

**Editor**

Theodor J. Dams, born 1922, is Professor of Economics and Director of the Institute of Development Economics at the University of Freiburg. He is President of the International Association of Agricultural Economists (IAAE).

Content

Overcoming rural poverty in Third World Countries is the pivotal task not only of theoretical and applied development research but also of leading donor agencies including the Churches. Yet the growing search for a generally valid concept of rural development has led to conflicting approaches, and considerable controversy exists over important issues in rural and regional development.

In order to identify and to clarify some of the most pressing theoretical and practical problems in this area, the International Working Group on Integrated Rural Regional Development (IRRD) reviews alternative development approaches to rural areas. This collection of 11 papers, delivered at a workshop in Münster/Germany (1980), represents the second seminar report of the International Working Group. The main purpose of this report is to serve as a basis for a further discussion of research and project policies within the framework of IRRD. Part I is concerned with conceptual approaches to IRRD under regional and equity considerations.

Part II discusses specific aspects of IRRD: the role of non-governmental organizations, rural industrialization, marketing, and regional planning.

Part III identifies research trends and research needs in rural development.

Part IV examines the role of development education.

Kaiser · Grünewald

Theodor Dams

Integrated Rural Regional Development

A Workshop Report

Kaiser · Grünewald

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Integrated Rural Regional Development A Workshop Report

Edited by Theodor Dams

Kaiser · Grünwald

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relationships can be expressed by a system of equations. The estimation of the coefficients of the system will permit the evaluation of different ways of optimization of defined development goals using the tool of industrialization.

The whole set of variables of the system was divided into three groups: regional variables (services, agriculture, infrastructure, etc.), industrial variables (industrial employment, size of enterprises, etc), and goal variables (level of employment, income, migration). The multiple variables in each group represent, in fact, different aspects of a few phenomena (or factors). Using the factorial analysis method, the principal factors of each group were identified and quantitatively expressed as linear combination of the relevant variables (using the factor scores as weights).

The system of equations, based upon the factors, rather than upon the variables, was divided into two blocks of equations:

- a) Each industrial factor as a function of the regional factors and other industrial factors. These equations express the locational aspect of industrialization, and refer to the adaptability of different industrial characteristics to different regional characteristics (and also the mutual relationships between the industrial factors).
- b) Each goal factor as a function of industrial, regional and other goal factors. These equations express the impact of different industrial processes, in combination with different regional characteristics, on the development goals, (and also the mutual relationships between the goal factors).

The estimation of the coefficients of the system can be done with the help of the Two Steps Least Squares method (TSLS). The optimization of alternative goal factors such as employment or income, can be done by linear programming, the equation of the goal factor serving as the target function, and all the other equations of the system expressing the limitations.

Bert Helmsing⁺

1. Introduction

Integrated Rural Development (IRD) can be distinguished from other approaches in two important respects. In the first place, as its name implies, IRD proposes an integrated approach. In other words, development in rural areas and particularly the problems of development are considered to be interrelated, a series of constraints or barriers of different origin, economic, socio-political or spatial, are operating simultaneously and frequently reinforce themselves mutually. The integrated approach aims at identifying these constraints and the relations among these, in order to formulate alternative ways to remove or eliminate these constraints. The study of IRD is based on an integrated analysis of economic, socio-political, and spatial structures.

In the second place, IRD is different from other approaches, as it is recognized that the process of rural development is a process of uneven development. That is to say some groups in the rural areas are more affected than other groups by the existence and reinforcing effects of the different constraints. Because of the existing relative position of the different groups in the economic, socio-political and spatial structure, differences emerge as to the kinds of constraints and their relative and reinforcing strength. Finally, it is recognized in this respect that the process of uneven development implies that, to a large extent, though varying significantly from case to case, the worsening of the position of some groups, is a consequence of the very improvement of the position of other groups.

⁺ Institute of Social Studies, The Hague.

IRB aims at eliminating the developmental constraints of the rural poverty groups. Hence, IRD policies imply a "target-group approach".

Given these characteristics of IRD, it can be argued that the regional level provides a very suitable level for applying the integrated approach. In the second section of this paper, the main arguments of this contention will be briefly summarized.

In the third section, an integrated regional study of the Northern Region of Colombia will be reviewed, primarily its methodological aspects, in order to contribute to the discussion of the problems of methodology of IRD analysis.

In the fourth section, some final observations will be made. Finally, it should be mentioned, that this paper summarizes, to an extent, the research efforts of a team of regional planners of which the present author was part of.¹

2. IRD in a Regional Framework

Various arguments can be put forward to justify the IRD analysis in a regional framework. It would be beyond the scope of the present short paper to elaborate on all arguments in detail. Only the main arguments will be briefly summarized.

First of all, it has been stated in the previous section that the constraints for the development/underdevelopment of a particular group are determined to an extent by the functional relations of that group with other groups, and that these relations are characterized by economic and socio-political structural elements. These structural elements vary significantly in the national territories of rural Third World countries, in part as a result of long histor-

1. Project of International Cooperation in the field of Regional Planning between the University of the Andes, Bogota and the Institute of Social Studies, (1976-1982) in which both Umandes and I.S.S. staff participate and jointly undertake research. In no way can the other members of the team be held responsible for the present paper.

ical processes. For instance, rural development in Latin American countries is dominated by the "Latifundium minifundium complex" of economic and socio-political relation. However, in some areas, there is considerably more latifundium than minifundium and the other way around. Also, the activity-structure varies from agriculture mono-crop or livestock areas to the other extreme of subsistence or non-market areas, not to mention the large number of intermediate combinations. The process of rural change, because of this diversity, leads to difficult implications in the different areas. And this, despite the fact that the process of rural change itself may be characterized by "homogenizing forces". This is very clearly argued by Pearse (1971) some time ago.¹ The development of the capitalist economy generates through the urban-industrial complex a drive for incorporation of the peasant subsistence economy. This drive is composed of two sub sets of forces, the market incorporation and the institutional incorporation. As a result, the rural structure tends to change towards a structure characterized by nationally homogeneous elements.

2. It has been stated, that the developmental constraints are generated, not only through functional relations (economic and socio-political), but also through the relations with space. The relevant spatial variables are spatial access, economies of scale, and natural resources indowment.

It should be noted, however, that the spatial constraints are largely "second order" constraints, in the sense that they operate within a given context of economic and socio-political structures. This may become clear by means of a simple example. If we are dealing with a situation of an area of subsistence peasants confronted with cash crop production, the peasants located close to the market center

1. Pearse, A., 1971, *Metropolis and Peasant: The expansion of the Urban Industrial Complex and the changing Rural Structure*. In Th. Shanin (ed.), Peasants and Peasant Societies, Penguin Books.

may obtain a locational rent; not only due to lower transport costs, but also due to better and more frequent market information. In this respect, he will be less constrained to undertake cash crop production than other peasants who are more principally located. However, in a situation of a large landowner and a peasant, the locational rent of the latter may be completely overruled by the constraints imposed on the latter by unequal competition between the two. Not only because of the economies of scale of production of the large landholding, but also because the better economic and socio-political access the large landowner has, no matter whether his holdings are located nearby or at a larger distance from the market center.

The fact that the spatial constraints may be second order constraints in the short run, operation within the range delimited by economic and socio-political constraints does not imply, however, that we can do away with them. Rather, they must be put in their proper perspective.

The role of government policy, and in a more general context the role of the state (and hence planning), should also be subject to the outlined principles of analysis. In this context, the general role of non-government organization and pressure groups in shaping government policy is important but is already known sufficiently so as not to be elaborated upon in this paper. What is important to stress, however, is that the (potential) variety of organization at the subnational level is larger than at the national level. This is very much related to the type of economic activity and the scale of its organization and will be discussed later.

In most countries, policy making is strongly centralized at the national level. This has led to a situation in which a large part of the (potential) variety of non-governmental organizations cannot play the above mentioned role. It will be argued in a later stage, that this lost variety particularly concerns "less favored groups". Therefore, IRD policies, which are claimed to be formulated so as to improve the position of these groups, require a decentralized

institutional framework.

Although many constraints can be considered as national problems requiring overall instruments, practice shows that frequently these have to be "tuned in" to the diversity in the manifestations of these problems. This in turn relates to the first argument stated. Finally, and in the light of that same argument, one can argue that these overall national instruments be complemented with additional "area-specific" instruments, aimed at the elimination of "non-national" constraints.

The integrated approach to rural development, as set forth above, implies the identification of constraints originated through these three interdependent structures and of how these constraints limit the relative improvement of the position of the "target group" vis-à-vis the other groups. This requires the analysis to be focused on the functional relations between these groups as operating "across" these three structures. In this approach, rural poverty is analyzed in terms of the different poverty groups which, although having one thing in common as shown by some economic indicators, i.e. poverty, they also meet different sets of constraints derived from their relations across these structures with other groups.

3. A Case-Study of the Costa Atlantica Region: Methodology and Summary.

3.1 In this section, the case study of the Costa Atlantica region of northern Colombia will be presented primarily in its methodological aspects in order to contribute to the IRD discussion in this field. Before doing so, however, it should be emphasized that the present methodology can by no means be considered as a well established one with universal applicability. Research methodology has to be "adjusted" to the specific circumstances of the country in question, with respect to both the historical context and the prevailing "informational environment". This last

issue frequently leads to the use of methods of indirect approximation at the cost of theoretical neatness. The main aim of the Costa Atlantica study was "to identify the main opportunities and constraints for improving the relative position of the poor in the region".¹ In this paper, we will concentrate on rural development and rural poverty. The first phase of the study concentrates on the analysis of the spatial structure of the region and the changes in that structure. On the basis of this and the hypothesis generated regarding the explanation of these structures in terms of the processes of developmental changes, the urban and rural transformation were studied in their economic and socio-political dimension in order to uncover functional relations and the constraints generated through these relations. Finally, and in the thus generated perspective, the poverty problem and perspectives were analyzed.

3.2 Spatial structure of the region. The analysis of the spatial structure of the region was undertaken with the aim to uncover the spatial differentiation of the general processes of development. This was based on the assumption that processes of economic and socio-political change will have different effects depending upon the spatial structure emerged in the "previous sounds" of change. Thus, by studying the spatial structure and its change in a particular region, one may generate hypotheses regarding the different stages of consolidation of the present processes of change.

The methodology employed in this study was based on the familiar sets of methods of spatial analysis, or regionalization:

1. The main results of the study are summarized in the following documents: Universidad de los Andes, 1977, Estudio Regional Integrado para la Costa Atlantica Colombiana, Fase I. Bogota, CEIDER. (2. Vol.). and Universidad de los Andes, 1978, Estudio Regional Integrado para la Costa Atlantica Colombiana, Fase II. Bogota, CEIDER. In addition, a series of individual publications of team members has been published or are about to be published.

- a) the study of urban hierarchy (economic, social, and political-administrative functions) by means of cluster analysis,
 - b) the study of spatial interaction by means of flow analysis (manufactured and agricultural commodities and migration) and network analysis (roads and transport organization),
 - c) the study of homogeneous areas as applied to stock variables of demographic, economic, and social nature.
- The detailed description of these studies can be found in the mentioned references.¹ Here we will summarize aspects relevant for this paper.

The identified spatial structure was found to be a very peculiar one. An invented "U" shaped matrix of urban centers resulted in three differently developed components.

- 1) The urban industrial core of the region consisting of the three main centers on the coast.
- 2) A "left leg" in the western part of the region with a regular pattern of smaller urban centers similar to a Christalles type of spatial organization, although rather stagnant in terms of demographic and "development" indicators.
- 3) An "underdeveloped right leg" in the eastern part of the region, with a very limited number of centers of different areas, shaped in an irregular pattern. Moreover, and in terms of the mentioned indicators, the area on the whole was considered to be much more dynamic. With respect to rural development, it was found that the spatial structure in the western area coincided with the existence of a latifundium/minifundium complex as expressed by land tenure, while in the eastern area, large sized estates predominated without a considerable number of small holdings and tradi-

1. See for instance: Kalmansvitz, S, 1978, Desarrollo Agricultura en Colombia Ed. La Careta, Cobota. FalsBorda, O. 1975. Historia de la Cuestion Agraria in Colombia, Publicaciones De La Rosca, Bogota. FalsBorda, O. 1976. Capitalismo, Hacienda, Poblamiento, Ed. Punba de Lanza, Bogota.

tional forms of land tenure. Furthermore, it appeared that land use was quite rapidly changing in this area. Crops substituting extensive livestock areas combined with incorporation of unexploited land. The pace of land use changes in the western area was much less, and took place on the fringe the sub-regional settlement system.

A series of issues emerged regarding this spatial differentiation in the region, the first being the role of rural towns which appeared to be changing. On the one hand, one finds the rural towns "organically" integrated in the peasant economy. These towns derive this function and economic base from their immediate rural hinterland, i.e. local general trading centers with artisan production. On the other hand, there is a new type of rural town, developing at a much higher threshold level, which is a specialized agricultural trade center for a particular national or international export crop. Such towns are not "organically" integrated with hinterland as a whole, but with parts of that hinterland.

A second issue relates to the process of rural change seen as a process of innovation diffusion. It was hypothesized that this process does not have a clear regularity of filtering down the urban hierarchy nor to have a clear distance bias. It was more identified with land use, i.e. major export crop areas (rice and cotton), as reflected in "pockets of development". Consequently, functional mechanisms were expected to explain this pattern.

Combining various issues together, one may conclude that the process of overall change is reflected in a polarized form in geographical space because it is a selective process. The stagnation of some areas, and the rise of others, depends largely upon the pre-existing socio-economic structure.

3.3 The rural transformation - economic and socio political aspects. The study of the rural transformation of the region was based on the assumption that different forms of production existed in the region, and that in order to

understand the dynamics of rural poverty, it is essential to understand the relations between these forms of production. The concept of form of production was defined as comprising both micro and macro components of economic and socio-political organization. For the purpose of this study, three broad types or forms of production were defined.

1) The peasant form of production, which is characterized by the absence of wage-labor. Peasant production units produce at a low level of specialization of production (production as determined by subsistence needs). The internal division of labor is low; that is to say, the different functions are carried out by the same persons, for example production supporting functions are integrated with direct productive tasks. To this low level of internal division of labor corresponds a low level of "external division labor", i.e. only non specialized inputs are used. Such as simple tools, while manufactured industrial inputs and specialized production supporting inputs such as institutional credit, technical consultancy, etc., are absent. Equally there is a low level of organization of marketing and of demand.

2) The semi-entrepreneurial or family farm is based on wage labor instead of family labor. The production unit is characterized by specialized production. Its division of labor is much more refined, requiring external inputs and capital investments. It, therefore, operates with a correspondingly high level of external division of labor.

3) The entrepreneurial production differs from the semi-entrepreneurial form in the sense that its division of labor is based on a separation of production and management of the unit, while in addition its size permits the incorporation of specialized production supporting function such as agronomists storage, marketing, etc., which in the semi-entrepreneurial form are external inputs.

As a matter of fact, one might include a fourth form of production, based on the Hacienda system. However, it is considered that this form did not exist anymore in a significant degree, but that the hacienda system to a large extent

had already transformed itself in the entrepreneurial form of production.¹

In the literature, one frequently finds analyses based on a distinction between subsistence or traditional and commercial or modern crops. In our context, this can be interpreted as the predominance of a particular form of production.

Before elaborating on further aspects of the methodology, it is important to realize the limited scope and "technocratic" nature of this definition. However, it should also be realized that, for the social and political economic aspects, very little is available in term of data.² In fact, the use of the stated definition as operationalized below, enabled a localization in space of the farmholdings part of a particular form of production. Field studies were subsequently undertaken to complement the research in this respect.

In order to study these forms of production, a profile or "checklist" of variables was established, based on variables contained in the three definitions. This profile can be subdivided into three subsets. 1.) Characteristics of the production unit: product mix (land tenure, including relation owner-producer), labor and its form of contracting, agro-technology, credit. 2.) Organization of output market: type of demand (processed, nonprocessed, food or raw material), structure of demand, scale of the market (local, regional, national, international). 3.) The institutional environment: organization of producers and nature and type of government intervention.

By means of this profile, it was attempted to associate farm-holdings with a particular form of production.

1. Equally, there is fundamental lack of historical studies of sub-national areas.

2. See, for example, K. Griffin, 1976, *The Political Economy of Agrarian Change*, Macmillan, London.

Finally, the study was centered on the product sector for additional reasons which relate to problems of obtaining information.

The selection of products was done by the application of two criteria applied to macro data. 1, the importance of an activity in economic terms (estimating the contribution to the regional agricultural products), and 2, the importance in "population terms", i.e., the number of farmholdings engaged in the activity and the total employment the activity provides.

By means of this method, cotton, rice, cassave, main, and livestock production were selected for analysis.

The following table summarizes the results regarding the relative importance of the different forms of production:

Product	Cotton	Rice	Cassave	Maiz	Live-stock
Associated Form of Production		Dry irrigated			
Peasant		declining	-	dominant	minor
Semi-Entrep.		declining)		dominant	minor)
Entrepreneurial		dominant)	emerging	minor)	dominant

Cotton has been a fast growing crop in the region. In 1976, the area under cultivation was ten times the 1958 area, while the volume of production was 12 times the base year production volume. Critical to the explanation of this is the development, under protection, of the national textile industry. In addition, particularly in the sixties, export production rose in importance. This market development took place in a highly institutionalized environment of direct negotiation between the organized producers and industry, under the "tutelage" of government, and in later stages, of export growth, without the latter. Direct government intervention has been very important in developing the cotton

grinding network, provision of special credits, and export incentives. In order to "enter" the production of cotton, it is essential to become a member of a producer association, which provides the main functional links with the so-called external division of labor (credit, industrial, service inputs). In fact, new associations of exclusively large producers were formed through which external functions were incorporating. The increasing technological developments of the product led to a polarization between large and small producers, in such a way that the small ones were increasingly becoming "marginal producers". With respect to rice, the technological change of the "green revolution" in the mid-sixties, produced quite dramatic shifts in a relatively short timespan. In 1967, rice was produced in 82% of the cultivated area and dry rice was 74% of total production, while in 1976, these proportions were respectively 36% and 15%. Dry rice production was reduced to almost half the area under cultivation, although the dry rice yields remained virtually constant. Peasant production is clearly defined by the type and method of cultivation, the absence of wage labor, and external industrial and service inputs. The surplus that still is produced for the market is channeled through individual intermediary networks. On the entrepreneurial side, the adoption of HYV's required the adoption of the associated package of technological-commercial innovation. Here also a national producers association has played a central role. Irrigated rice is produced for the national market, and there is some evidence pointing to the increased importance of direct links between producers and rice milling firms. The role of government has been important, particularly on the service inputs and credit side. On the other hand, the government marketing organization IDEMA has only been important in so far as it ensures that part of the productivity increases of entrepreneurial production are transmitted to the urban food market in the form of relatively stable food prices.

Maiz production in the region on the whole is the most heterogeneous sector in terms of associated forms of production.

However, the very fragmentary evidence available on the various indicators shows that peasant production is still dominant. In part, this may be explained by the fact that the maiz processing industry can be considered as stagnant. In fact, its share in demand declined. As maiz can be produced in both annual seasons, which, in addition, are different in different parts of the region (a large overlap still exists), and since the main proportion of demand food requires only simple processing, peasant production still is "competitive", and the market organization remains also very localized. The role of government, particularly the market agency IDEMA, played a very similar role (as in the case of rice). Its share is less than 10 %, its "intervention price" follows closely the market price and, therefore, acts only as a price stabilizer.

Cassave production in the region is very clearly dominated by peasant production, as demonstrated by the various indicators (technology of cultivation, use of external inputs and credits). The production in major proportion is sold at the farm gate to local intermediaries. The incipient growth of semi entrepreneurial production (>10 has.) was found very strongly related to the location in the region of a large scale processing plant, which, in order to guarantee regular and quality supply, introduced direct contracting schemes with credit and technical assistance facilities.

Finally, livestock production in the region is dominated by large scale production associated with the entrepreneurial form of production. Livestock production in the region is primarily oriented to exports to other regions ("on the hoof") as well as smuggling to Venezuela. Only 25% is for domestic consumption. Dairy farming is largely combined with meat production and is a secondary activity. Although it can be considered an entrepreneurial form of production, the fact that traditionally it has been the main hacienda activity, is still reflected in the phenomena of traditional marketing, which means that a locally important haciendado acts as an "intermediary" for smaller producers in the marketing process.

The comparison of the characteristics of the situation with respect to the different products, which were very briefly summarized, lends support to the following general propositions:

1.) The entrepreneurial form of production varies with a high level of organization of the market which is reflected in its scale (national/international versus local/regional) and with the importance of industry on the demand side (manufacturing and processing). Conversely, the absence of these factors limits the penetration and expansion of the entrepreneurial form at the cost of peasant production. In other words, the low level of organization of the market and the absence of industrial processing in a way protects the existence of peasant production.

2.) The organization of producers in economic interest groups relates with the organization of the market and the type (and composition) of demand (proposition 1). The more the market is organized at a larger scale (national/international) and the more concentrated the industrial demand, the better are the opportunities for institutional price bargaining (with government in the case of export crops, quantities, etc.), requiring producer organizations.

3.) Producer organizations, initially formed as marketing institutions, may develop in "agro-business organizations", incorporating for the benefit of the associated group of producers, production supporting functions (R & D, fumigation-aviation companies, input purchasing, credit, export sales, etc.), which cannot be incorporated at the farm level. However, this will "inevitably" lead to a further differentiation between the two forms of entrepreneurial production.

4.) The unequal relations between the different forms of production at the level of the farm holding is based not only on unequal access and competition for input requirements, but equally important is the competition in the output market. The possibilities for "successful incorporation" of the peasant, i.e., transforming him into a "progressive farmer" or semi-entrepreneur, are not only limited by his

limited access to input requirements but also depends on the "entry or threat of entry" of large scale farms associated with the entrepreneurial form of production (see proposition 1).

Regarding the rural labor market in the region, it can be concluded that the expansion of the entrepreneurial form of production has led to a relatively large increase in seasonal demand for labor. (This, however, ultimately depends, of course, on the agro-technological condition of the particular crops involved.) The organization of rural wage labor (labor movement) is virtually impossible due to the relative "scarcity" of permanent employment, in which respect local landlords have monopoly powers. And although the seasonal peaks in seasonal employment make possible temporary trade unionization of rural workers, its very temporal nature make these initiations not very effective (absence of institutionalization). The large proportion of migrant workers further limits effective use of opportunities.

3.4 Rural transformation in space. In order to obtain some indication regarding the spatial distribution of farmholdings associated with a particular form of production, ranges of size were used as indicators. These were established on the basis of the information obtained in the various product profiles.

Many authors have argued that the historical pattern of land occupation in Latin America resulted in a situation in which the best lands in an area were occupied by large estates, exploiting the land inefficiently with extensive livestock, while less fertile lands were left to the peasants to colonize. Laughlin Curie described the rural transformation in Colombia as a process where "crop production descended from the small holdings on the mountain slopes to the fertile plains and valleys. The study of the northern region provides additional evidence. Most clearly, is the case of the eastern area of the region, which contains the best soils available, and which was occupied by large properties. A very fast transition from extensive livestock to entrepreneurial production of

cotton, rice, and livestock took place. The negative effects of this, however, were felt in the western area where particularly peasant production of rice "underdeveloped". The development in the eastern area took place despite of the fact that the area had and still has a less favorable accessibility than the other main areas.

3.5 Rural poverty. Throughout the study of the rural transformation, emphasis was put on the organization of the different groups. It was concluded that the development of the entrepreneurial form of production led to the emergence of new groups. The traditional landed oligarchy transformed itself into an entrepreneurial capitalist group, which in the transformation formed new economic interest organizations (producer associations in cotton, rice, and livestock). Through the development of entrepreneurial production, a new group of agricultural professionals was created, which also, to a large extent, are organized. It was found, in the case of cotton, that agricultural professionals of higher positions, either in public or private institutions, entered entrepreneurial production via commercial renting of land. The explanation of this may be found in the technological knowledge they possess. The rural wage labor force can be considered a real rural proletariat lacking any form of organization. Finally, the peasant producers have very limited forms of organization, usually political, developed in some areas as the result of conflicts over land. However, the main weakness of these organizations is that the direct economic interests, related to activity, are not integrated in these organizations.

The study of the sociopolitical aspects also demonstrated other differences in space which relate to the "initial" socio-economic structure. In the western area of the region, the latifundium-minifundium complex was much more developed than in the eastern "economic frontier" area. This had implications for the behavior of the dominant group in its role of "elites of development". In other words, in the western area, the dominant group played much less this role

of assuming "political leadership for change" as in the case of the eastern area. This may be explained by the very fact that this group was, so to speak, "constrained by the benefits reaped from the traditional socio-economic structure", while in the eastern area, the economic base for political power, though potentially there via control over land, could be greatly expanded through the rural transformation.

When we now concentrate on the peasantry in relation to the rural poverty, it is useful to clarify some aspects of rural poverty, as they emerged in this study. First of all, it is important to distinguish static from dynamic aspects of rural poverty. The first one refers to the problem of lack of access to land and capital.¹ The dynamic aspect refers to a further reduction of access. Here one can identify three important and inter-related sub-processes:

- 1.) The process of market incorporation. Its degree of success, in transforming a peasant into a "progressive farmer", is dependent on the potential competition in the output markets exercised by farmers organized in the entrepreneurial form of production.
- 2.) The general consequences of the development of entrepreneurial production in the same area with respect to land and irrespective of the type of product, with consequences being the rise in real prices of the land and the elimination of traditional land tenure.
- 3.) The process which refers to the problems "within" the peasant form of production, such as fragmentation and parcelization as related to demographic pressures on the land.²

The process of impoverishment leads to an increase of landless peasants. In order to obtain some insights regarding the

1. See, for example, K. Griffin, 1976, *The Political Economy of Agrarian Change*, Macmillan, London.

2. Pearse, A., *The Latin American Peasant*, Macmillan, London.

composition and location of the extreme poverty groups, a very simple method was used: The rural population was estimated. Then, the number of landless and families was calculated. And finally, the farmholdings with less than one hectare were isolated, as an indicator of the process of absolute decomposition or impoverishment. Defined in this very approximated way, important differences were found in the location and composition of rural poverty. There are two main areas, each containing one third of the total group. In the Cordoba department, both groups, landless families and "micro fundistas", were equally represented, while in the Magdalena department, landless labor was far more important. For the remaining part, rural poverty concentrated on the outer fringes of the urban core of the region and in the very isolated areas of the region.

4. Final Observations

First of all, it is important to stress the limitations of the presented study. The methodological problems of the approach can be considered as considerable, particularly as related to taxonomy. In addition, serious, and indeed very valid, objections can be raised regarding the very approximated nature of the applied methodology. However, a compromise has to be made between "theoretical neatness" and practical operational value, the latter, particularly in view of the information environment in most Third World countries. One may conclude, that the main virtue of the study has been its approach. Secondly, as already pointed out before by Hilhorst on the occasion of an earlier meeting of this seminar, the general prevailing political conditions in many Third World countries do not permit in many of these countries any real and deliberate policies for improvement of the position of the rural poor. To this, one may add that even if this vital condition were fulfilled, there are still many additional constraints, which particularly refer to the functional organization of and relation between the different forms of production. Finally, the study raised the issue whether one may reasonably expect extreme rural poverty, and particularly groups such as "microfundistas"

and landless peasants, to be effectively approached with IRD policies without requiring substantial structural changes affecting both traditional and entrepreneurial forms of production.