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# THE ROLE OF AN INTEGRATED APPROACH TO RURAL DEVELOPMENT

**Costas Apostolides**

Senior Planning Officer, Consultant

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## KEYWORDS

Rural Development, Integrated Rural Development, Highlands, Development Plans, Development Projects

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## 1. INTRODUCTION

The aim of this paper is to outline the role of integrated rural development with special reference to mountain areas. Such an approach is particularly appropriate for mountain regions because of the special problems and opportunities arising from altitude, difficulties of access, micro-climate and the environment of such regions. The nature of both the problems and the opportunities in mountain areas require that a multi-dimensional approach be adopted in order to bring about significant increases in income and improvements in living standards and the quality of life.

## 2. DEFINITION OF RURAL DEVELOPMENT

Rural development may be defined as the development of regions excluding the urban areas such as the towns and cities. Smaller settlements such as villages, farmsteads, and market towns are normally included within the concept of rural, while most of the land area is expected to be used as agricultural land, forest or in its natural state.

What determines the size of settlement to be included within the term "rural" varies from country to country. For example in Cyprus a municipality is legally defined as an area with 5,000 inhabitants or more, and towns are assumed to have a population of over 10,000. In other countries such settlements are considered villages and a market town may have a population of say 50,000 thousand or more inhabitants.

Whatever the definition, integrated rural development requires that the influence of the towns not be ignored. The inter-relationship between town and country has to be studied, the problems identified and improvements made where required. Towns are important for providing goods and services, markets for local produce, transportation, storage and processing facilities, social services and recreation for the rural population. The towns and cities within whose hinterland the mountain area falls cannot be ignored.

Though rural development by definition requires that priority be given to rural areas, and the major proportion of investment be made in the villages and countryside, it is important that the linkages with towns be considered and appropriate action be taken to remove obstacles and improve the services provided to rural populations.

### **3. INTEGRATED RURAL DEVELOPMENT**

The verb "to integrate" is defined by the Oxford dictionary as meaning "complete (imperfect thing) by the addition of the parts", or to "combine (parts) into a whole". It does not involve the collection of a large number of unrelated parts, but of parts which combine together to form a whole. The parts, therefore, should be "linked" and be capable of being "bonded" together within the context of the project.

#### **3.1. Linkages**

In integrated rural development the range of possibilities for development are examined comprehensively, and the emphasis is on the identification of linkages that relate to the objectives determined. This differs from a strictly agricultural approach, which may ignore the role of other sectors in the development process.

For example linkages may be found in respect to the following:

1. Objectives: For example to stop immigration the welfare services, should be improved.
2. Opportunities: For example the realization of opportunities for tourist development requires improved roads.
3. Cost Reduction: For example abandoned school buildings can be used for health surgeries, cultural centres etc.
4. Efficiency: For example improved roads reduce marketing costs and travel time.
5. Needs Satisfaction: For example hotels catering for tourists may also provide recreation for local people if incomes can be improved.

#### **3.2 Area Development**

Integrated rural development schemes are generally "area development schemes", that is they are planned and executed to serve the perceived needs and opportunities of a specific geographical area.

The geographical area of the project or scheme may be determined on the basis of various criteria, such as a region, administrative district, watershed, homogeneous region, physical region (i.e. mountain area, plateau etc.), cultural region, ethnic area, agro-climatic region, and economic region (i.e. low income area, depressed region, high unemployment, industrial region etc.). It is generally useful if the project area is easily definable by some commonly accepted criteria or is widely identified as being a region with special characteristics. But even if this is not the case, experience has shown that such projects can be successful even in regions that cannot be identified by clear cut criteria, as long as the demarcation of the area is clearly defined.

Integrated rural development can be defined as "area development schemes" which involve a broad range of activities designed to improve production, infrastructure, services and living standards in line with the objectives, and with emphasis on the linkages between the various components and geographical areas internal and external to the area."

This does not mean, however, that everything should be done at the same time, for the determining of priorities and the time sequence of components is important, and the funds available are normally insufficient for everything to be done all at once. Neither does it mean that a project may be described as being "integrated" if a welfare component is simply added to a productive component. For example an irrigation scheme with an education and health component added to it does not constitute an integrated project.

### **3.3 Advantages**

Integrated rural development involves a concerted effort to encourage the development of delineated rural areas, in line with national programmes and objectives, but entailing a concentrated effort over and above national programmes. The advantages over national programmes are:

- a) The concentration of effort for improvements in one area at a time.
- b) The design of programmes and the combination of schemes specifically suited to conditions in the area, which relate to the problems, potential and conditions of the region.
- c) The strengthening of local institutions and the encouragement of further (self-sustained) growth.
- d) The possibilities for cost effectiveness arising from the concepts of comparative advantage and the identification of linkages between sectors.

### **3.4 Disadvantages**

The disadvantages are the high cost in terms of national budgets, the budget constraints inhibiting the repetition of the experience in other regions, and the problem of determination of priorities between regions. Because of these factors repeat projects in the same area are difficult because other regions are anxious to get their turn for attention and investment. In general the investment involved in concentrating on one region at a time poses exceptional pressure on the budget because national programmes for rural development cannot be curtailed, and consequently expenditure over and above is required for the development of specific areas.

Another major disadvantage is the complexity of integrated projects which require inputs from many different departments, agencies and organizations. Good co-ordination is therefore the key to success both with respect to preparation and implementation. Refer also to Section 4 below which presents the World bank's assessment of integrated rural development projects.

### **3.5 Strong Government Commitment**

These budget constraints require that there be strong national commitment for rural development projects to ensure that the necessary funding and other resources needed for successful implementation within the planned timetable are made available. In this, the project approach differs from that of national programmes, because projects have to be implemented within a given time schedule. Any increase in the time needed between investment expenditure and returns to the project, reduces viability and therefore influences the degree of success that can be claimed. Projects funded by international agencies such as the World Bank and the European Investment Bank generally have a specific time schedule for implementation, while Government funded schemes can often (but not always) be more flexible with respect to the rate of implementation.

The project approach may therefore be defined as "a planned undertaking which is a set of interrelated and co-ordinated activities designed to achieve objectives within a given budget and period of time."



This differs from a national programme where the time schedule is more flexible and the budget provision tends to fluctuate according to Government fiscal policy. At times of exceptionally strict budget constraints, strong Government commitment is required to maintain budget provision in line with project schedules.

### **3.6. Objectives of Integrated Rural Development**

There can be a broad range of objectives for integrated rural development projects, from the very ambitious such as attaining national average income or employment goals, to more moderate aims such as maintaining the size of the local population, or even more modest ones such as simply improving the productivity of one crop.

A reasonable objective, however, for most integrated rural development projects is "to lay out the project interventions in the area economy that are most likely to lead to important improvements in the way the economy operates and in the ability of the area population to achieve a fitting living..."

### **3.7. Components of Integrated Rural Development**

The components of integrated rural development projects must vary from one area to another in relation to the specific problems and potential of each area. The following is a list of project components that should be considered but only adopted where appropriate. An integrated approach does not require that all the components listed should be adopted, but rather that they be considered, and priorities determined because rarely are budget funds available for everything to be done. Emphasis should be given to the most viable and cost effective components.

Integrated rural development projects should consider the inclusion of the following components:

#### **(1) Income generating sectors:**

- ✓ Agriculture, including crop production and animal husbandry and the associated hunting, fishing and forestry.
- ✓ Manufacturing industry, including workshops, handicrafts, cottage industry, traditional products and products for which the region is particularly suited.
- ✓ Trade, including the encouragement of markets for local products, serving other areas, sales to through traffic etc.
- ✓ Tourism, including agro-tourism, special interest and environmental tourism.

#### **(2) Income generating supporting services:**

- ✓ Marketing of agricultural products, processed goods and locally produced manufactures and cottage industry.
- ✓ Storage for agricultural outputs and inputs.
- ✓ Transport of people and goods.
- ✓ Supplies of inputs and materials.
- ✓ Credit for annual needs, investment and family requirements.

#### **(3) Research**

There is often inadequate research in lagging areas with respect to both agriculture and natural resources (geological, water and environmental resources). The need for research and exploration programmes should be examined. In the Pitsilia regions there was no research on new vine varieties, while in the Krasokhoría region there was no research on improving productivity on calcareous soils.

**(4) Training**

Training is important not only for farmers through extension services but also for encouraging manufacturing industry and tourist development. The educational system also affects skill levels.

**(5) Labour Force and Personnel Requirements**

The existence of an adequate labour force with the necessary skill requirements is essential. Special provision should be made for the appointment of sufficient state funded personnel, since in many countries procedures for the appointment of state personnel differ from provisions for the Budget (i.e. agreed provisions for teachers, medical staff etc. have to be made).

**(6) Infrastructure**

- ✓ Roads: Access and transportation are among the most serious constraints in mountain areas. Road improvement is likely to be a priority in most cases, especially in mountain regions.
- ✓ Utilities: Other infrastructure services, such as water, telephones and electricity are also essential for development and improved living standards, while sewerage can pose problems in mountain villages.
- ✓ Farm roads and land consolidation: In most Mediterranean regions and especially in mountain regions, there are serious land tenure problems arising both from the small size of holdings and the fragmentation of the land, as well as access to farmland for vehicles. The most effective way of dealing with this is by land consolidation, which brings the scattered ownership together and provides road access. Alternatively crude farm roads can be established.
- ✓ Irrigation: In arid and semi-arid areas irrigation is the major input for improved farm productivity, the productivity of irrigated land being six to twelve times greater than dryland. Mountain areas are generally a source of water for other regions, but their own requirements should not be neglected.

**(7) Social Services**

- ✓ Education: Including pre-school which is important for the labour supply (releasing young mothers for work), primary and secondary. In exceptional cases potential may exist for tertiary level educational institutions which have successfully been used for the development of lagging regions in other countries.
- ✓ Health: Provision of medical services, notably doctors, hospitals and medical services (pharmacies, ambulance etc.).
- ✓ Welfare: Research is needed on welfare needs (care for old and retarded people, social problems of the very poor etc.).

**(8) Recreation**

The lack of recreation facilities in rural areas is a major factor causing young people to migrate to urban areas.

**(9) Village environment**

The improvement of the village itself and housing is important for future survival. Improvements in village streets, lighting, public buildings, and general environment are important for improving village life.

## **(10) Environment**

The environment around the villages and within the region provides opportunities for improvements in income from tourism (including hunting, hill resorts, skiing, agro-tourism, special interest and environmental tourism). Similarly, the built environment such as traditional buildings, also form attractions.

## **(11) Institutional Development**

This is important and includes village leadership, creation of credit institutions, co-operatives, management of infrastructure (small irrigation schemes etc.)

### **3.8 General Guiding Principles**

The following general guiding principles should be applied with a view to developing effective and viable projects, that are able to stimulate income generation, improve living conditions and welfare, and contribute to the resolution of problems, in a manner that is likely to be both efficient and self-sustaining.

- (1) National policy context: The Project should be in line with national policy. If this is not the case the project will be continually questioned, the necessary commitment at all levels of Government will not be forthcoming, it will be difficult to justify the additional budget requirements and conflicts of policy both within and between ministries and departments will inevitably arise. Implementation may be facilitated by a clear Council of Ministers decision for project approval including provisions for finance, co-ordination and participation of all ministries involved.
- (2) Co-ordination: There must be good co-ordination between the various ministries, departments, state corporations, local authorities, credit institutions and farmers organizations involved. Arrangements for co-ordination should, however, be flexible and subject to the judgement of project management as long as the system works.
- (3) Top level support: Project management must have support at a very high level, either nationally or regionally (i.e. at ministerial or the highest regional level) and should not be under a specialised department.
- (4) Control of Project funds: All Project funds should be under Project management and delegated to the other agencies involved, otherwise Project management will lack influence with the agencies involved and co-ordination will become extremely difficult.
- (5) Investment criteria: Productive investments should be determined on the basis of the following criteria:
  - Comparative advantage.
  - Economic viability.
  - Self-sustainable investment.
- (6) Cost effectiveness: All investments should be cost effective, that is economical solutions should be examined both with respect to investment (productive and social) and operating costs (i.e. use of existing buildings and infrastructure where possible, cost sharing etc.).
- (7) Subsidies: New subsidies should in general be avoided. Where subsidies are unavoidable they should be in the form of initial incentives and not open-ended, such as income or product price subsidies. Investment subsidies may be considered (i.e. for soil conservation works). Where national subsidies exist the project area should not be discriminated against.



- (8) **Welfare support:** In general production, income or price subsidies should not be provided in order to deal with social problems, because they disrupt economic decisions and lead to other problems (i.e. oversupply, high annual budget costs, high cost in relation to alternatives etc.). Social problems should be dealt with either through investment (if viable or appropriate) or through social programmes such as welfare support which are more selective and should be more cost effective).
- (9) **User charges:** Self-sustained development normally implies that user charges at least cover operating costs, consequently the issue of charges to the community has to be examined. Charges should relate to goods such as water to ensure efficiency in its utilization. The provision of services and investment should be considered within the concept of user charges and national policy, and rural areas should not be discriminated against. Contributions of the community to investment (roads, water, public buildings etc.) are also a form of user charges.
- (10) **Cost contributions:** The contribution of village communities to costs of works such as public buildings, village streets, small irrigation systems etc. ensures community participation in projects and that the scheme has priority for the village.
- (11) **Community involvement:** Communities should be involved in the project both formally and informally, including project planning, implementation and contribution to costs. This may lead to changes in project design to meet community needs.
- (12) **Priorities and phasing:** Priorities have to be determined from amongst all the various options, consequently some components will inevitably be dropped and assessment criteria determined. The application of priorities and the logical sequencing of schemes determines the composition and time schedule for the project.
- (13) **Flexible implementation:** Rural development projects are complex and difficult to implement, and even the best prepared projects have to be changed during implementation. Flexibility within the context of the general framework and project objectives should be possible. Some of the most successful projects came close to total failure, but were implemented with good results after changes were made.

### ***3.9 Organization of Integrated Rural Development***

#### ***3.9.1. Project Preparation***

The lead role in project preparation should be taken by an agency independent of the line ministries, which is capable of co-ordination and directing a large number of other agencies, and which they will accept in this role without worrying about encroachment on their functions. The lead agency should have experience in dealing with multi-sectoral projects and be given the functions, funds and status to ensure co-operation. In many countries the planning ministry or bureau or the regional administration may be best place to undertake the lead role. Alternatively, Project preparation could be undertaken by independent consultants assisted by Government Departments.

The participants in project preparation should be the lead agency, line ministries, regional/district administrations, local authorities, state corporations and non-government organizations (Chambers of Commerce/Industry, farmers organizations, co-operatives etc.). One method of ensuring smooth co-operation is by appointing representatives of the ministries and agencies, who also act as liaison for their agencies. In this way one person in each organization is responsible for seeing that the obligations of that body are met. Unavoidably, however, major issues will have to be dealt with at the top management level, or in the event of clashes, at the ministerial level.



Consultations with the local authorities and local NGO's is essential, both in informal contacts and formal project preparation. The agreement of local authorities is absolutely essential where they are expected to contribute to costs and where infrastructural programmes run through their administrative boundaries.

The main problems in project preparation involve co-ordination, particularly where there are disputes between agencies as to jurisdiction, and inflexible rules that have not been adjusted to meet the needs of multi-sectoral projects. This is true both of Governments and international agencies.

### *3.9.2 Project Implementation*

There are two basic approaches to implementation of multi-sectoral integrated rural development projects: one is the establishment of a self-contained fully staffed and equipped independent organization (perhaps a regional development authority) and the other is to undertake the project through existing agencies with a small management and co-ordination unit having overall responsibility for the project. Both approaches have their advantages and disadvantages, but in smaller countries the second project management unit approach is preferable because it is more cost effective.

#### **(1) Self-Contained Implementation Unit**

This approach can only be justified with respect to very large projects, in big countries, because it essentially entails the recruitment of personnel for all project implementation activity in all sectors. This is in fact virtually impossible because co-ordination with other departments or agencies and local authorities is still required, and no one organization can cover the full scope of activity envisaged in most integrated rural development projects. The integration of such units into the existing administrative and legal structure poses very serious problems, and ministries afraid of encroachment on their jurisdiction may be uncooperative. This type of structure is also costly, and complex since it is unlikely that line agencies and local authorities can be altogether excluded and there may be duplication of activity. The main problem, however, is in ensuring project continuity, maintenance and further development when the project is completed and the special self-contained unit disbanded.

The great advantage is that much red-tape and effort is made unnecessary and project management has considerable powers to move quickly with project implementation, because the unit's dependence on other organizations is minimal. This approach is suitable where Government administration and technical capability is weak.

#### **(2) Co-ordinating Management Unit.**

The establishment of a small management co-ordination unit is more cost effective because it involves the recruitment of only a small nucleus of staff around a project manager, with responsibility for ensuring that all the line ministries and other agencies fulfil their commitments to project implementation within the budget allocation and the time schedule for implementation. The main problems arise because the authority of the unit may be challenged. This can be overcome by ensuring that the Project Manager has sufficient status and authority assigned by the Council of Ministers and is independent (under the Prime Minister, Planning Ministry or Regional Authority) or at least at ministerial level. It is essential for the status and control of the management unit that it control all project funds and assign them to line ministries and other agencies. This provides an incentive for good co-ordination.

The great advantage of this approach is that it ensures continuity since implementation is undertaken through existing bodies. It is most suitable, however, where Government administration is strong.

**(3) Essential Conditions for Implementation**

The essential conditions for the organization of the implementation effort are as follows:

- i. Clear authority for project management to do the job of implementation.
- ii. Instructions to ministries to cooperate and assign representatives and/or liaison officers.
- iii. Control of the project budget by project management.
- iv. Priority to be given by ministries to the project components.
- v. Appointment of a very good, full-time project manager.

**(4) World Bank Evaluation of Integrated Rural development**

In 1988 the World Bank undertook an evaluation of the integrated rural development projects that it had financed and supervised. The main conclusions were as follows:

- i. The projects "often did not perform well".
- ii. They were costly.
- iii. They were administratively complex.
- iv. In South America and Africa (where government structure is relatively weak) governments could not implement the projects effectively.
- v. Large projects could be handled only at central government level.
- vi. Implementation time schedules were too tight.

The reasons for the poor results were found to be mainly the following:

- i. Inappropriate project design. More specifically ethnic diversity was disregarded; there was insufficient knowledge on beneficiaries; imbalances in economic and political power were not taken into account, and there was competition for labour from other sectors.
- ii. Prices were either inappropriate (i.e. wrongly fixed by Government) or falls in prices were not predicted.
- iii. Inadequate attention was given to marketing.
- iv. Insufficient attention was given to land tenure issues, and the fact that no investment is undertaken if the land is not owned by farmers and there is insecurity of tenure.
- v. There was insufficient government support, that is a lack of commitment to the project.

**(5) Conditions for Success**

The experience gained from integrated rural development projects suggests that the conditions for success are as follows:

- vi. Strong government commitment to the Project.
- vii. Effective administration in place at central government, regional and community levels.
- viii. Good project preparation.
- ix. Clear objectives must be set with respect to short and long term objectives and by component.
- x. A good, full-time, project manager must be appointed.
- xi. Flexibility in implementation.
- xii. Authority for implementation must be given to project management.
- xiii. Good co-ordination and co-operation by all ministries, departments, agencies, local government and NGO's is essential.
- xiv. Project management must have overall budget control.

- xv. The project should be economically viable, at least with respect to its productive components.
- xvi. The project should be cost efficient.
- xvii. Local resource mobilisation is important for self sustainability and development impact.

In addition to the aforementioned it is necessary for the project to bring about a change in the perception of the project area, from disillusionment to an optimistic assessment of future prospects. This is essential for there to be sufficient investment for self-sustained growth.

#### **(6) The Role of the Integrated Rural Development Approach**

Integrated rural development has a role to play in identifying opportunities and local needs, and presenting a framework for raising incomes and improving living standards. This involves complex planning, co-ordination and execution combined with good project management. Such integrated projects facilitate development both through investment and infrastructural works and by changing the perception and the reality in a region, so as to encourage self-sustained growth.