

Chapter 5

A panel of children's drawing on the classroom wall in a primary school in Ethiopia.
Photo: Katy Anis. © UNESCO.



Roles, Responsibilities and Challenges:
A Framework for Policy and Action





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... as urbanisation increases, the rural economy will continue to be a principal tool for development and sustainability. Patterns for growth need to respond to the growing aspirations of the people in these new realities. Globally, the demand for food will grow with increasing land and water scarcity, as well as greater environmental pressures. ... that future challenges will be many, and that this situation requires analysis, debate and discussion. ...this work is being undertaken in a globalising world, where what happens in one part of the world gets transmitted to other parts rapidly. A number of flagship initiatives being undertaken. These aim at transforming the rural areas through education, health, securing incomes and strengthening infrastructure. With a large workforce living in rural areas, creating work opportunities (including for youth and women) acquires great significance. [It is vital] ...to forge links between the corporate world and the agriculture sector, as many complementarities exist between the two.

Source: President Of India, Inaugural Address, INTERNATIONAL CONFERENCE, DYNAMICS OF RURAL TRANSFORMATION IN EMERGING ECONOMIES, 14-16 April 2010, New Delhi, India

In considering a framework for policy and action priorities for skills development as an integral part of rural transformation, it is necessary to look at the developmental context in which skills development policies, programmes and activities would be carried out. Different aspects of skills development and capacity building in relation to the overarching goals of fighting poverty and rural transformation have been discussed in the preceding chapters. It is clear that skills development is a critical component of the total effort to bring about rural transformation, but it is not sufficient by itself. The programmes and strategies for skills development can be effective, when they are nested in a supportive environment of broader development goals and policies which accord a high priority to, and are consistent with, the aims of rural transformation and rural poverty reduction.

There are different ways of looking at the key elements of the supportive context and assessing what exist. Options have to be weighed in determining what can be done to take advantage of the positive elements in social, political and economic environment and to circumvent or cope with the constraints. The premises underlying goals of rural transformation and poverty reduction logically direct attention to a number of contextual factors intimately intertwined with these goals. These factors include structural changes in the economy which are consistent with rural transformation objectives, a regional planning and development perspective, and the environment for economic activities. This last category encompasses expanded opportunities for enterprises in rural areas, social protection and safety net policies, and governance issues.

A facilitative and supportive policy environment is essential for carrying out skills development effectively. Aspects of organisational and institutional mechanisms need to be considered under a rational, transparent and participatory policy regime. In such a context, issues of governance, financing, allocation of responsibilities and collaboration among national and international partners can be resolved to achieve optimal outcomes. In line with this logic, this chapter examines the influences that shape policy objectives and their implementation. The chapter is divided into six parts: (i) A supportive policy environment – structural change in the economy; a regional planning and development perspective; the role of microcredit

and social business; and social protection policy related to skills, jobs and fighting poverty; (ii) Priorities, organisation and management of education and skills development for rural transformation – general basic education, vocational and technical education, tertiary education and research, and lifelong learning; (iii) Governance issues in skills development and capacity-building; (iv) Roles of different stakeholders; (v) Monitoring and evaluation of skills development; and (vi) Resource mobilisation for skills development and partnership building – national and international.

5.1 A Supportive Policy Environment

Structural change in economies

Historically, economic development has meant structural change in national economies of countries in terms of the contribution of the major sectors of the economy (agriculture, industries and services) to the total productive output of the country (GDP) and the proportions of the working population employed in the major sectors. Countries which have gone further in reducing poverty and improving the well-being of their people are those where the labour force has moved from agriculture to more diversified economic activities. There has been a spatial or geographical change manifested in urbanisation and increase in job opportunities in towns and cities away from villages. There also has been a sectoral movement of workers away from farming to off-farm, manufacturing and services activities (McMillan and Rodrik: 2011).

By one estimate, based on a sample of 29 developing countries and data for the decade prior to 2005, the average manufacturing-agriculture productivity ratio for workers was 2.3 in Africa, 2.8 in Latin America, and 3.9 in Asia (*ibid.*, p.6). On the whole, inter-sectoral productivity gaps are seen as a feature of underdevelopment. The gaps were widest for the poorest countries included in the sample and sustained economic growth contributed to narrowing the gap. They show the important role of structural change in reducing the gap in productivity and earnings, both within economies and across poor and rich countries.

As a pioneer in the field of development economics, W. Arthur Lewis defined the challenge of development economics to be closing the gap in productivity and earnings

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of workers between sectors. He observed that the task was to transform the dual economy model of the traditional and modern sectors with large gaps in productivity of workers in less developed countries to a progressive narrowing of the gap among sectors with structural change among and within sectors (Fields: 2007).

The historical evolution of the structure of economies may be looked upon as defining characteristics of economic development. The markers of this evolution in general terms are progress from a heavy dependence for output of the economy and employment on subsistence agriculture to commercial agriculture; to light, heavy and technology-intensive industry, in successive stages; and to the post-industrialisation era dominated by knowledge-based services and products. This evolution is also characterised by a process of continuous technical innovation leading to improved productivity evident in improved quality, lower costs and availability of newer goods and services (Lin: 2009).

The implications of the shifts in the structure of the economy, especially relevant from the point of view of the rural transformation goal, are that:

- A progressive and relatively rapid decrease can happen in the proportions and total numbers of the workforce in agriculture, while improving at the same time total output from agriculture, thus increasing productivity dramatically per unit of labour input as well as per unit of finite and scarce land.
- There can be a movement of the workforce in rural areas from farming to off-farm, manufacturing and services activities, with creation of some of these economic opportunities in rural areas themselves, in a context of overall expansion of these non-agricultural activities within countries and beyond the borders of countries, in the era of globalisation.
- Increases can occur in mobility of working people and those eligible for work in rural areas both spatially and sectorally. Spatial mobility of workers may be within rural areas, to peri-urban areas, rural hubs and small towns, and larger cities, with some of the movements in the reverse direction. Sectoral mobility may be from farming to off-farm processing, services related to mod-

ernising and diversifying agriculture, livestock, forestry and infrastructure building, and extension of some of the urban services to rural areas.

- One area of sectoral extension and expansion possibility is education and skills development with expanded scope and variety of education and skills development activities in rural areas, small towns and rural hubs (central rural locations where services and infrastructures are located to serve a group of rural communities).

Structural changes of the economies are happening and are inevitable. But they do not necessarily produce the same results in terms of the growth of total GDP. They may fail to narrow the gap in productivity and earnings among sectors or among enterprises within sectors. The intended results of expanding gainful employment, improving the well-being of people and reduction of poverty are thus not achieved. Ongoing changes and shifts in structures have not by any means been smooth:

Many developing countries have devoted large amounts of resources to educate and train workers. However, without upgrading in industrial structure, many educated members of the labour force are often left unemployed or compelled to migrate. Improvements in human capital must therefore be part of the overall strategy to accumulate physical capital and upgrade the industrial structure (Pritchett: 1996, p.12).

If there were an inter-sectoral redistribution of employment along the pattern found in advanced economies, developing countries would employ far fewer workers in agriculture and many more in the modern, productive sectors. The hypothetical gains in overall average worker productivity would be quite large. India's average productivity would more than double, while China's would almost triple. The potential gains would be even higher for several African countries. Ethiopia's productivity would increase six-fold, Malawi's seven-fold, and Senegal's eleven-fold. These numbers indicate the extent of dualism that characterises poor economies (Macmillan and Rodrik: p.8).

The scenario described above is hypothetical based on assumptions that the sectoral shifts in workforce could happen without any effect in present productivity within

each sector. In reality, there have been large differences in patterns of structural change across countries with substantially differing performance in economic growth and productivity. It has been found that Asian countries have experienced “productivity-enhancing” structural change, but both Latin America and Africa have experienced “productivity-reducing” structural change (ibid., p.12).

Labour productivity growth in an economy can be achieved within economic sectors through capital accumulation, technological change, and reduction in misallocation of resources across enterprises. It can also happen across sectors, through shifting workers from low-productivity sectors to high-productivity sectors, increasing overall labour productivity in the economy. However, globalisation, creating an international market for investment and products, has led to highly uneven outcomes. Countries with a comparative advantage in primary products, many of those in Africa, were pushed to achieve greater efficiency within sectors, by adopting capital and technology intensive methods, rather than expand labour-intensive production (ibid.).

The productivity gains are not achieved automatically with structural change. In both Latin America and Africa, structural change has made a negative contribution to overall growth, whereas in Asia the contribution has been positive in the period between 1990 and 2005. The bulk of the difference between the regions’ productivity performance can be attributed to the pattern of structural change in the three regions.

In Asia, labour actually moved from low- to high-productivity sectors, but the effect was the opposite in Latin America and Africa, because, globalisation-induced economic policies led to culling out of inefficient plants and enterprises, new infusion of technology and capital, and shedding of inefficient labour, rather than expansion of employment and opening up opportunities for agricultural workers in the manufacturing and services sectors as well as extractive industries and forestry (ibid.).

Not that the globalisation pressures did not exist in Asia, but the policy regime including skills and education development, currency and trade policy, and social protection and employment policy provided a measure of mitigation

against the adverse effects of economic liberalisation. Moreover, progress already made in capacity building in skills, technology and entrepreneurship offered the Asian countries an advantage in exploiting the potentials of the global market.

The point has been made that there is an ongoing shift of labour from low-productivity agriculture and rural economic activities to high-productivity activities in industry and services, as well as, diversified agriculture, processing and rural services. This shift, both sectoral and spatial, planned and coordinated to minimise the negative effects, and accelerated in many instances, have to become the driver of development in general and rural transformation, in particular. Macro policies in the spheres of the economy, regional development, human and skills development, and governance have to create a supportive environment for this development process to unfold successfully.

Rural-urban linkages and regional development planning

Rural and urban areas are in reality interconnected through a constant movement of people, goods, capital, ideas and information. The complex web of flows and exchanges has made rural and urban areas dependent on each other. The trend is accelerating in many parts of the developing world as a result of better transport and communications, rural-urban and return migration, and the dissemination of urban norms and values in the rural areas. There also has been the spread of urban economic activities in the rural areas (rural industrialisation and spread of basic amenities) and of rural economic activities in the urban areas (such as urban agriculture initiatives).

The physical boundaries of urban built-up areas often do not coincide with their administrative boundaries. The peri-urban interface around larger urban centres is the location where processes of urbanisation are most intense and where some of the most obvious environmental impacts of urbanisation are evident. They are characterised by rapid change in land use, encroachment on farm land, displacement of farmers from their ancestral homesteads and traditional livelihood, and intense pressure on natural resource systems (for example, for water, fuel wood, disposal of urban wastes, and land for non-agricultural uses).

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Coordinated and creative regional planning to deal with the peri-urban interface is essential and offer opportunities that cannot be available in separate urban and rural initiatives (DANIDA: 2000).

The persistent and growing disparities in levels of income, economic opportunities, and quality of life between the rural majority and the urban minority have lent a new urgency to an integrated approach. Economic liberalisation and opening of the global market have given an added impetus to look at the urban-rural connections in a new light. A deliberate blurring of the urban-rural distinction has to be taken as a policy objective with supportive policies and strategies (ESCAP: 2001).

It is being recognised that there are needs and opportunities for strengthening rural-urban linkages in several areas. These can be broadly categorised as economic linkages (markets, employment); physical linkages (infrastructure, transport, communication); and linkages in services and amenities (education, health care, communication and information, and financial and market services). The less visible, but highly significant and relevant for all three broad categories mentioned, is the flow of ideas, innovation and information which need to be both ways for mutual benefit. Understanding the scope and potential of the linkages and ways of strengthening them require a regional planning approach embracing urban cities and towns, peri-urban areas and rural communities.

Rural-urban linkages take many different forms, depending on political and institutional history and culture in the country as well as the geographical and ecological conditions that define the possibilities.

Examples of the regional approach

The rural-urban partnership programme (RUPP) from Nepal is a national level programme involving 13 municipalities and 33 rural market centres. RUPP sees rural-urban linkages as a fundamental element of regional development. Eighty percent of the population in Nepal is rural and one-third are categorised as below poverty line. Only 40 percent of the income of an average rural household came from farming and the remaining 60 percent from other income sources (Nepal Central Bureau of Statistics:

2002). Moreover 60 percent of farmers had less than a hectare of land which could be a source of survival for more than half of a year. Clearly, rural households in Nepal needed additional sources of income to survive. Many relied on the urban linkages – flow of goods, services, remittances and people. Better planning and structuring these flows were considered essential.

The essential premise of the programme is that development of the defined areas that include municipal towns, market centres and surrounding villages can be planned and implemented for the common benefit of urban and rural communities and people. Entrepreneurship development, promotion of village economic enterprises linked to urban businesses and access to jobs for rural workers in industrial/commercial establishments are key components of the programme. The zones have been identified on the basis of already present socio-economic, road and communication and migration links between nodal market centres and the surrounding villages. The aim is to further develop these linkages through a participatory planning and management process for optimising the benefits for all.

The Nepalese government selected RUPP as a national core programme, and RUPP approach of poverty alleviation and urban development was incorporated into the Tenth Plan (2003-2008) of the country (ESCAP: 2005).

The case of the Metro Naga Development Council (MNDC) from the Philippines illustrates an attempt, similar to RUPP in Nepal, to overcome the obstacles presented by administrative classification of local government units as either urban or rural. The MNDC bypasses the rural-urban dichotomy by bringing together Naga City and 14 surrounding municipalities into one administrative entity for planning and undertaking joint area-based development activities. The MNDC served as the mechanisms for the participating local government units (LGUs) to work together on: (i) planning as a cluster for selected economic and development projects; (ii) resource pooling that increased capacity of LGUs to carry out larger and joint projects; and (iii) better access to opportunities for capability-building that helped LGUs become more efficient and effective (ibid.).

Providing Urban Amenities to Rural Areas (PURA) is a

strategy for rural development in India advocated by former President of India, Dr. A.P.J. Abdul Kalam. He envisaged it to be a viable model for the delivery of basic urban services and facilities in rural areas to be managed through an implementation mechanism that brought together local people, public authorities and the private sector. Extensive consultation and research involving state governments, private sector and international development partners contributed to the design of the programme. It is a flagship programme of the Ministry of Rural Development (MoRD), Government of India and is planned to be implemented in over 200 districts or over one-third of the total in the country (MARG: 2011).

PURA proposes that urban infrastructure and services be provided in rural hubs to create economic opportunities outside of cities. Physical connectivity by providing roads, electronic connectivity by providing communication network, and knowledge connectivity by establishing professional and technical institutions will have to be undertaken in an integrated way so that economic benefits accrue to all.

The private sector involvement in PURA under the public-private partnership framework is illustrated by role of MARG Limited. It is one of India's fastest growing integrated infrastructure companies. MARG has supported the first PURA pilot project at Karaikal district in the Union Territory of Pondicherry. The multi-dimensional social inclusion project will generate livelihood opportunities and provide basic amenities across 8 village panchayats with an estimated population of 31,000 spread across 29 sq km in Karaikal District (ibid.).

Speaking about PURA, Mr. Kalam called for physical connectivity of villages among themselves and with main towns and metro-cities through roads and railway lines. He also called for the preservation of native knowledge and its enhancement with latest tools of technology. He urged that the villages must have access to good education from best teachers, good medical facilities and must be provided with latest information on villagers' pursuits like agriculture, fisheries, horticulture and food processing. The former President also called for knowledge connectivity that could increase the productivity, utilisation of spare time, awareness of healthcare, ensuring a market for

products, increasing quality consciousness, and transparency in partnership (ibid.).

Another initiative that could be seen as complementary to PURA is the Rural Business Hub (RBH) programme. The objective of the scheme is to spread the benefits of India's rapid economic development to the rural areas through the medium of Panchayati Raj Institutions (PRIs). Rural Business Hub is a participatory development model for the rural areas of the country that is built on the platform of 4-P, i.e. Public – Private – Panchayat – Partnership. Special features of the Scheme are:

- It links rural producer with the wider market through a marketing partner and develops this as an integrated business relation benefitting both sides and is, therefore, sustainable.
- Panchayats/Rural Local Self Governments play the key role of planning and implementing plans; the plans are based on local resource endowments, felt needs of people and relative absorptive capacity.
- The project is located in a rural area and is based on economic activity and generates rural employment and livelihood.
- The Scheme is demand-based and there is no State-wise allocation (Tiwari: 2010).

Panchayats perform the key role of identifying skills and endowments of people and natural resources. They address the concerns of local inhabitants and establish and sustain community linkages. They also extend institutional support to viable business initiatives that benefit the rural populace. At a later stage, the Panchayats help integrate the economic development plan emerging from RBH initiative with the decentralised district planning process. The business partners would perform the roles of identifying local skills/products that have wider market potential, prepare business plans acceptable to the community and provide sustainable local employment. The Central/State Governments would support the initiative through conducive policy regime, dovetailing government schemes, bridging critical gaps in infrastructure etc.

The resources required for setting up RBH are to be mobilised primarily through convergence of ongoing Central/

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State Schemes, programmes of partnering institutions etc. An initial seed funding support is available from the budget of Ministry of Panchayati Raj. RBH is planned to be initiated in all the 250 districts covered under the Backward Region Grant Fund scheme of the Ministry of Panchayati Raj and all the districts in the North Eastern Region (ibid.).

Social protection and safety nets

Agricultural work is the major source of income for most rural households in developing countries; although for most of them smallholder farming is only part of a diversified livelihood strategy, which combines on- and off-farm wage work, service activities and remittances. Earnings from agricultural wage labour are low and volatile, especially when workers are engaged on a casual or temporary basis. Much agricultural work is by its nature physically demanding, involving long periods of hard physical work, often in extreme weather conditions and risk-prone circumstances.

Even when technology has been introduced to reduce physical drudgery, it creates new risks related to the use of machinery and chemicals without appropriate safety measures. But basic health services are often inadequate or non-existent for rural workers and workers' compensation, disability insurance and survivors' benefits for them are mostly unheard of.

A significant proportion of rural people in developing countries, whether they are engaged in agriculture or off-farm activities, face natural or man-made emergencies and/or are in a state of chronic hunger and deprivation which they cannot handle without assistance from the state. They need support to respond to the high level of risk and vulnerability and overcome the negative impact on livelihood. Assistance is necessary not just to provide relief and protect the well-being of people, but to help them move out of the vulnerability and restore their productive capacities. Ideally, the protection measures can be an investment in people which can produce longer-term payoffs and prevent the intergenerational transmission of poverty.

As noted in chapters 2 and 3, vulnerability and the lack of social protection are manifestations of poverty and social

exclusion of rural people. They are also obstacles to the development of capabilities and skills development of young people and therefore are hurdles to the access to productive employment. Questions regarding "decent work" in rural employment need to be addressed urgently as the rural population in developing countries continues to grow in absolute numbers. There is much room for improvement in the labour and social protection currently provided to rural workers, whether in terms of their conditions of work or their vulnerability to livelihood risks (ILO: 2008, p.41).

Social protection is regarded by ILO as a holistic set of life-cycle-based strategies that seeks to protect workers at their workplaces in the formal and informal economy against unfair, hazardous and unhealthy working conditions. It also seeks to provide access to health services, a minimum income for people with incomes under the poverty line and support for families with children. It replaces income from work lost through sickness, unemployment, maternity, invalidity, and loss of breadwinner or old age (ILO: 2007).

Another common description of social protection is social safety net – a net that prevents individuals and families from falling below defined levels of basic well-being (see chapter 2). Social safety nets specifically emphasise non-contributory transfers targeting the poor and vulnerable in order to protect them from risks and severe poverty. They are seen as an important tool not only to assist the vulnerable groups during times of crisis, but also as a part of countries' development agenda.

Social safety nets are rarely comprehensive enough to cover all forms of vulnerability of the rural poor. Different objectives are emphasised in specific contexts. Depending on these objectives they comprise income transfers through cash, food related transfer programmes, price subsidies, human capital related measures, public works programmes, and micro credit and informal insurance programmes (Babu: 2003).

In short, safety nets for social protection have four main objectives: (i) they aim to reduce poverty and inequality through the redistribution of resources; (ii) they function as insurance and help improve households' social risk management; (iii) they are expected to enable households

to invest in human and physical capital, which advances long-term economic opportunities; and (iv) they can mitigate the negative consequences of difficult but needed socioeconomic reforms (World Bank: 2011; see Box 5.1).

Experience of social protection measures in developing countries illustrates the scope and pattern of these measures.

Labour market intervention

Rural labour markets are often characterised by oversupply of labour, limited employment opportunities, and poor transport and communications that restrict movement of labour. Rural employment schemes have been used in several

countries to address this problem, as in India, which aim to create employment opportunities through public works to build physical infrastructure.

The India National Rural Employment Guarantee Act (NREGA) was adopted in 2005 and is based on the earlier Maharashtra Rural Employment Guarantee Scheme (MEGS). A critical defining feature of NREGA is that it confers statutory rights on beneficiaries, unlike a “scheme” or a temporary project (see chapter 2). NREGA makes available up to 100 days of employment per rural household per year on public works, at the prevailing minimum unskilled wage rate (Sjoblom and Farrington: 2007).

Box 5.1 Main Types of Social Safety Net Interventions

1. Unconditional Transfers in Cash and in Kind

Unconditional cash transfers aim to lift poor and vulnerable households out of poverty or protect them from falling into poverty due to a crisis or reform. Most of these subsidies are means-tested. Based on expenditures and welfare, households are assigned to a poverty index and only those at the bottom are eligible for benefits.

Other transfers may be categorical, that is, paid to families with children under a certain age (family/child allowances) or to vulnerable groups, such as the elderly who lack formal social insurance (non-contributory pension) and the disabled (disability benefits). In emergency and disaster contexts, cash transfers are often used as a flexible instrument to protect the poor, who are credit constrained and vulnerable to external shocks.

In-kind transfers are tied to the provision of goods either directly (food aid, basic transfers) or through price/tax subsidies that encourage the consumption of basic commodities (housing and utility subsidies). The most common of forms of in-kind transfers are food-based programmes (food aid), which aim to help the poor achieve and maintain better nutritional status.

2. Income-Generating Programmes

Workfare (or public work) typically employs low-skilled workers in labour-intensive jobs constructing or maintaining public infrastructure projects. If well-designed, these programmes can make public spending more cost effective. The participants may be paid in cash (cash for work) or in-kind (food for work). These programmes may also include on-the-job training to provide necessary skills to participants. They might also be gender sensitive, providing different types of work to men and women.

Wage/employment subsidies provide incentives for participants to take up temporary employment with the goal of helping them transition to more permanent jobs. The subsidies are offered to either the employees or employers on the condition that they maintain the job in a public or private enterprise for a period of time (often not less than six months).

3. Programmes Promoting and Protecting Human Capital

Conditional cash transfers (CCTs) have become increasingly popular instruments of human capital interventions. The first wave of CCTs began in Latin America where many such programmes have shown encouraging results in increasing consumption, attention to health care, and school enrolment. The CCT model has now spread to other countries in Africa and Asia. They have two explicit goals: to reduce current poverty and to promote investments by the poor in their human capital in order to increase the standards of living in the future. To encourage investments in education, they require that households enrol their children in school and that the children attend a majority of classes.

Similarly, health and education fee waiver programmes aim to encourage the use of educational and health services so that the poor households (who might not be able to afford them otherwise) could maintain an acceptable standard of living. They often subsidise a part or the total of the costs of these services either directly to the beneficiaries (in the form of vouchers) or to the service providers to recover their costs. The two main types of these programmes are fee waivers for health care and fee waivers and scholarships for schooling. Health care fee waivers may include the cost of services, drugs, and at times transportation to health centres. Fee waivers for schooling or scholarships may include tuition, stipends, and/or school-related materials such as textbooks and uniforms. There also can be conditional in-kind transfers such as school feeding and take-home rations to encourage students to attend classes.

Source: Adapted from World Bank 2011, pp.93-94.

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Assisting the ultra-poor

Poverty and exclusion in rural communities, as multi-dimensional phenomena, call for multi-faceted interventions. One example of a multidimensional social-assistance programme is the “Challenging the Frontiers of Poverty Reduction -Targeting the Ultra Poor” (TUP) programme of BRAC, a large Bangladesh NGO. This was launched in 2002, recognising that many common interventions including microcredit were not reaching or helping the poorest people in rural Bangladesh. The TUP programme combines asset transfers (grants rather loans) linked to livelihood skills training, health promotion and other social programmes with potentially transformative effects (Rabbani: 2006; also see chapter 2).

Health and safety of workers

ILO estimates that up to 170,000 agricultural workers are killed each year and millions are seriously injured in accidents involving agricultural machinery, pesticides and other agrochemicals. The risk of serious injury is compounded by the absence of information about safe work regulations and practices for rural workers and lack of knowledge and information about the dangers and risks. Poor living and working conditions for the most vulnerable groups are compounded by endemic diseases. They cause poor health, reduced work capacity, low productivity and shortened life expectancy of rural workers. Protecting rural workers from hazards in work place must be an important element of social protection. An approach that relies on community participation and network is illustrated by the Work Improvement for Neighbourhood Development (WIND) methodology described in Box 5.2 (also see ILO: 2001; ILO: 2008).

There is no single blueprint for social protection and application of safety nets. No one instrument can provide a magic bullet. The options are diverse and policy-makers have choices, as seen above. Policies, objectives and a combination of programme actions need to be designed by focusing on dominant problems and feasibility of effective implementation. Regional patterns can be observed regarding dominant problems and feasibility of effective implementation. There are regional patterns which have evolved over time which provide useful lessons about options and their efficacy in different contexts. In Latin

America the emphasis has been on support to human capital building through conditional cash transfers and social pensions. In South Asia and Africa, the focus is on more immediate vulnerabilities of people through a variety of social protection interventions aiming at food security of households and a minimum income protection through public works (Hickey: 2007).

With the availability of different intervention instruments, getting the combinations and sequencing right (such as, combining household transfers with actions to enhance skills and capacity) is important. This requires good information and understanding about the state of poverty and vulnerability. Consensus building through social dialogue is also necessary to improve effectiveness of initiatives. The politics of social protection that defines conflicting interests and perceptions of stakeholders cannot, therefore, be ignored in considering policy choices. In Africa and South Asia, the focus on food and income protection indicates that there are strong linkages between social protection policies and wider policies, particularly in respect of agricultural development. This current focus also suggests neglect and, therefore, a potential for linking social protection more closely with longer term capacity and skills development as seen in Latin America (ILO: 2008, pp.81-83).

Role of microcredit and social business

Microcredit

Microcredit refers to very small loans given to poor people

Box 5.2 The WIND Methodology

The Work Improvement for Neighbourhood Development (WIND) methodology offers a community-based approach to improving the safety, health and working and living conditions of small farmers and rural workers. It is intended to help families adopt simple, low-cost and sustainable improvements to the quality of working life. Special attention is given to health and working conditions of women.

Since its inception in Vietnam, WIND is gaining popularity in a number of countries in Africa, Asia and Central America. It aims to be adaptable to local needs to support local economic development initiatives. WIND attempts to establish practical links between health protection, poverty reduction and community development. It enables discussions among participants on common concerns such as conditions of work and life, protection of children, increased production level and quality of products leading to possible increases in family income.

Source: ILO: 2008, Box 5.3.

to help them start an economic activity that can provide gainful employment and an income to the creditor. Thus, if the activity is sufficiently profitable, it lifts the creditor out of poverty. Poor people do not often have steady employment, lack collateral for a loan and do not have a credit history. They, therefore, do not qualify for credit from the regular financial institutions. They could depend only on usurious money-lenders, if they had to take a loan, and sink deeper into poverty. Microcredit institutions fill the gap between private money-lenders and commercial banks by offering small collateral-free loans to the poor, the large majority of whom are poor rural women; thus generating employment and income for them. Equally significant is the spurring of entrepreneurship, change in gender attitudes and expansion of choices in life for poor people (Yunus: 2003).

The financial innovation in its modern form was initiated in the 1970s by Muhammad Yunus with the development of the Grameen (rural) Bank model in Bangladesh. The model has now spread worldwide. Yunus and Grameen Bank were jointly awarded the Nobel Peace Prize in 2006 for the innovation that made it possible to extend credit to the poor.

According to the report of the Microcredit Summit Campaign, by the end of 2010, the number of microcredit borrowers worldwide surpassed 205 million of whom 137.5 million were active current borrowers (82 percent women) through more than 3,600 lending institutions. The goal of the Campaign is two-fold:

- To reach 175 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by the end of 2015; and
- To reach a count of 100 million families who would rise above the US\$ 1.25 a day threshold, adjusted for purchasing power parity, for the period 1990 to 2015.

According to the Campaign reports, during the past two decades (1990-2008), almost 2 million microfinance households in Bangladesh, including nearly 10 million family members, had moved above the US\$ 1.25 a day threshold. Similarly in India, on a net basis, nearly 9 million households

involved in microfinance, including approximately 45 million family members, rose above the US\$1.25 a day threshold between 1990 and 2010.

Extrapolation from the current level of participation suggests that the first goal of attaining 175 million microcredit participants will be met and surpassed by 2015. Bangladesh and India counted for over half of the total number of microfinance clients reported to the Campaign in 2011. The trend and projection from numbers of microcredit clients who have moved above the benchmark of US\$ 1.25 a day indicate that the second goal is unlikely to be attained by 2015 (Maes and Reed: 2012).

Economist Siddiq Osmani argued that the proportion of rural people in poverty in Bangladesh would have been four percent higher than what it is today, if microcredit had not existed. Osmani said, "Other factors such as employment opportunities and education are more important. Clearly, there is much more to poverty reduction than microcredit, but there is a role for microcredit as well, especially for the poor" (Osmani: 2011).

The key lesson from microcredit experience is that it provides a critical ingredient for poverty reduction by allowing poor people, especially women, access to credit. However, the goal of lifting poor families sustainably above the poverty line can happen on a substantial scale when access to microcredit is complemented by skills and capacity development and basic services such as health care.

Social business

The concept of social business, which is gaining acceptance as a way of combining entrepreneurship and altruistic spirit of people, can be regarded as an important complement to microcredit in the arsenal of fighting poverty, creating employment and income opportunities, while meeting specific social needs.

Social business is an innovative business model which promotes the idea of doing business in order to address a social problem, and not to maximise profit. As the title suggests, the aim is to provide a complement to the traditional capitalist business model to serve the most pressing social problems, especially fighting poverty. A social

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business creates employment, good working conditions, and addresses specific social ills such as lack of education, healthcare, and good nutrition.

In simple terms, a social business is a no-loss, no-dividend company dedicated entirely to achieving a social goal. In social business, the investor gets his investment money back over time, but does not receive dividend beyond that amount. The Grameen Bank is a prime example of social business, with the Grameen borrowers themselves being its shareholders. A social business can also be a profit-making enterprise, as long as it is owned collectively by the poor for their benefit and profit maximisation does not undermine social objectives (Yunus: 2010).

The seven principles of social business, as articulated by its proponents, are :

- The business objective will be to overcome poverty, or one or more problems (such as education, health, technology access, and environment) which threaten people and society; not profit maximisation;
- Financial and economic sustainability have to be ensured;
- Investors get back their investment amount only. No dividend is given beyond investment money;
- When investment amount is paid back, company profit stays with the company for expansion and improvement of the business;
- The business must be environmentally conscious;
- Workforce gets market wage with better working conditions; and
- It has to be done with joy (Yunus: 2010).

A creative combination of microcredit, as well as capital from the financial market, especially for small and medium size enterprises, and social business enterprises are emerging in many parts of the world. Social needs, especially of the disadvantaged people, in such areas as health care, education, renewable energy, waste management, food and nutrition, housing, and water and sanitation, are the concerns of social businesses. They are demonstrating ways of creating employment and generating income for rural people while introducing new technologies and

mobilising people's energy and creativity to address critical needs of society. Grameen Shakti (village strength/power) is an example of how solar power can be brought to rural households in Bangladesh described in Box 5.3.

5.2 Priorities in Education and Skills Development for Rural Transformation

The proportion of population under 25 years in total population in the developing countries averages at around 50 percent. In some Sub-Saharan African countries, (Niger, Uganda, Burkina Faso, Congo Zambia, Malawi, Chad Somalia and Tanzania) more than 60 percent of the population is under 25 years of age (UN: 2008). In human life cycle, childhood, adolescence and early youth are the stages when people acquire knowledge and skills and develop capacities that prepare them for the world of work and for roles and responsibilities as citizens, members of their communities, members of their families, and fulfilment as a person. The learning process turns the population into human resources and can permit the rural areas of developing countries to enjoy the benefits of the demographic dividend – the premium from a youthful workforce and relatively low dependency ratio of post-working age population.

Box 5.3 Using Solar Power to Transform Bangladeshi Villages

For a country where only 40 percent of the population can access electricity from the grid, the possibilities offered by solar power are many. Grameen Shakti, a non-profit organisation tied to the micro-credit agency Grameen Bank, spearheaded a solar panel adoption programme in rural Bangladesh that allows villagers to purchase subsidised solar panel systems on microcredit. Shifting their reliance from an overburdened, unpredictable national grid to a decentralized solar system has opened up to 2.5 million Bangladeshis the ability to keep shops open later, adopt formerly unattainable communications methods (especially mobile phone) and create countless job opportunities, just to name a few.

The solar panel programme started in the late 1990s, though it didn't take off until 2003. Subsidised by the World Bank and following an installation scheme run by the state-owned Infrastructure and Development Company Limited, the solar systems can cost from 9,500 taka (\$135) to 68,000 taka (\$970), depending on capacity. Prices are poised to fall, following reduction of import barriers and tariffs by the government for solar panel imports and further development of technology and economies of scale. In a period of about five years, 250,000 rural homes have become beneficiaries of solar power in Bangladesh.

*Source: Posted by Connie Zheng on August 18, 2009.
<http://www.getsolar.com/blog/grameen-shakti-solar-power-transform-bangladeshi-villages/2087/>*

The potentially virtuous outcomes depend on what is done to overcome the neglect of the education and skills development provisions for rural people. The needs consist of various stages and types ranging from early childhood development and basic education, secondary and tertiary general education, vocational and technical skills development and life-long learning opportunities.

Basic education

There is no dispute that literacy and basic education programmes which are designed keeping in view the needs and circumstances of learners contribute significantly towards improving people's life prospects and standard of living (see chapter 2).

FAO and UNESCO initiated in 2002 the Education for Rural People (ERP) partnership (<http://www.fao.org/erp/>) which is one of the initiatives under the auspices of the United Nations Commission for Sustainable Development. ERP is a network of about 390 partners including governments, international agencies, civil society, the media and the private sector.

The ERP partnership aims to contribute to removing the urban-rural knowledge and education gap that prevents poor people from using their capacity. ERP works through the identification of political, institutional, organisational and individual opportunities and constraints that poor people face in accessing education and training services at all levels of education in both formal and non-formal settings. ERP seeks to empower the rural poor to become fully integrated actors of the development process by promoting collaboration among the education, agriculture and rural development sectors to ensure education and skills training to all rural people. A review of ERP experience reported in the book, "Education for rural people: The role of education, training and capacity development in poverty reduction and food security" presents a synthesis of lessons learned since the launch of the ERP partnership (Acker and Gasperini: 2009).

The modalities of formal, non-formal and informal learning have to be used in a pragmatic combination, all contributing to building a structure of life-long learning to meet diverse learning needs of people of all ages. With some

creativity and imagination, in many instances, education and skill development can be designed in ways that link learning with other development activities (health, food security, agricultural production, etc.) so that learners can put their knowledge and skills to immediate use. The FAO-UNESCO Education for Rural People partnership project has emphasised priority areas of action to expand the provision of basic education with greater equity and improved quality, as indicated below.

Constructing more primary schools and classrooms in rural areas where facilities are still not within a reasonable distance from children's home.

- Making primary education compulsory and universal effectively: even though the law and the obligations have been stated officially, in many instances the measures to enforce the law and create the conditions for doing so are lacking, even though this is a prerequisite for achieving EFA.
- Increasing school enrolment and completion of basic education of girls: progress has been made in respect of initial enrolment, though even this is a significant problem in many countries; but dropout and the failure to complete the stage with acceptable learning achievement, thus leading to "silent exclusion" are serious and not fully quantified problems in many more countries.
- School-feeding programmes: a full school day with the child alert and engaged in learning requires a mid-day meal, as has been demonstrated in many countries.
- Early childhood development and preschool programme: which is essential to ensure that the child is physically and mentally ready to learn and participate in school, especially for children affected by socio-economic disadvantages.
- Working children: extreme poverty forcing children to engage in child labour, is a major obstacle to these children's participation in education in both urban slums and in rural areas; alternative and flexible approaches are required to address this situation.
- Illiterate adults and parents: a problem in itself, but also a serious hurdle to children's basic education when illiterate parents cannot provide the supportive environment and guidance to their children.

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- Remote rural people: geographical and communication barriers often coincide with ecological and economic disadvantage, leading to poor or non-existent basic services, unless special steps and strategies are adopted to reach out to the un-served people.
- Nomadic peoples: educational services for itinerant people, not living in a settled community, but mostly dependent on rural habitat and livelihood, need educational services, which have to be adapted in delivery and content for their special circumstances.
- Refugees and internally displaced people: conflicts and emergencies of different kinds affect significant numbers in many parts of the world; the phases of emergencies, rehabilitation, and restoration of a more normal conditions place special demands on educational services.
- Children and adults with disabilities: a significant proportion of the population need to be identified and their circumstances and characteristics assessed, who need special services which are preferably offered within the mainstream system, or when necessary, through special provisions (<http://www.fao.org/erp/>; also see Lakin and Gasperini: 2003, pp.77-174).

Secondary and post-primary education

As primary education becomes universal, the urgency has increased for meeting the expanding demand for secondary education, especially in the rural areas. In gross terms, 40 percent of the children in developing countries did not enrol in secondary schools in mid 2000s. These proportions are about 70 percent in Sub-Saharan Africa and over 50 percent in South Asia. (UNESCO-GMR: 2010). The statistics do not provide a precise rural-urban breakdown, but there is little doubt that the excluded children are overwhelmingly from the rural areas, given the general disparities in provisions especially at the post-primary level.

The trend that has been common in the developing world of somewhat restrictive entry into general secondary education programmes and early streaming into vocational and technical education tracks is beginning to give way to more widely accessible general secondary education. The Delors' Commission on Education for the 21st century said:

... secondary education should be the time when common core elements (language, science, general knowledge) should be enriched and brought up to date, so as to reflect the increasing globalisation phenomena, the need for intercultural and the same to use of science to foster sustainable human development. In other words, greater attention has to be paid to quality and to preparation for life in a rapidly changing, often technology dominated world (Delors *et al.*: 1996, p.126).

It is now widely accepted that general primary and secondary education is the foundation upon which young people, whether they live in cities or rural villages, will build their livelihoods and acquire the vocational and technical knowledge and skills that they need to take advantage of the new opportunities. As the UNESCO-INRULED report put it:

The fast-changing dynamics of rural-urban interaction and the long shadow of the global market that touched some of the remotest villages generated demands for flexible and adaptable skills and opportunities for their renewal even in the rural communities. Technical and vocational education (TVE) has to be seen in the perspective of life-long learning continuum and has to be responsive to both formal and informal economic sectors (UNESCO-INRULED: 2003, p.21).

Quality general secondary education is necessary to equip rural youth with generic skills and competencies essential for taking advantage of job-specific vocational and technical training opportunities in a changing and globalising labour market. It is also necessary not to foreclose for rural youth the possibilities of further education, seeking opportunities in urban and peri-urban labour market, or venturing into entrepreneurship.

Should rural high schools be different from those in cities in respect of the curricular content and learning objectives? As argued above, in an environment of dynamic change of rural and urban areas and the inexorable trend of urbanisation, there is no justification from an educational point of view, and repugnant on social justice grounds, to deliberately limit the life chances and livelihood opportunities for young people in rural areas.

Good pedagogy, however, attempts to relate learning experience and methods to life and the environment of the learner. An example is provided in Thailand where the secondary school and the farmers' field school for adult farmers were linked up. The Farmer Field School curriculum, designed for adult farmers focusing on integrated management of the eco-system and control of pests (see below), was adapted to fit the requirements of grade 6 children within a school environment. Students learned to work in teams to observe field ecology, collect and analyse data and other information and make informed decisions to manage the plots of land they were assigned. Both students and teachers enjoyed the complex learning experience presented in the rice eco-systems compared to the traditional rote memorisation of textbooks. Community members were invited to participate in field days or student exhibitions as part of the school work. High schools, agricultural colleges and non-formal education centres in more than 40 provinces in Thailand worked together to bring the secondary school and the farmers' field school together to mutual benefit (Atchoarena and Gasperini: 2003, pp.288-289).

It is a question, as discussed in chapter 2, of a pragmatic balance between general and generic competencies for young people through post-basic general education and different levels of specialised technical and occupational skills separately or in combination with general education.

Vocational and technical education

The general problems of vocational and technical education, how it builds on, relates to and complement general primary and secondary education, have been discussed in chapter 2. The discourse on TVET is dominated by the formal economy and formal and institutional training, largely neglecting the informal skills and training needs for the informal economy and the rural economy, even though up to 90 percent of the working people depend for their livelihood on the combination of informal and rural economy. The informal economic activities and employment opportunities are the mainstay for the growing population in the urban slums. However, informal economy and rural employment and economic activities, centred on farming and off-farm activities overlap to a greater degree in the rural areas.

The special features of the rural economy, characterised by informality and a workforce with relatively low level of formal education attainment, call for approaches that are geared to rural circumstances. An effective approach to meeting skills needs of practicing farmers through what has come to be known as the Farmer Field School, advocated by FAO, has been adopted in several developing countries (see Box 5.4).

Box 5.4 Farmer Schools – Philippines

Major advances in farming technologies and the globalisation of agricultural markets offer promising opportunities for improving the quality of life of farmers in developing countries. The field school approach, as pioneered by FAO, is a way to introduce farmers to discover basic learning for dealing with pest management issues, in particular and crop management concerns in general. The field school is regarded as best suited for introducing knowledge-intensive technologies – such as Integrated Pest Management (IPM) – to farmers who have little, if any, formal schooling.

The field school is the main national extension approach used to enhance farmers' IPM knowledge and skills in crop production. The Farmer Field School (FFS) is a season-long training of farmers involving participatory activities, hands-on analysis and decision-making. A typical school consists of a class with 25-30 farmers who undergo a season-long (a half day meeting each week over a 10-week period) experiential group learning programme focused on the crop and pest issues that they are likely to be confronted with.

The majority of the field schools in the Philippines are government run and financed. In order to diffuse FFS-acquired knowledge more rapidly, all FFS graduates are encouraged to share their knowledge and learning experiences with other farmers within their barangays (village) and elsewhere. FFS thus can become a cost-effective and viable approach to agricultural extension on a large scale. The IPM project has been widely, rapidly and efficiently spread throughout the country. Besides farmers, the experience also produced positive impacts on school education.

Source: Rola, Quizon and Jamias, 2002.

Effective techniques for off-farm skills development for young people in rural areas continue to be a major challenge. Brazil, a pioneer in organised apprenticeship as a major skills development method, has also developed and applied widely an apprenticeship programme for the rural areas known as SENAR, which has broad relevance in developing countries (see Box 5.5).

Does SENAR make a contribution to addressing the serious challenges of rural poverty, inequity and low level of education in rural areas? In fact some critics argue that the programme emphasises "how to" aspects of work and ignores the educational goal of "conscientisation" advocated by the Brazilian educator Paulo Freire. It thus reinforces the

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Box 5.5 Responses to Training Needs in Rural Brazil

The first vocational education and training agency in Brazil, the National System of Industrial Apprenticeship (SENAI), was founded during the Second World War, in 1942, funded by a compulsory payroll tax on employers. This successful experience led the commerce and services sector to establish on the same basis the Sistema Nacional de Aprendizagem Comercial (National System of Commercial Apprenticeship – SENAC) in 1946.

Several similar institutions spread in Latin America, such as in Argentina, Chile, Colombia and Peru, but nowhere a similar system was put into place for the rural sector, until SENAR (National System of Rural Apprenticeship) was introduced in Brazil in 1993. The Confederação Nacional da Agricultura (National Agricultural Confederation), an employers' association, was given responsibility for organising and managing it. Its funding followed the traditional model in Brazil, having as its main source a 2.5 percent payroll tax.

SENAI's mandate is to (i) organise, manage and perform rural occupational training and social promotion of rural workers in the national (federally administered) territory; (ii) support employers' entities in organising and elaborating training programmes at their own workplace; (iii) establish and diffuse rural vocational training and social promotion methodologies; (iv) co-ordinate, supervise and control rural occupational training and social promotion programmes and projects; and (v) support the Federal Government in issues regarding rural occupational training and social promotion.

The new system is distinct from the other Brazilian training agencies on at least six different points:

- A "lighter" managerial structure, requiring much less personnel and facilities;
- A consolidated partnership with a wide variety of governmental and non-governmental organisations, as employer associations, rural labour unions, co-operatives and other associations in general;
- A balanced decision-making combining decentralization – 27 regional administrations, one for each state and one for the Federal District – with a central administration in Brasília;
- A formula combining, within the same organisation, vocational training and social promotion;
- A diversification of funding sources, through contractual agreements with partners, including the Ministry of Labour and by implementing activities of the National Plan of Workers' Qualification (PLANFOR); and
- A high degree of organisational flexibility in order to be able to adapt quickly to variations in resource availability and labour market needs.

Vocational training in the rural area has specific features. Contrary to the urban sector, workers have lower levels of general education, they can seldom leave their workplace, population is highly scattered and the employers are not conscious enough of the educational contribution to increase productivity. In response to these difficulties, SENAR tries to go where the trainees are, reducing transportation, facilities and logistics costs.

In an effort to minimise the fixed costs, SENAR often rents space for its administration, uses workplaces or other facilities to develop activities, maintains a very small number of permanent personnel and hires temporary personnel or organisations to offer its services. In the context of rural societies, one of the most successful features of SENAR's experience is the integration of occupational training and socio-cultural activities involving participants and communities. Work life is related to general education, health education and other fields of activities relevant to human resource development, requiring a holistic perspective. Adapting to contemporary demands, SENAR attempted to find new solutions and developed innovations.

Source: Adapted from Atchoarena and Gasperini: 2003, pp.289-303.

existing structure of injustice. They also argue that instead of all the funds raised from payroll tax being managed by the employers' organisations, at least a half should be used by the workers' unions.

These critiques have merit. Nonetheless, SENAR has offered a creative solution for combining occupational education and training and social promotion of rural workers. It represents a major state-supported effort to address rural skills development. The flexibility in management and innovative features of SENAR have imbued it with private sector responsiveness and entrepreneurship. In line with the Brazilian tax system tradition, formulae have been applied to resource distribution in order to compensate for regional differences. SENAR programmes and partnerships have been directed particularly toward preparing workers and small and medium-sized producers to improve

productivity and expand output. This emphasis has resulted in helping relatively more workers to improve their employment chances and income prospects (Gomes: 2003).

The need for breaking away from livelihood dependence on farming, opening the door for new opportunities for rural youth, and increasing their chances for transition to tertiary education have appropriately resulted in attention to the development of primary and general secondary education. In this process, arguably, the need to improve the labour market relevance of vocational education and training in the rural economy has received inadequate attention; and tension has arisen in striking a balance between developing generic competencies and occupation-related skills development that does not unjustly limit life prospects for young people in rural areas.

Tertiary education from a rural perspective

The crisis in higher education in general has been discussed and debated in national and international settings and ideas and suggestions for change abound. Higher education institutions in most developing countries need a clear mission and well-designed academic programmes. Essential to their success are high-quality faculty, committed and well-prepared students, and adequate resources. Despite some notable exceptions, higher education institutions in developing countries suffer serious deficiencies in all these areas (World Bank: 2000).

Higher agricultural education (HAE) is seen most directly relevant to the rural economy and rural development. HAE, as part of higher education can be located in agricultural universities or colleges and departments of agriculture in the general university; or diploma-granting institutes or polytechnics. They offer short term courses that prepare technicians for entry level work with the public or private sector, in-service training programmes for extension staff, farmer training of short duration, adult training and young farmer education and training. The broader field of tertiary education, however, has generally failed to adapt the educational content and objectives and management structures to education and services required by a changing rural economy and the broader process of rural transformation (Atchaorena and Gasperini: 2003, chapter 5; also see chapter 2).

Constraints and deficiencies identified with higher agricultural education include:

- The combination of lower investment and support has contributed to a qualitative decline in many agricultural education and training systems; and teaching and research standards have dropped;
- Political interference prevents rationalisation of undergraduate and trainee intake, leading to overcrowding, decreasing per capita funding support, and low staff morale;
- Agricultural education has tended to become isolated from mainstream academia; curricula do not keep pace with changes in the sector and employer expectations; unemployment of graduates, especially at tertiary level, is high;

- There is a change in the profile of students' backgrounds from mostly rural to increasingly urban; but programmes do not attract the highest achievers from secondary streams; and information technology is underutilised (Atchaorena and Gasperini: 2003).

Given the multiple dimensions of rural transformation and the broad range of knowledge, research and capacity building needs for this purpose, the contribution of higher education in this respect cannot be confined to HAE alone. Universities are well positioned to use their resources to assist the public and private sectors to develop strategies to address the problems of rural development. These resources include a range of educational programmes which contribute to the development of the country's human and physical capital. Universities are also in a position to coordinate and support research that improves the understanding of economic and community development issues, problems and opportunities.

Universities and higher education institutions can provide technical assistance to business and community groups. In principle, one can almost always find the needed expertise on any subject at one or another institution in the country. The variety of roles that universities and other institutions of higher learning including higher agricultural institutions can play includes:

- Education: Academic programmes that are relevant to present and emerging needs of higher level professional and technical personnel for rural transformation, including the teachers and trainers of middle level institutions, who absorb a large proportion of the higher education graduates.
- Research and extension services: Undertaking research on current trends, issues and challenges in rural development; providing agricultural extension services to farmers; need-based information services related to skill development, vocational training, employment, entrepreneurship, marketing of rural products, and value-added services like identification of user groups, innovators and entrepreneurs in various functional areas.
- Training: Contributing to design and implementation of capacity building and leadership development for middle level institutions; promotion of new livelihoods patterns, and supporting vocational and entrepreneurship skills development.

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- Technical assistance: Designing curriculum and learning content of middle level institutions that are need-based and demand-driven; assisting local governments, industry councils and workers' organisations in such areas as establishing quality criteria and standards; assessment, monitoring and evaluation of skills development; assessing market demands and emerging trends; social protection and safety nets.
- Technology development: Identification and propagation of indigenous/local technologies; technology transfer, improvement of rural products through intermediate technologies etc.

Universities can create partnerships between educational institutions and collaborations with stakeholders such as the department of agriculture, the agricultural research council and farmers' organisations. These collaborations can focus on practical engagement in action research. However, complementing, and in many cases, re-designing traditional approaches to agricultural research and development with integrated multi-disciplinary, participatory approaches and methods is crucial in this process.

Life-long learning and building the learning society/community

The concept of lifelong learning, leading to the creation of a "learning society" has been visualised and written about for several decades now. The UNESCO-appointed Faure Committee in 1972 in its report "Learning to Be" had made a passionate plea to nations to reorganise their education systems so that all agencies within society become providers of education and all citizens engage in learning take full advantage of the opportunities provided by the learning society. Further impetus was provided in 1996 by the Delors' report on education for the 21st century "Learning: the treasure within". It laid strong emphasis on renewal of knowledge, skills and learning throughout life in order to act creatively in and on one's own environment, work in teams, and face rapid social change.

In 1997, the Fifth International Conference on Adult Learning and Education (CONFINTEA V), proclaimed a strong commitment to a new vision for adult learning, making it a central element of lifelong learning. CONFINTEA VI in

2009 declares that lifelong learning "from cradle to grave" is a philosophy, a conceptual framework and an organising principle of all forms of education, based on inclusive, emancipatory, humanistic and democratic values. Adult learning and education, as the central component of lifelong learning, "are also an imperative for the achievement of equity and inclusion, for alleviating poverty and for building equitable, tolerant, sustainable and knowledge-based societies" (UNESCO: 2010, p.2).

As discussed in chapter 2, addressing the learning needs of the members of the rural community involves the entire gamut of educational services, for which the community learning centre (CLC) is being used in many countries as the institutional mechanism (see Box 5.6).

Box 5.6 Community Learning Centres – A Vehicle for Lifelong Learning and Building Blocks for A Learning Society

UNESCO APPEAL (Asia-Pacific Programme for Education for All) defines CLCs as "local institutions outside the formal education system for villages or urban areas usually set up and managed by local people to provide various learning opportunities for community development and improvement of people's quality of life". Through active community participation CLCs are adapted to the needs of all people in the community. The CLC is often located in a simple building. Its programmes and functions are flexible. The main beneficiaries of a CLC are people with few opportunities for education, especially pre-school children, out-of-school children, women, youth, and the elderly.

CLCs are seen as a model for community development and lifelong learning. They operate in the following countries: Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Iran, Lao PDR, Malaysia, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Thailand, Uzbekistan and Vietnam. CLCs adopt different characteristics in each country. Partners include governments, ministries, national and international NGOs, UN Agencies (such as UNICEF and UNDP) and the Asia/Pacific Cultural Centre for UNESCO (ACCU).

Source: APPEAL and ACCU websites, cited in Ahmed: 2009.

In short, multi-purpose community learning centres with community ownership can be an effective base for offering relevant training and knowledge dissemination and for link-up with ancillary support. These, brought together into national or regional networks for technical support, can be a vehicle for education and learning opportunities which have an impact on poverty, and also become the building blocks for lifelong learning in the learning society (Ahmed: 2009).

Turning relevant skills into productive jobs

That skills are at the core of improving individuals' employment prospects, increasing productivity and growth in rural areas and enhancing workers' income is a basic premise underlying this report. But skills do not automatically or necessarily turn into gainful employment. The probing of the issues of skills development cannot ignore how skills lead to or may not lead to jobs. Insufficient demand for workers as well as mismatches between skills and available jobs while jobs remain unfilled are persistent problems manifested in high unemployment rates, especially among young people.

The mismatches between skills and jobs arise from many causes. From an employer's point of view, the would-be worker may be seen inadequately equipped in skills for the job. Education and training may not have provided the skills that employers want. In a situation of oversupply of job-seekers, the employer is not willing to invest in on-the-job training or the costs of doing so may not turn a profit for the employer. The necessary skills for self-employment and low-wage employment, especially in the informal sector, may not be clearly defined and existing skills development programmes and methods may not be well-equipped to offer appropriate and relevant training. Absence of ancillary technology and capital may be a constraint to use of the skills in jobs.

It has been argued, especially in chapter 2, that economic opportunities and skills demand are changing rapidly in the globalised economy and as countries, including their rural areas move up the value-added chain for products and services. Labour productivity is increasingly dependent on cognitive skills (such as analysis, problem solving, and communication) and behavioural skills (such as discipline, working in team, goal focus). These skills are also necessary for workers to adapt to and benefit from new skills development opportunities.

A conceptual framework that pulls together the elements of a skills development strategy to link skills and jobs can help policymakers and researchers think through the design of systems to impart skills that enhance productivity and growth. Such a framework – Skills toward Employment and Productivity (STEP) – focuses on five key elements or steps (World Bank: 2010).

Step 1: Getting children off to the right start – Developing the technical, cognitive, and behavioural skills conducive to high productivity and flexibility in the work environment through early child development (ECD), and general basic education, primary and secondary, of acceptable quality with equitable access, is a serious problem especially in the rural areas. It is well known that early and right start for children's growth and development yield a high payoff personally and for society.

Step 2: Ensuring that all students learn – Assurance of quality in all education and training programmes is essential so that the expected outcomes in skills and competencies are actually achieved. Learning standards have to be established and applied for students, motivated teachers have to be attracted and performance criteria for teachers have to be used, and adequate resources have to be mobilised to provide the essential quality-enhancing inputs. Governance and management processes have to allow appropriate and a proper regulatory environment. Lessons from research and ground experience strongly support autonomy at the local and institution level with accountability for performance and results.

Step 3: Building job-relevant skills that employers demand – Skill bottlenecks, insufficient skills or skills not-quite-relevant-for-the-job, are constraints to productivity and gainful employment. Overcoming these problems call for designing and offering the right incentives for both pre-employment and on-the-job training programmes, aiming to make them relevant and responsive to the needs of the employment market and trainees.

Step 4: Encouraging entrepreneurship and innovation – This is made difficult by traditional mindsets that stifle creativity and risk-taking. Because country conditions differ, there is no ideal reform package to balance the supply of skills through pre-employment training programmes and the employer demand for skills. The challenge is creating the environment for providers of training to have the incentives to respond to the needs of the labour market.

Step 5: Facilitating labour mobility and job matching – The above steps will matter little if people do not actually find the jobs that match their skills. Even when job-seekers have the "right" skills, if the labour market does not function

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reasonably well, growth in employment and productivity will not happen. Employers have to have policies and practices to manage their human resources with the ability to exercise some flexibility that balances the interests of both employers and workers. Workers need to be able to move without many constraints between jobs and locations. Updated information about available jobs and job-seekers and mechanism for sharing and linking these need to be developed and put in place.

The steps for linking skills and jobs are generic problems of the economy and the employment market which also affect rural areas and rural workers. While some efforts have been made and some successes achieved in the organised sectors of employment in the formal economy, there have been few initiatives to adapt and apply these measures in the context of the rural areas and the informal job market.

It has been noted that rural areas are at a disadvantage in respect of general basic and post-basic education which develop the generic competencies for entry into the world of work, either in employment or in occupation-specific skills development. In respect of promoting entrepreneurship and making labour market work better (steps 4 and 5), initiatives are more common in the urban areas and in the formal economy than in relation to the changing dynamics of the rural areas. Experience in general in relation to linking skills and jobs suggests a number of measures which need to be taken, with necessary adaptation for the rural context.

- Labour market information and matching services can work effectively when decentralised management allows regional and local offices to tailor programmes to the local job-seeking and employer communities; the central administration may retain responsibility for mobilising financial and technical resources, setting policy, and evaluations.
- Better outcomes can be expected in labour mobility and matching of skills and jobs with expansion of coverage of social protection of workers. This is a special problem area for the rural population, as discussed above. The lack of appropriate income protection systems and social insurance benefits in most developing countries, especially in rural areas, is a disincentive for

workers' mobility between jobs.

- Employment information services work effectively when their design allows for providing incentives for both job-seekers and employers to join; integrating employment services with training and competency assessment; decentralising management and expanding the role of the private sector with clear targets; and exploiting information technologies.
- Job-search and placement can be facilitated through skills certification frameworks to recognise individual skills and competencies (step 3 above), keeping in view current and emerging job opportunities in rural areas as well as urban areas in which the rural migrant workers can be absorbed. The skills certification system needs to include or be complemented by mechanisms for the certification or accreditation of training centres and programmes and apprenticeship schemes which cater to rural youth (World Bank: 2010).

Skills and jobs within the sustainable livelihood framework

The linking of skills and jobs does not happen in a vacuum, isolated from all the forces at play in relation to rural transformation. As discussed in chapter 2, the concept of the sustainable livelihood approach (SLA) points to the bridging that must occur among various key assets to bring about the outcome of poverty reduction and contributing to rural transformation. Skills and capacities of people as human capital is one asset that must be put to work in synergy with other capital assets – physical, social, natural and financial – toward achieving the defined development objectives.

As noted in chapter 2, central to the idea of SLA is the range of assets that poor people can or should be able to draw on and bring to bear on their own effort to change their condition. Skills, knowledge and ability constitute human capital. An integrated approach is necessary in making the different assets contribute to the common objectives of turning knowledge and skills into productive work, and improving people's lives.

Livelihood strategies are aimed at achieving livelihood outcomes, thus focusing on the most critical concerns and anxieties of poor people – a guarantee of food and shelter, basic services such as education for children and

health care, and safety and security of life and livelihood. As discussed in chapter 2 as well as in chapters 3 and 4, in relation to food security and the green economy, the transforming society – rural, peri-urban and urban – creates demands for new kinds of jobs and old jobs with new profiles. It also generates commensurate needs for skills development. This broader and dynamic perspective of changing jobs, labour markets, and skills requirements needs to be kept in view in thinking about and planning labour market interventions and efforts to match skills and jobs.

5.3 Governance Issues in Skills Development and Capacity-Building

Good governance is critical for successful efforts in skills and capacity development that can play its role in poverty reduction and rural transformation. Good governance itself is predicated upon building capacities and setting performance standards for the institutions and mechanisms of governance. In the context of rural transformation, flexible and relatively autonomous structures at local levels that adapt to local circumstances, encourage participatory practices, and promote accountability and transparency in governance processes are particularly important.

Building institutional capacity

It is generally accepted that strengthening the capacity of both national and local governments and relevant civil society organisations in respect of planning, quality assurance and involvement of stakeholders in local development, including the development of skills and capacities of workers, is particularly important. Sustainability of development efforts is seen as linked to the capacity of local actors to mobilise resources, provide valued services and advocate for and deliver their own programmes (World Bank: 2006). There is solid evidence to affirm that inadequate institutions diminish people's lives and life chances. IFAD's Background Paper (2003) on this subject emphasises:

Weak, ineffective, corrupt or narrowly-based institutions create uncertainty and unfairness, discourage saving and investment, and lower growth rates. If the rule of law and judicial institutions are seen as ineffective or biased and property rights are insecure, they discourage investment

for land improvements. Where markets and systems of exchange and finance are inefficient and unreliable, or captured by narrow groups, they engender distrust and raise the transaction costs of economic activities, which naturally affects poor producers particularly harshly. Not only does this entrench poverty, but it also reduces economic opportunities for all, the better-off as much as the poor (IFAD: 2003, p.36).

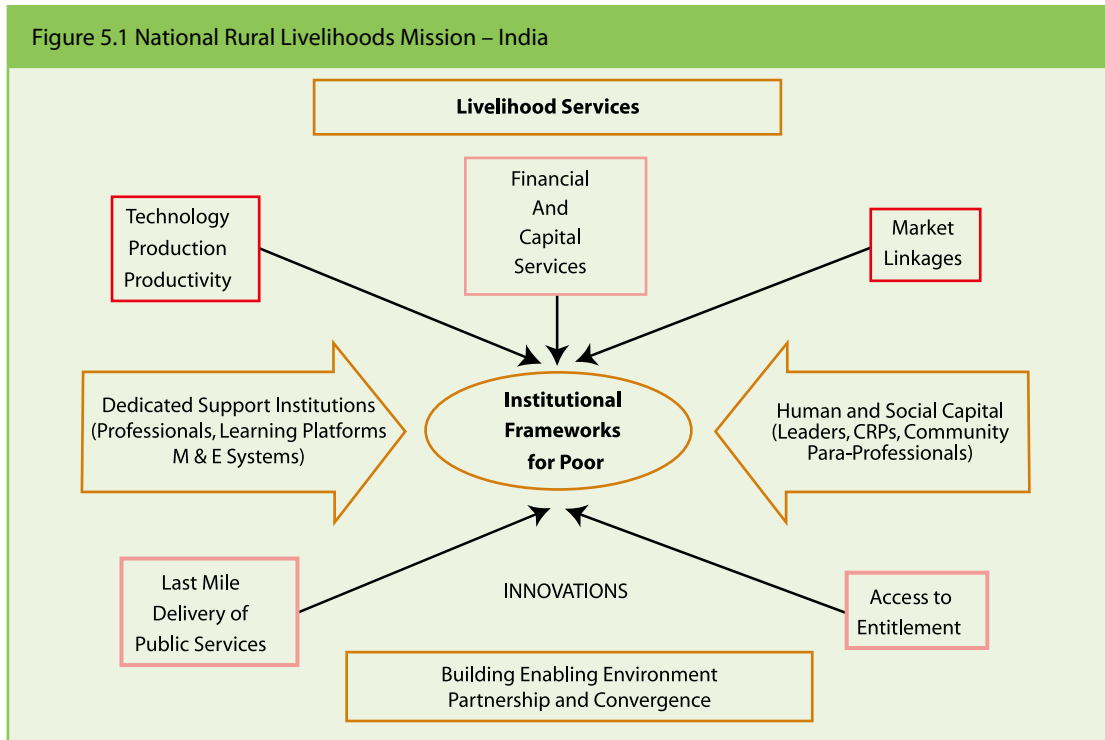
The poor suffer from low productivity and poverty, not mainly because they lack skills, but because they do not have the opportunities to raise their productivity and incomes. In such situations, the way to accelerate growth and development is to create the institutional framework that would help harness their underutilised capacity. This means offering them a greater voice in decision-making and better access to assets and the services that can raise the productivity of the assets.

Creating institutions of the poor

Mobilising the poor to create and participate in their own organisations and institutions needs to be nurtured by co-ordinated support from many sources. Government agencies, NGOs and civil society organisations, local self governments, banks and corporate sector each has a role to play. With time, as the institutions of the poor grow and mature, their members and empowered leaders take charge and accelerate the processes of change. Thus, the programme for the poor becomes the programme by the poor and of the poor. The challenge is to unleash their innate capabilities to generate meaningful livelihoods, which enable them to come out of poverty.

The first step in this process is motivating the poor people to organise themselves to participate in building up their own human, social, financial and other resources. The social mobilisation process enhances solidarity, voice and bargaining power of the poor. They are better able to pursue viable livelihoods, leveraging their own resources, skills and preferences.

The National Rural Livelihood Mission in India provides an example of the effort to build the institutional mechanisms for the rural poor to become actively engaged in changing their life and livelihood (see figure 5.1).



Source: India's National Rural Livelihoods Mission, An Overview National Rural Livelihood Mission: 2000, Government of India, p.7.

Increasing participation of stakeholders

Stakeholder participation is a vital ingredient for the success of development efforts. Individuals and communities affected by any development activities should be involved in decision making from the design stage. Experiences show that projects that employed participatory approaches have a much higher rate of success because of ownership and control of the development process by the stakeholders.

The stakeholders of rural development are often many and diverse – members of the community – men, women and youth; central and local government officials; health workers, teachers and extension workers; national, local and international NGO representatives; representatives of international programme funding agencies, community leaders and others. The rural poor, especially women, ethnic and other minorities, and people with disabilities and special needs often have no presence or no opportunity to voice their views in the stakeholders' forum, even when the development initiative is purported to be for their benefit.

A necessary initial step, therefore, is to raise awareness on

the different options for addressing the plight of the rural poor through conducting inclusive dialogue forums involving all community-level stakeholders. The major objective of the dialogue will be to engage in analytical thinking and consultations on understanding and diagnosing the roots of problems and opportunities for practical interventions that lead to transforming changes in the rural economy.

It will be necessary to think of actions that may go beyond traditional sectors. For example, the focus has often been narrowly on agriculture, whereas the fight against hunger and poverty calls for looking more broadly at rural development issues. By improving agricultural productivity, and at the same time, diversifying off-farm activities and providing better access to markets and market information and paying attention to rural infrastructure, the vulnerability of the rural poor to climate variability and related economic challenges can be reduced significantly (World Bank: 2006).

In short, it is time to look at poor smallholder farmers in a new way – as people whose innovation, dynamism and hard work will bring prosperity to their communities and thus transform the rural areas (see Box 5.7).

Box 5.7 Investment Needs of Smallholder Farmers

- Rural areas must become a place where people want to live and do business: there is need to invest in infrastructure, utilities and services, and improve the governance of the rural areas.
- Poor rural people need the skills to manage the multiple risks they face, which often prevent them from taking advantage of economic opportunities. The rural environment must be made less risky, and people must be helped to better manage risk, both in their agricultural production systems and in their broader lives.
- A more productive, sustainable and resilient form of agriculture is knowledge-intensive, requiring smallholder farmers to develop new skills and capacities. Access to education and training must be expanded, and they must be adapted to rural needs and with focus on young people in particular.
- Participating in organisations gives poor rural people power, confidence and security. Support is needed to strengthen collective capacities for reducing risk, managing assets, marketing produce and representing and negotiating interests. And space at the table must be made available for these organisations.

Source: Adapted from IFAD: "Rural Poverty Report 2011", Chapter 7, pp.226- 231.

5.4 Skills Development – Roles of Stakeholders

The point has been made that rural transformation is a multi-dimensional and inter-sectoral enterprise that calls for partnerships among multiple stakeholders both within and outside government. The government or the public sector at various levels from national to local, private-sector agencies and the end-users at the community and household level need to play their roles in carrying out the activities and programmes related to skills and capacity development for rural change and development. This section presents a brief account of the roles and responsibilities of major stakeholders in skills development for rural transformation.

Government has a role in the broad field of education and training in the creation, funding and management of institutions responsible for the acquisition of knowledge, research, and in its dissemination. Development of the required skills and extension services to farmers and other end-users need to be provided by the government. Government may have a role in facilitating trade relationships with new suppliers of technology or equipment. Major roles of the government, especially at the national or central level are indicated in Table 5.1. Depending on the structure of public administration and governance in the

country, some of the responsibilities may be delegated or devolved to state or provincial level and the local government bodies at the district and sub-district level.

A critique of rural development policy and practices is that top-down approaches to development have become "supply-driven" in many countries. A decentralised "demand-driven" strategy can be more responsive to specific demands and potential of each locality. The local government institutions and local community organisations could establish a collaborative partnership in undertaking the responsibility for developing a local "vision" and strategy; and designing/planning, allocating resources, implementing and monitoring of development activities that would better cater to the local needs.

With a demand-driven and decentralised approach, and partnerships of stakeholders and key actors, the role of the central government would be more in the formulation of policies to facilitate the effective functioning of the roles assumed by other actors. With decentralisation, local governments will have to assume greater responsibilities and would become the focal centres for local development. Local governments have to be effectively linked with the national levels as well as with local communities (IFAD: 2007).

Table 5.1 Role and Responsibilities – Government Especially at the National Level

- Setting up priority and policy planning-statistics gathering.
- Providing regulatory framework and enabling environment for stakeholders.
- Devising financing mechanism, reward and promotional framework.
- Building capacity of social partners.
- Setting up of monitoring, evaluation and dissemination of information and reporting to all relevant forums and stakeholders.
- Facilitating international co-operation.
- Setting up of a qualification framework and quality assurance mechanism.
- Setting standards for skills development processes.
- Preparing work plans to meet sector specific skill sets.
- Evaluating skills development initiatives over a five-year cycle by assessing them against strategic objectives.
- Consolidating a skills development quarterly report that reflects the situation at national, regional and local levels.

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For an integrated approach to rural development, local communities, where the beneficiaries/actors of development are, should themselves become organised to be actively involved in planning and managing development. To achieve sustainability, the challenge is to facilitate and institutionalise a process through which rural communities themselves would evolve local organisations to satisfy their own local needs (UN: 2009). In most developing countries, local government structures and bodies have been in existence or emerging, which are generally expected to promote and support increased community role and responsibility.

The village Panchayat in India and the township and village governments in China are illustrative of the local government bodies that exist in many countries. While the stated intentions and even the legal provisions for setting up the local bodies reflect ideals of authority and responsibility of citizens at the community level, in practice political power relationships, limitations of resources, and technical skills and capacities at the local level have stood as obstacles to local government bodies fulfilling their stated roles and potentials.

Effective utilisation of social capital can be singled out as the key role of local communities in respect of transformative change in rural areas. As a prerequisite for accumulation and the effective mobilisation of social capital, improving and upgrading the human capital is crucial. Developing skills of the individuals in a community enhances the quality and quantity of the output of social capital through collective action of the community.

Rural private sector

The rural private sector includes a whole continuum of economic agents, ranging from subsistence or smallholder farmers, rural wage-earners, livestock herders, small-scale traders and micro-entrepreneurs; to medium-sized, local private operators such as input suppliers, microfinance providers, transporters, agro-processors, commodity brokers and traders; to other, bigger market players that may or may not reside in rural areas, including local or international commodity buyers and sellers, multinational seed or fertiliser companies, commercial banks, agribusiness firms and supermarkets. Associations of farmers, herders, water users or traders also constitute an important part of the private sector (IFAD: 2007).

The private sector already does and can do more in many countries, with supportive policies and incentives, in making the provisions for farm inputs including farm machinery and the associated machinery support services (supply, repair and maintenance of equipments). Building close relationships with the farmers, assessing needs and satisfying demands, while competing with peer companies, are all part of the business venture. In such operational scenarios, the demand for mechanisation is likely to be satisfied and the agricultural productivity enhanced. Operations are best conducted under commercial enterprises requiring adequate investment and offering the opportunity to make profitable commercial returns (ILO: 2007).

Private sector can make significant contributions to education and skills development by improving both the quality of educational output, the relevance of educational programmes to the needs of rural economy as well as expanding the opportunities available. However, there is the need for a supportive framework in the education sector that will encourage private sector participation in improving the standards of education such as setting up and monitoring standards and quality.

There is, also a need for a coordinated and focused response particularly as regards to partnerships and collaboration. With regard to its active participation in the provision of education, the private sector in developing countries can draw on successful experiences from many developing and developed countries across the world. However, this outcome is contingent on measures taken to promote the role of the private sector in policies and plans for economic development in rural areas (see Table 5.2).

Table 5.2 Promoting the Role and Responsibilities of the Rural Private Sector

- Supporting the establishment of viable backward and forward linkages between rural producers and surrounding private markets.
- Supporting private-sector entities (e.g. input suppliers or agro-processors) that can provide commercially viable services and markets for the rural poor.
- Establishing an enabling policy and institutional framework for rural private-sector development.
- Engaging the private sector to bring more benefits and resources to the rural poor.

It is important to note that private sector involvement in education is gaining prominence in Sub-Saharan African countries in terms of philanthropic or community social responsibility (CSR) activities such as companies giving bursaries and scholarships to undergraduate students in different tertiary institutions (UNESCO-GMR: 2011). This is done mainly by large corporate and parastatal organisations. Private companies also support educational institutions through donations of cash, equipment or materials as part of their corporate responsibility.

According to a UN report “Unleashing Entrepreneurship: Making Business Work for the Poor” (UNDP: 2004), there are three main constraints on entrepreneurship and private-sector growth in developing countries: lack of access to finance; lack of access to skills and knowledge; and lack of a level playing field for firms competing in the domestic market.

Stimulating the positive role of the private sector in rural economies to the benefit of the poor requires efforts to remove the various obstacles that rural people face. It is also necessary to create the conditions that can facilitate fair market relations among the various players in partnership with the public sector, other donors, non-governmental organisations (NGOs) and relevant private organisations.

It is worth noting that a hybrid category that combines the features of the private sector and NGOs, in the form social business and social enterprise, has been gaining prominence, as discussed earlier in this chapter. They play many of the roles expected of the private sector with the added advantage of being focused on the needs of the poor and the disadvantaged segments of society. Social enterprises and social businesses are likely to emerge as important actors in skills development and capacity building for rural transformation.

Community organisations

Community institutions, including, cooperatives, farmers'/ people's companies, farmers' organisations, other types of people's associations, such as credit unions, savings societies, educational institutions, clubs, etc., merit being considered as a separate category described as local community organisations.

With decentralisation, local communities are expected to assume greater responsibility for community development. Community organisations/institutions are becoming the pivotal instruments responsible for managing community development, which include the assessment of community needs/demands as well as the potential. They can look at availability of resources internally and externally for planning and implementing development activities. These may relate to maintaining information systems, providing goods and services, developing and maintaining rural infrastructure, and interacting effectively with local governments. The community organisations also need to play a role in developing partnerships and sharing responsibilities, managing conflicts, and monitoring and evaluating community development (see Table 5.3).

Table 5.3 Role and Responsibilities – Community Organisations

- Administering and monitoring programmes and activities of stakeholders of rural development.
- Facilitating training of unemployed youth and adults, upgrading the skills of farmers, introduction of new technologies.
- Raising awareness of literacy training (National Literacy Campaigns), promoting the introduction and use of appropriate technology for the rural community, help organising short-term farming and vocational training and establishing Community Learning Centres (CLCs).
- Organising income generating and skills training programmes for illiterate individuals, individuals with some schooling and drop-outs of the formal education system.

As mentioned above, effective utilisation of social capital is a key role of local communities in rural development. Major factors that contribute to “demand” for utilizing social capital in rural development include: (i) inadequate capacity and resources of the government; (ii) the growing demand for improved and diversified infrastructure in rural areas; (iii) relative inefficiencies in the government bureaucracies in rural development, including the delivering of support services to the rural sector; and (iv) the positive experience and lessons that have been accumulated from local community participation in development.

Many countries have had traditional systems of “participatory” and collective behaviour of rural communities. It is possible to build on such traditions in rural communities. As rural people in many of these countries do not possess the strength, as individuals, to participate actively in a market

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economy, strengthening of social capital and collective action should help them cope with the negative impact of and benefit from the process of globalisation (Wijayaratna: 2004).

Community participation and the role of the community, both as organisations/institutions and individuals in rural development, is not something that can be set once for all in a particular pattern. It is an evolutionary and dynamic process and there is a need for institutional mechanisms to coordinate the decisions taken by a large number of individuals. To achieve sustainability, the challenge is to facilitate and institutionalise a process through which rural communities themselves would evolve local organisations to satisfy their own local needs.

Civil society and non-governmental organisations

The civil society organisations (CSOs), when organised effectively, can help the vulnerable sections of society to be empowered, to defend their right and to enhance their quality of life. They can go where the government is not adequately reaching and the areas to which the government has not paid adequate attention. Their role is not to stand as substitute for the government, but to help highlight problems, facilitate the response of the responsible authorities and to help the local people to be aware of rights and entitlements and be self-reliant (Table 5.4).

Table 5.4 Role and Responsibilities – Civil Society and Non-Governmental Organisations

Civil Society Organisations (CSOs)

- Organising rural people for self-help and being aware of rights and entitlements.
- Raising awareness about skill development plans and activities among the public.
- Facilitating the implementation of skill development programmes of all stakeholders.
- Assisting the development of competency standards.
- Assisting in course designing, examination and certification.
- Promoting lifelong learning among the public.
- Promoting dignity of labour among the public.
- Sharing experience of learning with others.

Non-Governmental Organisations (NGOs)

National NGOs

- Organising literacy, post-literacy and out-of-school education programmes.
- Organising saving and credit groups.
- Organising income-generating programmes for poor people through skills training.
- Learning materials development and publication.
- Capacity building of local organisations.
- Organising seminars for awareness building among the community people.
- Monitoring grassroots organisations and service organisations.
- Organising training, seminars, workshops, meetings etc.
- Undertaking research and evaluation of development programmes.

International NGOs

- Providing funds in the field of education, specially non-formal education, and capacity building of rural disadvantaged groups.
- Support capacity building of local community organisation and civil society bodies for playing their roles effectively in a changing scenario.
- Bringing a perspective of international and comparative experiences and lessons and work in partnership with indigenous organisations and institutions to adapt and apply the lessons.
- Promote solidarity of the disadvantaged and the agenda of human rights, human dignity and development in the context of globalisation and the shared common future of humanity.

Non-governmental organisations (NGOs) work very closely with rural people and people in urban slums, playing varied roles in capacity building and non-formal education. World Bank has classified NGOs into four categories: (i) charitable service oriented NGOs; (ii) participatory NGOs, some with defined group-based membership, aimed at empowering participants; (iii) community based organisations serving community development objectives; and (iv) international NGOs which work in more than one country (see World Bank Website “World Bank Publications on Civil Society Engagement”).

The categories listed indicate varying roles and scope of NGOs’ work. They have demonstrated the capacity, much more than the government sectoral services in health, education and other basic services, to design and carry out tailor-made cross-sectoral activities in response to specific needs. Thus rural communities have benefited from education, literacy and skills programmes which have combined knowledge and action about farming, health, hygiene, family planning, environment conservation, formation of savings

and credit groups and income generating activities.

NGOs in a large number of developing countries have promoted and supported the concept of community learning centre (CLC).

At the community level, in order to achieve effective and sustainable rural development, the challenge is to facilitate and institutionalise a process through which rural communities themselves would evolve local organisations to satisfy their local needs. NGOs have facilitated institutional development in the communities as illustrated by the work of the Aga Foundation, an international NGO, in the northern tribal areas of Pakistan (see Box 5.8).

NGOs have, in particular, played an important role in raising environmental concerns, developing awareness of environmental issues and promoting sustainable development. The encouragement of public participation in environmental management through legislation in recent years has also enhanced the role of NGOs.

Box 5.8 Aga Khan Foundation and Rural Development

The Aga Khan Foundation is committed to reducing rural poverty, particularly in resource-poor, degraded or remote environments. [Among the tribal people in the northern region of Pakistan], it concentrates on a small number of programmes of significant scale. The model of participatory rural development, it has pioneered, combines a set of common development principles with the flexibility to respond to specific contexts and needs.

Programmes typically link elements such as rural savings and credit, natural resource management, productive infrastructure development, increased agricultural productivity and human skills development with a central concern for community-level participation and decision-making. The ultimate goal is to enable community members to make informed choices from a range of appropriate options for sustainable and equitable development.

A central strategy has been to create or strengthen an institutional structure at the village level through which people can determine priority needs and decide how best to manage common resources in the interests of the community as a whole. Whether broad-based or task-specific, these village organisations also serve to represent the community to the government and to other development partners, including NGOs and the private sector.

Social capital built at the local level provides a supportive environment for enlarging the economic assets of a community and for harnessing individual self-interest to generate income growth in an equitable and sustainable manner.

Assets are typically built through community management of natural resources-water storage, irrigation infrastructure, soil conservation or forestry – or the construction of basic economic infrastructure, such as rural roads or agricultural storage facilities.

Income growth is promoted by increasing agricultural productivity through improved farming methods, input supply, marketing, land development and management reform or by increasing off-farm incomes and supporting enterprise development.

Local capital is mobilised by promoting savings and developing financial services to enable broad access to credit on a sustainable basis.

Training programmes support the effectiveness and sustainability of the village-level institutions by providing the management and technical skills needed to plan, implement and maintain local development activities.

The Foundation is committed to building the knowledge base in rural development through learning, analysing and disseminating lessons learned from field experience. Models it has promoted have already been adapted and replicated by governments and international donors in a wide spectrum of environments and economies.

Source: Adapted from IFAD: “Rural Poverty Report 2011”, Chapter 7, pp.226- 231.

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Information and communication technology (ICT) and media

Advances in ICT have opened new frontiers, not just in delivering learning content in new ways, but also in respect of new economic opportunities and in defining profiles of jobs and skills in every economic sector. In respect of skills development, some of the obvious areas of interest are delivering content in creative ways, reaching new groups of learners at a time and place of their own choice, enriching the teaching and learning process, improving management information and upgrading teaching personnel. The potential, however, is far from being realised in most countries in general and in rural areas in particular. The "digital divide", between the rich and the poor and between urban and rural areas, is a major concern as ICT rapidly advances.

ICT development has tended to increase income inequality for several reasons: (i) it requires relatively good education and special skills to make full use of ICT for socio-economic gains; (ii) ICT infrastructure is more expensive and therefore easier to develop in urban areas, thus further broadening the gap between urban and rural access to ICT; and (iii) those who developed and widely used ICT applications are mainly from urban areas who could reap benefits from being first in tapping the ICT market in the country.

Notwithstanding the existing inequality bias, ICT has potential to improve the livelihoods of low-income earners by enhancing delivery of socio-economic services, offering them opportunities to increase income and empowering them through participation in decision making processes. Box 5.9 shows how a small community net has changed the life of tribal rural people in Dhar District of Madhya Pradesh of India.

ICT holds the promise of connecting remote and isolated areas to urban centres at a lower cost than through conventional infrastructure. ICT can bring educational and health services to the rural areas. It can bring information about market conditions to farmers and other rural enterprises. It can improve communication between family members in rural and urban areas and abroad and facilitate remittances. Free-market economic policies remove any favourable treatment of urban areas and industry by governments through subsidies and import tariffs.

Box 5.9 "Gyandoot" Community Network – India

The "Gyandoot" community network, aimed at creating a cost effective, replicable, economically self-reliant model for taking benefits of Information Technology to the rural population, is an intranet network using Wireless in Local Loop (WLL) technology to set up in 5 blocks with 21 kiosks, each catering to about 15-20 villages in tribal Dhar district in Madhya Pradesh. The success is largely due to targeting the information interest of the people: rates of agriculture produce, land record rights, computer training, caste certificates, online public grievance redressal, health services, e-mail, rural education, matrimonial alliances, information on government programmes, information for children, online employment exchange, availability of applications for jobs, local weather report, e-news papers etc. Between January 2000 and June 2001, 68,500 villagers used various services. The most commonly used services were grievance redressals (41%), market rates (25%), and land-records (20%). Interestingly, one out every six users of the network was illiterate with no knowledge of reading or writing. It is a disappointment that only 13 % of users are women.

Source: Samiullah and Rao: 2002.

As a part of global trade liberalisation, industrialised countries will eventually have to open their markets to agricultural products of developing countries leading to benefits for rural entrepreneurs and workers. ICT can help establish the links without being entirely dependent on the intermediaries who often reap the benefits of trade at the cost of the rural producers. Partnership and government leadership are pre-conditions to the success of the promotion of ICT in poor areas. What is required and in most of the cases missing is a national ICT policy that puts poverty reduction at the centre and addresses the inequality bias of ICT development (see Table 5.5).

The communications media can play a significant role in rural development in several ways. Information and knowledge disseminated by media can help rural people find alternative livelihood and economic options, which would reduce the pressure on land and raise a family's economic status. Media can help create demand for goods and services and motivate local initiatives to meet rising demands. Reporting on rural life and agriculture has often been restricted to natural disasters, food shortages, rising food prices and crop failures.

There have been examples of the media playing a role in raising the profile of agriculture, rural economy and rural entrepreneurship amongst the decision-makers and the wider public, and in communicating farmers' needs. Channel I Television in Bangladesh and its popular anchor

Table 5.5 Role and Responsibilities – Information and Communication Technology (ICT) and Media**Information and Communication Technology (ICT)**

- Connecting remote and isolated areas to urban centres at a lower cost than through conventional infrastructure.
- Improving access to the information rural people need.
- Enhancing outcomes of “development” – raising awareness, empowering people with relevant information, protecting livelihoods and the environment.
- Providing citizen feedback to government – a check on bureaucratic abuse and corruption, alerting the government to citizen’s needs and concerns, and giving citizens a sense of having a voice in society.
- Assisting people in monitoring accountability of development programmes.
- Building the learning society and the learning community – diversifying, enriching and increasing opportunities for ICT-enabled learning.

Media

- Promoting right to information – thus contributing to citizens’ practise of democratic rights and responsibilities.
- Informal learning source for citizens in quality of life, livelihood, rights and entitlements, learning about options and possibilities and exercising choices.
- Helping provide information and create demand for goods and services, encouraging local initiatives to meet rising demands.
- Assisting rural people and community members recognise their own importance in the power structure and act as a stimulus to political participation.
- Community radio – technological development has made it possible to establish local radio stations affordably as a hub of local information, communication and knowledge.

person Shaikh Siraj, for instance, have been effective in presenting problems and successes in agriculture and rural life, attracting attention of national policy-makers and the general public. This success story has prompted other media channels to imitate the example of Channel I and give greater prominence to rural news and features.

Media can help change attitudes about hereditary and achieved social status. In a society dominated by traditional values, such as India, with its sharp caste and class differences, media has helped in shifting deference to traditional social position determined by birth to status achieved by acquiring knowledge and demonstrating ability. Media can help bring about greater equality and a greater respect for human dignity and make cultural and social change a self-perpetuating process (Mathur: 2006).

The power of traditional radio and television should not be ignored. Community radio bridges the information/communication gap and facilitates participation of the rural people of specific geographical community, as the mainstream media are not able to provide space for them. Community radio, with leadership and imagination, can support and promote the participatory process of consultation, reflections, discussion, and thus can become a part of wide ranging participatory decision-making.

Community radio in the ideal situation can be a kind of communication tool for negotiation with the outside world for the people, who are not literate, but are able to manage their activities and “microcredit” process and marketing of the products, through oral dialogue and discussions facilitated by the use and management of ICTs at their disposal and control. The combination of ICT, such as rural IT centre and community radio; in linking up with audiences can enhance the strength of both.

Rural extension services can make use of the community radio to reach out to their clients in an interactive way. The partnerships could permit the extension trainees to interact with extension staff with regard to rural entrepreneurship experience, cultivating leadership qualities, diversification into activities other than those solely related to agriculture, and linkages to rural development research. The sharing of knowledge, experience and lessons can be in the emerging issues such as:

- analysis and developing strategies to maximise impacts on poverty reduction;
- maintaining productivity in rural areas;
- minimising negative environmental externalities; and
- ensuring a basis for future productivity and improved quality of life.

In the face of competition, rural people in general and farmers and small-scale producers in particular need a variety of information and skills to be able to respond to market signals and constantly evolving markets. These circumstances require extension programmes to be proactive in using the channels of communication to provide diverse, but relevant, services to their clients.

Rural trade unions and cooperatives

A trade (or labour) union is an organisation created and run by workers to protect and promote their livelihoods and labour rights in workplaces. As a democratic organisation created and run by workers, a trade union is expected to protect workers at work; improve the conditions of their work through collective bargaining; seek to better the conditions of their lives; and provide a means of expression for the workers' views on their own well-being and problems of society. Trade unions, rural workers' organisations, agricultural producers' and farmers' associations show a mixed picture in respect of their development, status and effectiveness in rural areas of developing countries. Where they have developed, they have played a significant role in protecting and promoting the interest of farm workers and other rural workers (Table 5.6).

Table 5.6 Role and Responsibilities – Rural Trade Unions

- Raising awareness and knowledge about the rights and entitlements of farm and rural workers.
- Raising awareness about the benefit of training, skill development plans and activities among the workers.
- Promoting skill up-gradation and lifelong learning among the workers.
- Running special skill development institutes for skill development of workers.
- Promoting investment on skill development among the employers.
- Facilitating participation of workers in all relevant skills development activities.
- Assisting the development of competency standards, especially for off-farm skills.
- Facilitating improvement in the status of VET trained graduates.

In developing countries, the potential for trade unions to enter the field of rural development is vast. Integrated programmes could be organised by trade unions to combat illiteracy, non-attendance in schools, ill-health, poverty, poor housing, malnutrition and other barriers that stand in the way of an acceptable level of human existence. The initiative and leadership for such programmes should always be developed by the people themselves, so that patronage and dependency are avoided right from the very inception.

One of the steps that can be taken is to support youth leadership in the village, who can take a variety of responsibilities,

such as, conducting family and village surveys, collection and analysis of data, selection of priorities in the village development programme, organisation of social groups, learning and use of appropriate technological methods and techniques, and initiating self employment programmes. The trade unions can support these youth leaders and play the role of initiator, educator and supporter of village groups.

Trade unions themselves sometimes establish or partner with workers', producers' or consumers' cooperatives. A cooperative is non-profit organisation formed by a group or organisation that owns and controls it for their own benefit. Cooperatives, when established as viable enterprises, secure productive employment and self-employment, and generate income and the payment of decent wages and salaries. Financial cooperatives provide the means for escaping from indebtedness and for effective financial management. Their provision of insurance and services for health and social care, as well as affordable and appropriate housing, and their contribution to food security are clearly major contributions to the alleviation of poverty.

To sum up this discussion of governance and management of skills development to serve the goals of rural transformation, it can be said that governance has to fit the purpose. There is no one template that can be applied, but experience of decades points to principles and general lessons which can guide action (Ahmed: 2009).

The governance and management of skills and capacity development of rural people should be based on partnerships of government-civil society and decentralised enough to make it responsive to local conditions and accountable to learners and the community.

Partnerships of all actors within a common policy framework

It is neither necessary nor very efficient to have all or most of skills development programmes managed by one mega-agency in the public sector. Many of the activities can be carried out, within a common agreed framework, by NGOs, community organisations and the private sector, with appropriate financial incentive and technical support from the government and other sources.

Participatory choices

There are choices to be exercised regarding who among potential providers of services does what and how all can contribute to meeting the critical and diverse learning needs of people. These choices must be made in a participatory way within an agreed overall national framework of goals and priorities, guided by consideration and consensus building at national and regional levels within countries, especially in the larger ones.

The government role that facilitates optimal contribution of all actors

The government, especially at the national level, would generally have a regulatory, facilitative and guardian of public interest role. A larger role for various non-government actors would mean that the role of national government agencies may be more at policy-level with senior technical professionals developing overall policies and priorities, creating supportive and facilitative mechanisms, providing finances and helping to mobilise resources. Working with all providers of services, they will also set quality norms and enforce these through overall monitoring and assessment, and generally help to promote and protect the public interest.

Making decentralisation work

It is a process that has to be promoted in the context of each country's historical, political and bureaucratic culture. There has to be trial and experimentation and systematic building of capacities of personnel at different levels for decentralisation to work effectively. Where the local government system has advanced further, it offers an anchor for institutionalising decentralisation of planning and management.

Transparency, accountability and participatory ethic

These valued characteristics in an education or development programme, also happen to be in line with the philosophy and ethics of democratic development, empowerment of people, and a lifelong learning approach. These attributes are not always consistent with the bureaucratic culture and practices in many countries and the hierarchy-based social roles and values. Most countries recognise the need for change in the traditional mores and education

and skills development themselves. Problems of corruption, dishonesty and mismanagement, present everywhere to a degree, are serious in some situations. Principles of transparency and accountability – and their practice – are particularly important in these situations.

Finally, in the context of rural transformation, it needs to be underscored that local organisations and institutions are the mechanisms for involving people in transformative rural development. Most essential and valuable local resource in any development enterprise is the people themselves who, with their individual and collective efforts, transform raw and primary materials into useful commodities using skills, intelligence and labour.

5.5 Monitoring and Evaluation of Skills Development

The activities, results and outcomes of skills development for rural transformation have to be monitored and evaluated to ensure that progress is being made and necessary adaptations are undertaken when the efforts are not on track.

The broad scope, complexity and chain of relationships of the rural transformation agenda, poverty reduction and generation of employment with decent income as a critical part of this agenda, and skills and capacity development as a key element have been noted. What should be the shape and character of the monitoring and evaluation functions, processes and mechanisms for education, training, skills development and job creation for rural transformation?

There cannot be one central organisational entity vested with the total task of monitoring and evaluation for all skills development for rural transformation. This is so because the responsibilities and actions are dispersed and diffused among many government and non-government actors and objectives and outcomes are numerous and diverse spanning different levels from individuals and households to the national government authorities. The organisational structure of the monitoring and evaluation system will depend on the substantive elements of the programmes designed to reduce poverty and bring about rural transformation. What needs to be underscored is that a result-focused

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monitoring and evaluation system with specified functions and processes has to be established. It needs to be built into the governance and management structures of all the major organisational entities which may have responsibilities for various components and elements of the rural transformation agenda. In this section a number of general points will be made about the national government role in monitoring and evaluation of a complex and wide-ranging area of national development. It is also necessary to emphasise some specific aspects of measuring and assessing skills development in the context of rural transformation.

Good governance and monitoring and evaluation

Good governance, in the sense of basic efficiency, transparency and accountability in management of resources to achieve the outcomes, is a prerequisite for success in the complex and multi-dimensional endeavour of skills and capacity development for rural transformation and poverty reduction. Adequate monitoring and evaluation is fundamental to minimisation of corruption, wastes, delays and mismanagement in this effort. Corruption and waste of public resources are major obstacles to effective implementation of large scale public entitlement and social protection programmes which defeat the basic purposes of these initiatives in many developing countries.

Corruption thrives most rapaciously when accountability is not clearly defined, supervisory structure is demoralised and unauthorised interventions become the order rather than the exception in public management. Widely sharing of information in public management is thus a primary instrument for ensuring an honest and efficient mode of governance. Monitoring and evaluation institutions in public organs are fundamental to good and efficient operations of a government (Mudahar and Ahmed: 2010, pp.292-293).

Political support and commitment of political authorities to establishment of effective monitoring and evaluation mechanisms are necessary for these mechanisms and processes to function effectively. The location or locations and responsibilities in the government for monitoring and evaluation of the total rural transformation effort and skills development as its part have to be clearly designated. The

necessary capacities, resources and authorities within appropriate legal and administrative framework have to be identified and ensured.

To what extent are countries prepared to install an effective result-based monitoring and evaluation system? The authors of the result-based monitoring and evaluation system advocated by the World Bank suggest that an assessment of readiness of a country to adopt such a system should be the first step in developing and introducing an effective monitoring and evaluation system.

A survey undertaken to assess readiness of countries to design and build a result-focused monitoring and evaluation system found many obstacles. Often there are no genuine champions among the top policy and decision makers of the government and sectoral ministries for such a system, though many are willing to provide lip service to it. It was difficult to identify and get support for reform initiatives in public management that would create incentives for linking performance to monitoring and evaluation findings.

Moreover, legal and regulatory provisions for using monitoring and evaluation systematically in decision-making were lacking. Weak technical capacity in public agencies in monitoring and evaluation and management of credible information systems and inadequate training capacity in universities and research institutions to develop these capacities also were impediments. Strong political support and sustained institutional capacity building in monitoring and evaluation itself will be needed for introducing credible and useful monitoring and evaluation systems in most developing countries (Kusek and Rist: 2004).

Essential steps in monitoring and evaluation system

A range of measurement and qualitative assessment based on set goals and indicators and applying appropriate tools and instruments is necessary to guide skills policies and actions for multi-faceted rural transformation. The supply dimensions including stocks, flows and variety and quality of skills as well as the quantity, trends and composition of demands for skills have to be considered. How demands and supplies match have to be assessed. All of these have to be examined in the context of policies and goals regarding social and economic development, poverty and

disparity reduction, regional development strategies, and human resource development programmes.

There is general agreement about the essential sequences and steps for building a result-based monitoring and evaluation system (see Kusek and Rist: 2004). These essential elements are shown in Box 5.10.

Box 5.10 Steps in Designing an Effective Monitoring and Evaluation System

- Conducting a readiness assessment for introduction or/and strengthening of monitoring and evaluation systems.
- Formulation of goals and outcomes.
- Selecting outcome indicators, relevant to the goals, which will be used in monitoring and evaluation.
- Deciding on responsibility, organisational mechanisms and capacities needed for carrying out monitoring and evaluation.
- Determining and constructing tools and instruments for collecting data on the indicators.
- Gathering baseline information on key indicators.
- Collecting and recording data systematically and regularly on the indicators using the appropriate tools.
- Analysing the data and reporting results of the analyses.
- Sustaining and further refining the monitoring and evaluation system at central, sectoral and decentralised tiers of the government.

Source : Adapted from Mudahar and Ahmed: 2010, Figure 9.1.

Overall monitoring and tracking of rural transformation

It is necessary to collect and present relevant statistical information globally and regionally which would support, illustrate, elaborate and explain as much as possible the key points being made in this report. A series of statistical tables based on available international sources is presented in the statistical annex. Existing international databases have been relied upon and an attempt has been made to make these as comprehensive as possible in terms of coverage of countries and regions and relevant indicators (see statistical Tables in the annex).

Monitoring and evaluation are clearly interconnected and complementary to each other. Monitoring can be described as a continuous function that involves systematic collection and analysis of data and information on specified indicators to keep managers and stakeholders informed

about progress in planned interventions and help make any necessary course correction. Evaluation is the systematic and objective assessment on a periodic basis of the results and impact of interventions including policy, design, strategy, and utilisation of financial and other inputs. The information and data collected and analysed through monitoring are essential inputs for effective evaluation.

Various relevant social and economic indicators for countries ranked by the proportion of rural population in the respective countries are presented. In addition to the table that provides the ranking of countries for different indicators, statistical tables showing actual values for the indicators ranked by proportion of rural population are included as a ready source of reference.

These statistics primarily make the point that a high proportion of rural population is associated with low human development indicators. The scatter grams and trend-lines on individual indicators against proportion of rural populations for selected countries shown in the annex make the same point. These also support the argument that high rural population ratios are both the cause and the consequence of low development indicators of a country. Because of these interactive and complex relationships, simple and rapid urbanisation is not the answer to the problem. The concern is how both rural and urban areas are transformed with close attention to how the various relevant development indicators are affected and influenced in the desirable direction.

Constructing a rural transformation index

To the extent possible, it is important to indicate trends, or desirable changes, on relevant indicators to show progress or lack of progress in respect of rural transformation. This can constitute a Rural Transformation Index (RTI). In constructing it, it is necessary to be clear about what the key indicators are for rural transformation, or at least the indicators which should be highlighted. This in turn has to be derived from a clear articulation of the specific aims, and thus the indicators, of rural transformation. One obvious key message is the need to move away from the present lopsided growth and development, with majority of the people in rural areas, employed in agriculture and related informal sector activities, but receiving (and contributing

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to) a disproportionately low share of GNP. Their socio-economic status is also characterised by low values in various development indicators.

The rural transformation indicators have to be about rural people and rural areas, but seen with a national perspective. It can be justifiably argued that:

First, there has to be a more balanced growth and development, marked by reduction of three kinds of gaps to overcome the present disparity between the situation of the rural people and the rest in each country:

- The gap between per capita rural GDP and per capita national GDP;
- The gap between rural HDI and national HDI; and
- The gap between the ratio of agricultural GDP/total GDP and the ratio of agricultural employment/total employment.

If it is agreed that the reduction of these gaps, thus moving towards a balance in development and well-being of rural and urban populations, as the thrust of rural transformation, RTI can be the composite value of these three measures.

Second, besides looking at the present status, the targets for rural transformation, reflected in indicators, would be *to reduce the proportion of people described as rural, to reduce the population employed in agriculture (albeit in a planned and deliberate way), and to increase the income level of those who remain in rural areas and in the rural economy, ensuring that they enjoy a higher level of human development than at present, reaching at least the level of the average national values for HDIs*. RTI, therefore, can indicate the present status of a country and can provide the basis for setting goals for change in various indicators for the country.

Data are available for the rural population by country. To construct RTI, therefore, data are needed for rural GDP, agricultural GDP, and rural HDI (or at least components of HDI), to ascertain the gap between the rural and national values of these indicators. We can then take the consolidated averages of these and relate these to ranking by rural population.

Reliable data with urban-rural breakdown for the indicators mentioned are not available for most countries. An attempt to see what is available (at least for some countries) and see if these could be presented illustratively, particularly for countries in Sub-Saharan Africa and South Asia, did not prove feasible. The conclusion is that an initiative has to be taken to collect data for some very basic indicators with rural-urban breakdown at national and international levels, through existing systems of collecting data for social and economic indicators. This would signal due importance to the goal of rural transformation at national and international levels and make it possible to construct RTI.

Approach to measurement of skills for people in rural transformation

Some of the measures of skills used at present in OECD and some developing countries relate to quantitative proxies for skills such as years of education or the level of qualification attained. These measures are based on the assumption that each additional year of education and different qualifications represent the same amount and quality of skills regardless of institutions and locations. Moreover, they ignore skills acquired informally and outside the education and training systems.

Increased access to education and training does not necessarily lead to better economic outcomes, as discussed earlier. In order to make skills supply relevant for the economy, information is needed about demands for skills in the first place. Distribution of employment by education/training background and by occupations provides indications regarding the match between supply and demand. Usually, census and labour force and household surveys provide this kind of information. An important challenge in this regard arises, as noted earlier, from the fact that large parts of the economy are in the informal sector.

The bottom line is how skills impact on economic and social outcomes. Skills contribute to rural transformation and poverty reduction both, directly, through increased productivity, and indirectly, by creating greater capacity of individuals, e.g., to identify business opportunities and to adopt new technologies and ways of working. Skills also improve economic and social outcomes of people through foundation or generic skills linked to empowerment,

better employment and earning chances as well as positive impact on health and personal attitudes and aspirations.

A number of measures of economic performance and labour market and health outcomes can provide information on the links between skills and these outcomes. In respect of economic performance, measures could focus on production and productivity growth at the local level for different sectors and types of economic activities. Labour market outcomes are seen in employment, unemployment and underemployment rates and earnings. Measures of health outcomes could be about general health and nutrition and disease burdens for specific diseases with high prevalence. Clearly, to be meaningful for the purposes of assessing the role of skills development for rural transformation, it is essential that systems are established to collect these statistics at the local level and consolidated regionally and nationally showing urban-rural breakdown.

Given the range of actors involved in skills development for rural transformation and linkages between different policies and programmes in this respect, a systematic approach is needed to support and carry out concerted efforts and take advantage of synergy. To optimise the efficiency of investment in skills from public and private sources, a strategic and coordinated funding approach based on sound principles helps to avoid underinvestment as well as waste. The evidence on skills managed and collected by different agencies and institutions needs to be drawn together and used to support a strategic approach to skills policy-making.

Recognising the importance of a coordinated and strategic approach, OECD has initiated the development of a global skills strategy—a systematic, evidence-based approach to promoting in countries the formulation of sound skills policy and programme development (A first issues paper has been published in 2011—“Towards an OECD Skills Strategy”, OECD: 2011, <http://www.oecd.org/dataoecd/58/27/47769000.pdf>). This strategic approach to skills policies attempts to integrate evidence on supply, demand, match and outcomes of skills under a common framework and suggests policy measures in all these areas as well as financing of skills development and steering of national efforts taking advantage of international best

practices. The relevance of this initiative in skills development for rural transformation in developing countries has to be observed, assessed, and the lessons put to use (see Annex II on Measurement of Skills for People in Rural Transformation contributed by OECD Skills Project Team).

5.6 Resource Mobilisation and International Cooperation for Skills Development

Under-investment in education combined with poor targeting of expenditures, especially in relation to rural needs, is a major obstacle to equitable access, quality and relevance of education. Increased resource mobilisation by countries themselves and its better allocation and use must be a key element of the effort to close the educational resource gap in general and direct resources to achieving rural transformation.

Re-examining public plans and priorities

At the national level in developing countries, development priorities and plans have to be looked at to re-examine the national poverty reduction strategies. The priorities in public expenditures have to be under review; how equitable allocations are and how effective is the management of budgets have to be assessed. Participation of civil society and other stakeholders should be ensured in determining priorities and in improving accountability. A greater effort has to be made to mobilise domestic resources, applying criteria of equity.

The countries with large proportions of the population in the category of rural poor cannot do it by themselves. As the Oxfam-Action Aid proposal for a Compact for Africa proposed more than a decade ago, closing the resource gap for education in the poorest countries and the poorest segment of the population in these countries requires a collective resolve on the part of national governments and the international community.

Economic and financial difficulties that have hit recently the European Union, North America and Japan pose new uncertainties about fulfilling their commitment to assistance for poor countries in supporting the MDG and EFA goals within the framework of international cooperation and solidarity. The long-standing target of devoting a

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minimum of 0.7 percent of GDP as international assistance appear to have receded farther for some of the largest industrialised economies.

Arguably, in difficult times, it is more important than ever to stand by each other, recognise the inter-dependence of economies and common interests of humanity, and work together to lift all above the threshold to meet basic needs of people and ensure human dignity for all. There is no good reason for not doing so when the sacrifices called for from citizens and states in the industrial world are small by any reasonable measure.

Climate change funds

The mortal threat of climate change is a stark reminder of the urgent need for international partnership and cooperation. In the discourse on how to address global warming, the consensus among stakeholders including scientists, policymakers, and environmental activists is that solutions lie both in mitigation – reducing carbon emissions, and adaptation – helping communities cope with the current and future effects of climate change.

In respect of mitigating global warming, one estimate is that the required measures will cost one percent of global GDP annually, largely in industrialised countries, if immediate action is taken; costs will increase considerably the longer action is postponed (Stern: 2006). It is obvious that developing countries will require tens of billions of dollars to implement adaptation measures to reduce vulnerability to climate change and respond to climate impacts.

Meeting the costs of adaptation to climate change is a major challenge for the international community. Estimates of financial needs for adaptation vary substantially given the uncertainties involved. UNFCCC (United Nations Framework Convention on Climate Change) projections indicate costs in the range of US\$ 28-67 billion per year for developing countries by 2030. There has been an increase in adaptation finance from dedicated climate financing instruments, up from 8% of total climate finance in 2010 (US\$ 587 million) to 21% in 2011 (US\$ 957 million). The scale of finance is clearly not commensurate with estimated needs, and its effective use is further impeded by severe fragmentation across various initiatives.

There are several dedicated multilateral climate funds that support adaptation measures in developing countries.

- The Least Developed Countries Fund (LDCF) primarily supports the preparation and the implementation of NAPAs (National Adaptation Programmes of Action). The Global Environment Facility (GEF), an operating entity of UNFCCC, administers the LDCF. All Least Developed Countries are eligible for support for immediate and urgent needs to adapt to climate change. As of November 2011, it had disbursed US\$107 million.
- The Special Climate Change Fund (SCCF) was established in 2002 to support long-term adaptation measures that increase the resilience of national development sectors to the impacts of climate change.
- The Adaptation Fund (AF) was established under the Kyoto Protocol and made operational in 2009. It is the only climate finance mechanism funded by an automated funding formula. Recipient countries can directly access resources from the fund via a country-designated National Implementing Entity (NIE).
- The Global Climate Change Alliance (GCCA) is a bilateral initiative of the EU that has disbursed a significant volume of finance for adaptation.
- The Pilot Program for Climate Resilience (PPCR) is a World Bank administered climate loan facility. It was set up in 2008 to provide loans to encourage integration of climate resilience into national development planning.

The plethora of funding mechanisms has meant a lack of coordination and consolidation at the international and national levels and administrative burdens at the recipient end. This situation in fact has been an obstacle to creating synergies between adaptation goals and other development priorities in countries. There also have been unnecessary complications and delay in access to funding.

Negotiations about establishing a global Green Climate Fund (GCF) under UNFCCC have grappled with the question of mobilising finance of necessary scale, utilising funds equitably and effectively, while ensuring accountability and transparency. The GCF is supposed to channel “a significant share of new multilateral funding for adaptation”, balancing its allocations between mitigation and adaptation. It can play the role in scaling-up global funding

for adaptation actions – “provided the fund itself is funded adequately, predictably and sustainably” (Nakhooda: 2011).

As noted in the preceding chapters, climate change threatens development and sustainable development, in turn, reduces vulnerability to climate change. Clearly, substantial amounts of development assistance and national resources expected to be directed to adaptation measures deserve to be devoted to skills and capacity building of people, especially in rural areas. Besides the mechanisms and size of funding, the content of what is to be done with the funds, especially in respect of the “software” of sustainable development, need equal attention.

It has been argued that a major role of the international financial institutions is “to establish a framework in which public and private investment in developing countries becomes more climate resilient through awareness raising, knowledge sharing and capacity development” (World Bank: 2006, p.x).

- The richer countries should fulfil their pledge to fill the resource gap for the poor countries; a combination of debt relief and increased aid should be provided to the least developed and other poor countries;
- The poverty reduction and climate change facilities of the multilateral and international financial institution should be designed to meet the resource requirements for education and skills development including directing resources to improving quality and overcoming disparities in rural areas;
- National poverty reduction strategies should be strengthened through equitable allocation and management of budgets, and greater accountability and participation of civil society organisations; and
- National governments need to review priorities in public expenditures; and make a greater effort to mobilise domestic resources, applying criteria of equity (Oxfam and ActionAid: 1999).

The bottom line is that there has to be a major increase in resources for rural education and skills development, with mobilisation from all sources along with better use of available resources. This increase need to occur within a re-ordering of national development priorities and strategies

that recognises the disparities and aims at correcting the disparities and imbalances between urban and rural areas.

Assessing resource needs for rural skills development

In the diffused undefined landscape of skills development, it is almost impossible to estimate what resources are available for what purposes and how these are utilised. A systematic effort is needed at the local level to assess and estimate resource availability and needs which can be consolidated to derive an overall national and sub-national picture. A major part of any new resources will have to be devoted to incentives for teaching personnel, and their training and supervision. Performance standards and assessment of the results of their work have to be established to justify the incentives.

Climate change financing, not only because it is a new source, but also because of the synergy in objectives and strategies of enhancing skills and capacities and coping with vulnerabilities, should be designed and utilised for education, training and capacity building. The aim should be to remove urban-rural disparities in opportunities in this respect. It has to be ensured, however, that the climate change resources for education and skills development are in fact additional and not mere replacement of “regular” external assistance and national allocations for these sectors.

Major increase needed in public resources

It is likely that any reasonable assessment will show that, along with the general neglect of educational investment in rural areas, resources for skills development in rural areas are grossly inadequate. All possible sources, including the direct beneficiaries, employers, communities, and the private sector will have to be tapped. National goals of poverty reduction and social equity in most developing countries call for significant increase in public resources for rural skills development. How much, precisely for what, and how these should be matched or complemented with other sources are matters that have to be worked out on the basis of strategies and plans for rural transformation and skills development within that framework.

As the MDG and EFA historical milestone of 2015 is

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approached, progress made and shortfalls are likely to be scrutinised and pathways for the future will be searched. In this scrutiny, how scarcity of resources have affected progress and how these can be overcome in the future have to be a prominent topic.

International and regional cooperation

The task of visualising rural transformation as a central component of national development and defining, designing, and implementing the role of education and training in this effort has to be undertaken primarily in each country. In today's global village, however, there is an international dimension to every significant national endeavour.

As noted in the UNESCO-INRULED report published in 2003, the last decades of the 20th century has been characterised by a conscious effort to develop and articulate global views and goals on major common problems faced by humankind. These in turn have informed and influenced national goals and priorities. The EFA movement in the decade of the 1990s and its continuation in the new century represent a prime example of the interaction between global and national initiatives.

It has been underscored in this report that education for rural transformation (ERT) intersects major global concerns – poverty alleviation, building equitable and democratic societies, practicing sustainable development, and expanding opportunities for fulfilling human potential. These major human agenda can build a constituency of support among the protagonists of the various causes these agenda represent in the international arena.

The international coalition of supporters and promoters of EFA that has emerged in the last two decades, including international organisations, donor agencies, NGOs, professional groups, and communication and media agencies, have a special responsibility and the opportunity to move forward the ERT agenda.

UNESCO, the lead agency for education, culture and science in the United Nations system, the co-initiator of ERT, and the focal point for the follow-up of EFA, is at an advantageous position to provide leadership in building a grand alliance for ERT. UNESCO can do so and help formulate the

implementable agenda for action in collaboration with international and national stakeholders in ERT.

The existing regional structures of cooperation and exchange in education and other relevant components of ERT should be mobilised to play their role in promoting the ERT agenda. The regional mechanisms have a special responsibility to bring out the regional characteristics of ERT and facilitate exchange of experiences among neighbouring countries with similarities of conditions.

The contribution and comparative strengths of NGOs, national and international, in the area of education and related components of rural transformation have been discussed. NGOs, in line with their own mandates and priorities, should participate prominently at global, regional and national levels at forums for policy discourse and in carrying out activities in their respective spheres of interest as partners in the grand alliance for ERT.

UNESCO-INRULED, as the international centre with a mandate for research, education and training in rural education, and as the initiator of this report on ERT, has a special responsibility in advancing the ERT agenda. It needs to look at its academic, training and research activities in the light of ERT objectives. Its present and potential capacities and resources should be assessed and a plan for its development should be prepared with a focus on academic and research programme, advocacy and experience-sharing activities in support of the ERT agenda.

Summing up: regional and international cooperation

In summary, the needs and potential for regional and international cooperation in a number of areas merit special attention – sharing, learning and disseminating lessons through cooperation among countries, organisations and institutions; strengthening existing mechanisms; and fulfilling rich countries' pledge of cooperation. The international cooperation agenda need to emphasise the following principles.

Learning from diverse experience and stages of development among countries

Diversity in development experiences and different levels of progress in skills development in the context of respective rural and national development scenario offer a special opportunity to share experiences and learn from each other. A systematic effort needs to be made through bi-lateral and multilateral channels and the channels of UNESCO and other international agencies as well as international NGOs for learning from the rich pool of country experiences.

International and national exchanges among civil society organisations

Civil society organisations and development NGOs concerned with education, rural development, poverty alleviation and sustainable development have their network and forums for promoting cooperation and sharing experiences. These efforts as well as exchanges among national NGOs and academic and research institutions within regions and across regions should be encouraged and supported. INRULED and UNESCO should consider how they can contribute to and facilitate this process.

Priority to promoting cooperation and exchange through external assistance

Living up to the pledges of financial support for poverty alleviation, mitigation and adaptation to effects of climate change and EFA by rich countries would be a vitally important expression of international cooperation and human solidarity. A small proportion of the promised resources would be well spent on promoting purposefully designed cooperation and exchange on skills development for rural transformation within regions and, when relevant, across regions, for mutual support to capacity building among countries.



Students on campus of a technical and vocational school in Dujiangyan city, China.
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