

A Note on Rural Development Strategy with Focus on Agriculture

*Ayodhee Prasad Yadav**

Abstract

Rural development encompasses a variety of elements of human life and activities such as, social, economical, technological and natural. However rural development strategy integrates structural changes in the socio-economic situation in the rural areas, which are heavily permeated by agricultural activities. Thus, any rural development activities cannot be initiated excluding the prominence of agricultural performances in the rural areas such that the problems of poverty could be addressed.

Rural Development: Concept and Approach

Rural development means around development of rural community. Rural development over the years has emerged as a strategy designed to improve the economic and social life of a specific group of people – the rural poor. Being an area concept, it is a complete term, which integrates a variety of elements of human life and activities such as, social, economical, technological and natural. Rural development thus, means development of rural areas in such a way that each component of rural life changes in a desired direction and in sympathy with the other components. It also means development of rural area within the framework of the national goals and objectives and without prejudice to the development of urban area of the country, provided that urban development is not prejudicial to rural development. Further, rural development means structural changes in the socio-economic situation in the rural areas in order that human welfare which is the prime goal of all development is secured at the earliest and that the society is able to absorb changes necessary in the field of technology, man-environment relationship, population growth etc. (Mishra & Sundarm, 1979:1-2)

Rural development programs focus the need, urgency and importance of building viable rural communities of functional rural clusters with improved dwellings, clean water and modern sanitation, a congenial environments, dependable and convenient energy supplies, adequate transport and communication facilities that link to the large world, suitable health and educational services, access to credits and markets, culturally invigorated and no longer compartmentalized by barriers of castes and feudal distinction based on land ownership or occupation (Pate, 1982: 5)

* Dr. Yadav is Associated with the Election Commission, Nepal.

As the rural economy is basically agrarian, rural development cannot be defined isolated from agricultural development. In this regard, rural development might be defined as gradual increase in agricultural production, accompanied by redistribution of manpower, making possible productive investments and a relative rise in the peasant's standard of living though a more rational use of natural resources, technique and labor (Biroué, 1963: 52)

Thus, being an area concept, rural development has a multi-dimensional approach. It is a complete term which embraces and integrates a variety of elements of human life and activities such as social, political, economical, technological and natural. Its inherent objective is to lift the rural community, which is no other than agricultural community, out of its present state of poverty, ignorance and backwardness.

Agricultural Development: Dimension and Approach

Agricultural development is a sectoral strategic element of the whole economic development. Agricultural development consists of the development of research and extension, supply of inputs like nutrients, improved seeds, insecticides and pesticides as well as regular water, production, processing and the marketing of agricultural produce (Dubhase, 1988:3)

Agricultural development of underdeveloped economies also means the removal of traditional bottlenecks of land-relation and institutional changes with a view to stepping up agricultural production and productivity as well as increase in the material well-being of the people related to agricultural.

Agricultural development, in context of Nepal, has been understood as steadily food grain production, attainment of self-sufficiency in vegetables, fruits, fish, meat, milk and milk products, increase in the earnings and employment opportunities and gaining industrial self-reliance by increasing the production of agro-based industrial raw materials (NPC, 1990: 279). The 20 years Agricultural Perspective Plan (APP) Nepal has also outlined agricultural development as one of the basic means to alleviate poverty and achieve significant improvement in the standard of living through accelerated growth and expanded employment opportunities (APROSC and John Mellor Associates, 1995/1996: 5). Effective land management, adequate and timely supply of agricultural inputs, use of appropriate technology, expansion of reliable and adequate irrigation facilities, access to rural credit, agriculture market expansion and extension of infrastructure needed for commercialization are the strategies of agricultural development (MoF, 2000/2001: 46).

Interrelationship between Agriculture and Rural Development

Agriculture and rural development in the developing countries are so interrelated and correlated that efforts of the development either of the one leaving other will not yield desired result. With the development of agriculture, the intensity of rural poverty can be reduced, income and employment can be enhanced and there will be elevation in the living

standards of the rural masses. Agriculture is the sector where development has the highest potential for employment and at the same time, increasing national output in the short span of time. Investment in agriculture can create much jobs compared to the investment in capital-intensive industries. It has been estimated that an investment of Rs. one crore in heavy industries i.e. industries producing machines would provide employment for 500 persons, in large industries producing consumer goods for 1150 persons. The same amount invested in agriculture would provide employment for 4000 persons (Cherunilum, 1980:25). Another study shows that to provide employment to one person in irrigation sector, an investment of only Rs.2000 is required whereas for providing employment to one person more than a lakh is required to be invested in a heavy industry (Arora, 1979: 123).

Thus it is clear that agriculture development has greater potential for reducing rural poverty and unemployment. But rural development also implies the development of education, health and sanitation, development of community life and preservation and development of natural environment. Development of such social infrastructure has greater positive impact on agriculture development. Empirical studies have shown that there is direct positive correlation between literacy and productivity and overall quality of life (CBS, 2001). A study covering 31 countries shows that if a farmer has completed four years of elementary education, his productivity was on an average 8.7% higher than that of an illiterate farmer (WB, 1990: 381). Similarly, development of rural physical infrastructure facilitates marketing of agricultural inputs and output, multiple cropping and establish link with the urban market centers. Poverty Reduction Strategy (PRS) in Nepal argues that higher growth will be achieved through greater productivity in agriculture and non-agriculture sectors. PRS is formulated around four key pillars and one of them is achieving sustained high and broad -based economic growth, focusing particularly on the rural economy (WB, 2004-2007: 20-21)

Nepal's Experience

Nepal is a land of villages and the rural economy is the backbone of the Nepalese economy. Nearly 86% to the total population lives in villages and 65.6% to the total economically active population entirely depends on subsistence agriculture and its allied pursuits for their livelihood (CBS, 2001). To the total population aged 10 years and above 92.8% is farm population and majority of them are landless, marginal and small farmers. Nearly 70% of the household own less than one hectare of land. The household possessing less than 3 hectors of land to the total households stand at 95.3%. Thus poor are overwhelmingly rural subsistence farmers. Hence, any rural development program isolated form agricultural cannot yield expected results. Therefore, under the rural development program, emphasis should go to small, marginal and landless families followed by average types of farm families and rural artisans (Pant & Jain, 1980: 57-58).

Unquestionably, rural development has been accorded high priority with agriculture occupying a central place in the programs drawn up for that. Since 1960s different program and policies relating to rural development and poverty alleviation have been formulated

under different approaches such as Redirection Investment Approach (WB), Basic Needs Approach (ILO) and Integrated Rural Development Approach (ISCAP). Several institutional measures have also been taken as land reform program, credit program, mechanism for supply and delivery of agricultural inputs for agricultural as well as rural development. However, several studies have shown that upper strata of the rural population benefited more from most of the above-mentioned programs and measures (Yadav, 1992: 216-19).

In 1975/76 under the agrarian reform approach a specific program for small farmers-Small Farmers Development Program (SFDP) was launched which aimed at solving the problem of underemployment and disguised unemployment, helping farmers raise production, thus bringing about improvement in their living standards and quality of life (ADB/N, 1982: 1).

Era of Participatory Approach

For the first time initiative was taken in the 1950s to involve local people in local development schemes and programs. Since the early 1990s the major donor development agencies have made people's participation a pre-condition for committing resources. Ever since Nepal embarked on planned development, planners and politicians have been advocating participatory approach for the rural development. However, it was in 1994/95 that the then government took it more seriously and "Build your village yourself" program was launched in accordance with the principle of decentralization and began to provide grant of Rs. 0.3 million to each Village Development Committee (VDC) through the District Development Committee (DDC). In 1995/96 the grant was raised to Rs. 0.5 million to each VDC. To make the local institutions, i.e. VDC/NP, DDC, more accountable for local development works a Local Self-Governance Act, 1998 was enforced which has accorded high priority to the development of agricultural programs, agricultural marketing, veterinary, irrigation channels, dams, soil erosion, flood, control, co-operative farming and human resource development etc. (MLD, 1998). Now the people are involved in the formulation, implementation and evaluation of village development programs and sharing its benefit equally.

Studies and experience as well show that this approach builds your village yourself has not so far yielded expected result. In spite of substantially increased investment in the targeted program including local development in the 1990s, end result is mixed. Very small portion of the total expenditure on targeted program has reached to the poor and backward people (MoF, 2000/2001:37). The main reasons for that are said to be inefficiency of people's representative, under-utilization and misutilization of fund and rampant corruption with the exception of a few VDCs.

Concluding Remarks

The pivotal role of agricultural development can no in any way be minimized in reducing the rural poverty. Agricultural development helps in generating income and employment,

which ultimately provides base for quality of life. Thus, rural development can be promoted keeping agriculture at the heart of the rural economic activities. One of the basic resources of rural economy is land, which cannot be expanded and if managed properly and equitably can generate much more jobs. Rural development through redistribution of land has been found more successful in China and Latin America (AZIZ, 1974; Figueroa, 1977). In Nepal, for the last four decades equitable land redistribution has ever remained a political slogan. Because of this major constraint agricultural development could not contribute significantly in ameliorating the rural poverty. Despite a great deal of programs implemented over the last five decades under different periodical plans the rural scenario is disappointing. Rural poverty is high and agricultural productivity is low. Consequently, the rich have become richer and the poor, poorer.

Poverty in Nepal is largely the manifestation of the poor agricultural situation, which itself is an immediate consequence of the prevailing structure of economic and political relations (Seddon, 1987: x-xii). Planners, local representatives as well as agencies involved in agricultural and rural development could not be more accountable. Program implementing procedures remained defective. Realistic methods of continuous follow up and evaluation for the effective implementation of the program are hardly met. Ownership of the development programs is not ensured to the people for whom the program was launched.

Therefore, the urgent need is to strengthen the implementing procedures. The feeling of accountability and ownership must be enhanced. If the poor people are given share they can build, maintain and run the programs successfully as like irrigation channels, roads, dams, storage and marketing of agricultural products and industrial products, school, health posts etc. This will help in solving rural poverty. It is also equally important to make sure that the limited government subsidy reaches to the target groups.

Fruits of development can be delivered to the rural poor only when agriculture is commercialized, appropriate return on agro-products is fixed and agro-based industries are established in the rural areas based on appropriate and socially accepted technology. Thus what we need a movement toward an environmentally sustainable and socially equitable green revolution.

The ultimate aim of various programs of rural development is to alleviate poverty and more pumping of funds is not enough. Some structural changes of fundamental nature in agriculture are needed to achieve better results. Identification of the eligible beneficiaries is of utmost importance in the whole process.

References:

- ADB/N (1982). *Small Farmers Development Program in Nepal*. Institutional Division, Kathmandu,
- Agricultural Projects Services Center, and John Mellor Associates, (1995/1996). *Nepal Agricultural Perspective Plan (1995/1996-2014/15), Summary Report*. Washington, D.C.

- Arora, R.C., (1979). *Integrated Rural Development*. New Delhi: S. Chand and Company Ltd.
- Aziz, S., (1974). "The Chinese Approach to Rural Development", *World Development* 2(2), 8791.
- Biroué, A. (1963). "Problem of Sociological Research in the Countries of South East Asia", in Vu Quoc Thuc (Ed.). *Social Research and Problems of Rural Development in South East Asia, UNESCO Paris*,
- CBS, (2001). *Population Census, 2001*. Kathmandu: Central Bureau of Statistics.
- Cherunilum F. (1980). "Rural Poverty: Causes and Cure", *Yojana* Vol XXXI, No. 8.
- Figueroa, A. (1977). "Agrarian Reforms in Latin America. A Framework and an Instrument of Rural Development", *World Development*, 5 (1/2), 155-68.
- MLD, (1998). *Local Self-Governance Act, 1998*. Kathmandu: Ministry of Local Development Ministry of Finance, (2000/2001). *Economic Survey*. Kathmandu.
- Mishra R.P., & K.V Sundaram (Ed.) (1997). *Rural Area Development: Perspectives and Approaches*. New Delhi: Sterling Publishers Pvt. Ltd.
- NPC, (1990). *The Seventh Plan (1985-1990)*. Kathmandu.
- CBS, (1991/92). *National Sample Census of Agriculture*, Kathmandu
- Dubhase, P.R., (1988). *Development and Overview*. New Delhi: Society for International Development, 19th World Conference March 25-28.
- Pate, A.R., (1982). *Rural Development, Planning and Implementation*. Kuruskhetra.
- Seddon D., (1987). *Nepal: A State of Poverty*. New Delhi: Vikash Publishing House.
- World Bank (2007). *Nepal Country Assistance Strategy 2004-2007*, Report no. 26509-NEP. New York
- World Bank, (1990). *World Development Report*. New York: Oxford University Press.
- Y.P. Pant and S.C. Jain, (1980). *Rural Problems and Rural Development in Nepal: A Search for New Strategy*. India: Development Publishers.
- Yadav A. P. (1992) A Study of the Impact of Small Farmer Development Program in Nepal with special Reference to Saptari and Udayapur Districts. Unpublished Thesis submitted at Bihar University, Mazaffarpur, India

Book Review

Eric Hobsbawm (2007). *Globalisation Democracy And Terrorism*. First published by Little Brown Book Group, Lancater place, London, pages 167+Preface Notes Nos-1-9 & Index, ISBN 978-0-316-02782-3.

Professor Eric Hobsbawm of Brikbeck College, University of London, has very appropriately highlighted the connectivity of Globalization, Democracy and Terrorism with very thought provoking ten Essays compiled in book format.

This book is an illustration of the issues that have inspired the crucial debate not only among politicians, Academia/ Thinkers and commentators but shocking people across the world as an effect of Globalization along with the plight of democracy and the threat of terrorism. Globalisation and its impacts are not the features of media or news only but is deeply concerned with the socio economic rights, roles and responsibilities of the people of this planet. Eric Hobsbawm assess war and peace of present situation along with the problems of public order, anarchy, terrorism, nationalism in the light of changing nature of the nation state, and the future prospects for democracy with the historical background and important lessons that can be withdrawn and learn specific to penetrating gaze to the Middle East, the war in Iraq and the American Imperialist. He has successfully exposed many clues of the present world.

The current book has attempted to survey, analyse and highlight the world situation emerged out of the confronting political and economic problems. Basically five areas have been focused in the book through various essays, such as the question of war and peace in twenty first century, the past and future of the world empires, the nature and the changing context of nationalism, the prospects of liberal democracy and the issue of political violence and finally the terror. But all these components are driven and dominated by two inter-related developments: the enormous and continuing acceleration of the ability of the human species to change the planet by means of technology or economic activity, and globalisation's impact across the world.

In the first two chapters Hobsbawm has presented very analytical description of war, peace and international influences that occurred during twentieth and the beginning of twenty first centuries. He has highlighted the series of cold war, not in battle or the act of fighting but in a tract of time. Moreover, he stressed chronologically the twentieth century can be divided into three phases: First World War focused on Germany (1914-45), secondly the confrontation between two super powers (1945-89) and finally the era since the end of the classic international power system.

Citing the example of the shock of bombing of the World Trade Center and the Pentagon on 11 Sept. 2001, he has highlighted the present trend of conflicts within the states, which emerge as more serious prolonging for long time without any settlement such as the case of Kashmir, Angola, Srilanka, Chechnya, Colombia etc.

In the third and fourth chapters he has given a very clear differentiation between the domination over other countries by US and the Britain's Imperialism and its end at present world. The author emphasizes that economic position did not depend on imperial power but on trade, it adjusted more easily to its loss politically, as it has adjusted to the most dramatic setback. Talking about the Economy at large he clearly indicates many sectors that need to be improved such as the resource productivity in the light of on going global competition. Mr. Hobsbawm has discussed the Nations and Nationalism, with the specific highlights on prospects of Democracy along with the growing Terrorism and Violence all over the world, not only in a clear and analytical format but with the very technical, knowledgeable, visionary aspects.

The author has briefed the ongoing conflict in different parts of the world e.g., Srilanka, Costarica, Uruguay, India, Pakistan and all. He has talked about the Al-queda, Iran, Iraq and other different countries-giving a real scenario: how people are forced to survive under the shade of war and terror. In practice, the real danger of terrorism lies not only in the actual danger from anonymous, handfuls of fanatics but from the unreasonable fear their activities provoke, and which today both media and unwise governments encourage.

Hobsbawm clearly indicates that the Historical Imperialism and Present Hegemony are not going to last long at the name of Globalistion and Democracy, moreover, it may add a fuel to terrorism, creating hatred, violence and fear.

On the concluding remarks, author has sketched out a very realistic picture of the world's power based on its military force and Economy as well. Today's world is so integrated; its ordinary operations are so geared to one another, that there are immediate global consequences to any interruption

In fact, the deep knowledge, information and comprehensive analysis has made this book a very thought provoking piece of work of this era, equipped with the crucial issues that the world is under going through. The author has furnished his whole write up under the framework of International Economy as a driving force in Globalisation, Democracy and Terrorism sequences.

Conceivably, this book can not give adequate coverage to Globalisation since it bounds no limits, however, three general observations on it are particularly relevant to its themes. First, it is a good analysis of free market that has brought about a dramatic growth in economic and social inequalities both within and across the border. Second, his observation that the maximum impact of globalization is felt by those who benefit least is praise worthy. Mostly, the people, who live by the wages or salaries of their employment, the early twenty first century offers a dilemma. The global free market has undermined the ability of their states and welfare systems to protect their way of life. In a global economy they compete with men and women abroad of equal skill and status, but paid a fraction of the western pay packet. Lastly, while the actual scale of globalization remains modest except a number of generally small states, its political, cultural and economic impact's are large resulting a problematic issued in developed Economies of the west.

Central Department of Economics
Tribhuvan University, Kathmandu

Madhabi Singh Shah, Ph.D.
Professor & Head

