost all geographical areas and ecological zones. The proportion of poor people is increasing very rapidly, particularly in the towns. However relative poverty is still greater in rural areas than in the towns. Marginal and environmentally degraded areas have most often, if not always, a higher proportion of poor people than areas with high potential, one exception being for example the highlands in Kenya. An increase in population growth in combination with unsustainable farming methods has a detrimental effect on farming environments and this, in turn, leads to greater poverty. In order to strengthen its poverty profile, Sida has chosen during recent years to gradually focus its support on areas which are of low potential from the natural resources perspective, which often have little rainfall and therefore difficult conditions for cultivation, and which have a high proportion of very poor households.

Fact box 5: A better local environment for households in rural areas - rainwater harvesting through the Regional Land Management Unit, RELMA
In East and Central Africa the lack of good quality water has a negative effect on the health and productive capacity of many poor families. A methods development project in respect of rainwater harvesting is being run in Tanzania, Kenya and Uganda through Sida's regional land management unit, RELMA. The programme has the aim of developing and spreading simple methods for the harvesting and storage of rainwater from roofs and surface run-off. Methods of this type can provide a considerable addition - at a moderate cost - to the households' water supply and at the same time reduce the use of ground and surface water. The project is spreading good ideas and methods through seminars, practical demonstrations and printed information. From 1999 it will be included as a part of RELMA's normal activities.

3.8 Decentralisation

Most people and public and private institutions are usually found in the large cities. Decentralisation is proceeding slowly and small towns tend to stagnate due to a lack of investments, social institutions and maintenance of their infrastructure.

The decentralisation of the public sector and the regional and local administrations provides an important contribution to the revitalisation of rural areas. The small and medium-sized towns must be promoted and economic exchanges between towns and rural areas must be stimulated. Important elements in this respect are the promotion of small industries, trade, and the informal sector in order to create, above all, job opportunities outside agriculture.

Fact box 6: LAMP, Tanzania - development of the local administration

The Land Management Programme (LAMP) has the overriding objective of supporting a sustainable increase in production from agriculture, forestry and other renewable natural resources in four districts. In addition to improving the villagers' own welfare, one sub-goal includes capacity building in the villages and district administrations with the aim of reducing dependence on external resources. This is also expected to increase the possibilities of the villagers to contribute taxes and fees to parts of the districts' budget for social services and infrastructure. Extended rights to participate in decisions in respect of land and other natural resources is another central issue in the programme. This is facilitated by new legislation which gives the villagers the right to allocations of land.

3.9 The role of civil society

In most countries the role of the government is changing. Formerly governments exercised controls over development; today the task of government is to establish a framework for development and to make development possible. This is a consequence of the economic reform programmes and of the progress which has been made in most of the Swedish partner countries where democracy is concerned.

In this respect the institutions and contact networks of civil society are playing an increasingly important role. Institutions and organisations can be found at different levels in society, at the local, intermediate and macro level. Voluntary organisations, academic institutions, political parties, trade unions, cooperative associations and religious movements participate in the social debate and implement their own development projects. Formal and informal organisations and institutions such as school societies, village communities, water committees, local political organisations and traditional organisations are important components in the democratic development of rural areas.

The commitment and interest of people in taking initiatives for their own immediate environment is one of the strongest factors for development. The active participation of civil society in the partner countries can contribute to making development programmes more effective and to reaching those they are intended for, particularly if these are poor and politically weak groups. These organisations can often contribute to focusing development efforts on the very poorest and they can implement development projects successfully.

How can development cooperation promote and utilise these forces in the best way? There is always a risk that voluntary organisations or independent organisations can lose their identity. The leaders of an organisation can become more interested in listening to the financier than to their members and the organisation can finally lose its identity. An understanding of how civil society develops and how the different parties in civil society can assume a greater responsibility for the development of society is of central importance in the work with rural development.

Fact box 7: Building up civil society in Cambodia, through the Cambodia Area Rehabilitation and Regeneration Project, CAREERE

CAREERE, a rural development project financed by Sida and UNDP, supports the Cambodian government in its efforts to decentralise the planning, financing and implementation of rural development. CAREERE focuses on building institutions for local administration and on cooperation with civil society through capacity building at village, municipal and provincial levels in five provinces in north-west and north-east Cambodia.

A major part of the work has the aim of forming village and municipal committees for local participation, based on democratic principles, to improve the services and support provided by society to the rural population. One important element is to support people moving back into the areas devastated by war and to support reconciliation in these areas. The long-term target group of the programme is the rural population in the five provinces. The immediate target group consists of government employees at provincial, district and municipal level and popularly-elected representatives on the village committees. A further target group is institutions at local level, voluntary organisations (NGOs), as well as the private sector.

In parallel with this work the project is also supporting the formation of a special working group with representatives of five key ministries. The working group has the responsibility for creating partnerships between government bodies and civil society and for spreading methods and models throughout the country.

4. NATUR's work on rural development

NATUR can contribute to sustainable development in rural areas by contributing at both the local and national level to making sustainable production in rural areas possible. Four aspects shall be given special consideration:

- ♦ local ownership and support,
- ♦ production,
- ♦ poverty
- ♦ the environment.

The content of the programmes shall be determined on the basis of the local needs which have been identified in the analysis which must precede every project of this type. This analysis must be given the necessary time and resources and must also be based on extensive local "ownership" with a substantial element of popular participation.

Where production aspects are concerned, projects must be formulated in such a way that they contribute to increasing efficiency in the utilisation of productive resources, primarily agricultural land, forest land and water. The projects should focus on measures which increase productivity and yields of existing production systems.

The focus on poverty will be met by directing the projects towards geographical areas with a high proportion of poor households, or through focusing measures directly on a specifically defined target group. In a geographical area the projects shall focus on the small-scale producers regardless of whether they obtain their living from farming, forestry, cattle or fishing. In areas of this type there is sometimes a large group of landless people who are not directly engaged in farming. In such cases special measures must be devised to reach them, for example labour-intensive construction. Likewise special attention must be given to developing activities which reach women producers. The projects must also include measures which increase the productivity of the labour force and not merely the yield from the land.

The environmental aspect will be met by demonstrating that the measures for increasing production will either decrease the degradation of the environment or have a neutral effect. As a rule projects for rural development contribute to protecting the environment but an environmental impact assessment (EIA) shall always be made.

Biological diversity is of importance to all biological production and is thus of importance to rural development. It is an important natural resource that a large number of poor people are dependent on, partly in the form of seeds and material for cultivating crops, and partly as a source of energy, protein and vitamins in the form of wild plants and animals. The retention of the diversity of species in the land used for cultivation purposes, not least spineless animals and micro organisms, contributes to reducing damage to crops and to maintaining richness in the soil and

is of direct importance for people who, for example, make their living from farming and slash-and-burn activities.

Support must focus on developing and testing models which permit an increase in popular participation in both the planning and implementation of advisory services, for example "Participatory Learning and Action". Furthermore Swedish support should focus on developing forms of close cooperation between research and advisory services.

Sida-supported rural development programmes shall continue to include capacity building and human resource development in the public sector, the regional or local administration. However, Sida should be able to support nonpublic institutions and organisations, more explicitly than before, in their work of building up civil society in rural areas. These institutions can be farming cooperatives, non-governmental organisations, interest organisations and sector organisations, or private companies in the trade and service sectors.

To sum up, the following should permeate Sida's work with rural development in the natural resources sector:

- ♦ **A focus on poverty, a focus on people, and a clear gender equality profile.**
- ♦ **Sustainable management of renewable natural resources which focuses on the sustainable and productive use of available natural resources.**
- ♦ **Support for the diversification of the productive activities in rural areas and for increasing employment opportunities outside farming. This can mean support for rural industrialisation and "rural urbanisation".**
- ♦ **Concentration without losing the holistic perspective.**
- ♦ **Full local support by involving and developing local institutions and organisations. A considerable amount of popular participation in the planning and implementation stages and strong local ownership.**
- ♦ **Identification of and support for favourable political intentions and sound macro/sector policies.**
- ♦ **Support for the development of the local administration at various levels.**

These principles are applicable to most of the development instruments which can be found in Sida today: bilateral cooperation programmes, multibilateral support, research, contract-financed cooperation, credits, international training programmes, humanitarian assistance and disaster relief projects, cooperation with voluntary organisations etc.

Essentially success is dependent on the intentions of the country. Among the things the countries themselves must initiate to promote poverty-oriented development in rural areas can be mentioned:

- ♦ a national vision or a national will
- ♦ sound macro-economic policies
- ♦ realistic sector strategies
- ♦ land-use laws
- ♦ support to -productive farming
- ♦ involvement of women and men in local society
- ♦ development of the private sector
- ♦ administrative reforms

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ISBN: 91-586-8989-3