

SOME ASPECTS OF REGIONAL DEVELOPMENT FROM BELOW

ÉVA G. FEKETE

“What do the terms democracy, freedom, human dignity, standard of living, self-realisation, accomplishment mean? Are they a question of assets or of humans? Naturally humans. However, people can live their own life only in small, transparent groups. Thus we have to learn to think, in the concepts of an articulated structure which is able to melt in itself great numbers of its units. Economic thought is useless we are unable to grasp it. If it cannot forget its extreme abstractions, the national income, the rate of increase, the capital accumulation, the capital/production ratio, the input-output analysis, the labour mobility and it cannot establish contact with the human reality of poverty, disillusionment, alienation, despair, failure, crime, escape, tension, crowdedness, ugliness and mental death then let us throw away the economy and start everything from the beginning.” (*Schumacher 1991, p. 76*)

UPS AND DOWNS

The development of human societies can be explained in an ever-expanding geographic space. The space marked out by economic and social relations, and interactions determining development processes is continuously increasing. Today, everyday life and the future even of the most peripheral area are deeply influenced by factors from outside the area. Certain authors identify the general globalisation of the world with the fact that the external determination of progress is increasing. (*László 1974*) Others call attention to the cyclical character of development's internal and external controls. (*Lewis 1978, Rostow 1978, Schumpeter 1939*) We believe that externally-controlled (from above) and internally-controlled (from below) phases of regional development have traded places throughout human history. In 'rational' periods of history strongly determined by the economy, and focused on the possession of material goods, the impact of external control was stronger; whereas in the more emotional periods of metaphysical character, when emotions and human relations gained greater importance, the impact of internal control could be more intensively felt. (*Greenbie 1976, Hall 1966, László 1977*)

Since the 1970s, changes in the paradigms of theories on regional development and of development policies aimed at influencing progress have started to evolve all over the world. The failure of development initiatives in the countries of the third world called attention to the deficiencies of neo-classical development concepts and of the

Table 1
Characteristics of development controlled from above and from below

	Development controlled from above	Development controlled from below
Theory of development	Monolithic theory of development, backed by a uniform system of values and a concept of human happiness, which automatically or by political pressure infiltrates the entire society	Different elements can be the vehicle of development in the case of different communities, the systems of value are variable and multicolour
Prevailing theory	Neo-classical concept of development, theory of growth pole	Alternative theories of development
Development model	Development starts pursuant to external need from relatively few dynamic sectors and geographic areas and expands to the other sectors and areas	Stimulated and controlled from below
Driving force of development	Competition based on the exploitation of comparative advantages	
Development target	Economic growth	To satisfy the basic need of those living in the given area
Development target group, beneficiaries	Large companies are thought to be the engine of development	Small and medium-sized ventures: civil society and production sectors controlled by and co-operating therewith Women, people of decreased ability to work, minorities, informal participants of economy
Development methods and tools	Large, basically city-like, mainly industrial capital-intensive projects connected to high technology	Small projects utilising the local resources, country-centred, labour-intensive projects utilising the technology most appropriate under the circumstances, instead of high technology
Basic hypothesis of development	Functional or regional integration Wide range of organisations intermediating development Serious re-distribution mechanisms: <ul style="list-style-type: none"> • development is generated by a few selected participants; • the remaining part of the population is unable to initiate development; • only a few participants are able and are ready to allow others to take part in the development process; • others are ready to take over the intermediated development model; • the initiated development is the most appropriate for every member of the system becoming more and more interactive 	Regional inequalities are basically due to the differences in living conditions owing to the fact that the major economic interventions are not prepared for Development potential is determined by the cultural and natural resources and only to a small extent by the nameless market mechanisms It is not obligatory that the poor develop only in the ways the rich think to be good, thus the only way of development is not necessarily to increase the production (but with reduced costs) for the markets of the developed, with technology, capital and organisational model taken over from the developed
Spatial networks, disadvantages	Vertical, hierarchical spatial organisation, not taken into consideration: <ul style="list-style-type: none"> • the multi-colouredness of systems of values and intentions; • the variability of natural resources; • the fact that the underdeveloped groups will progress to an even more disadvantageous situation if they take over the system of values of the developed; • dependency is generated, the adversary effects of defencelessness 	Horizontal spatial organisation: <ul style="list-style-type: none"> • more difficult to organise, to follow; • its management is time and labour consuming; • professional soundness can be jeopardised

regional policies built upon them. The regional differences did not decrease at all as a result of external development (from above); instead, the gap widened further. (*Friedmann-Weaver 1979, Myrdal 1956, Schumacher 1991*) Alternative development strategies presented themselves as a way out. Among them some applications of the self-reliant development model have appeared. These aim to satisfy local needs by mobilising local resources, by local organisation and control of external supports. (*Galtung 1980*)

After the spectacular public failure of third world development policies, and the failure of attempts to reduce first world internal regional differences, attention turned to self-reliant development strategies. Since the 1980s new national regional policies have been created one after the other on the basic principles of decentralisation of the decision-making process and acknowledgement of the importance of local initiatives. The creation of national policies, including some applications of self-reliant development models and strengthened by the invigorating activity at grass-roots levels, fortified civil societies and their intentions to take part in regional development.

NOT ONLY DECENTRALISATION

The difference between regional policy from below, complying with the concept of internally-controlled progress based on local initiative, and regional policies from above is not limited to the decentralisation of decision-making. A brand new philosophy shall support it. The most important elements of these two development models can be compared in *Table 1*.

In reality the two development models are rather mixed when the development strategies are elaborated and realised, nevertheless there are common elements in the strategies elaborated on the basis of the two development models. For example:

- more attention is paid to developing human resources;
- serious efforts are made to decrease population growth in developing countries;
- more support is urged for the spread of agrarian innovation;
- planning is based on functional economic regions;
- emphasis is placed on creating or improving transport and communication networks necessary to improve the flow of innovation and local products between the functional economic regions.

FUNDAMENTAL ELEMENTS OF DEVELOPMENT STRATEGIES FROM BELOW

A few important elements of development strategies from below, drawn from the examples of third world countries (*Galtung 1980, Stöhr 1981*):

- providing the possibility to receive land, thus promoting the equalisation of incomes indispensable to the creation of an internal market for the

- basic services and the establishment of comprehensive decision-making structures;
- introducing new decision-making structures organised by regions or reviving the old forms;
- restructuring the existing local institutions or setting up new ones to promote and organise the execution of the development tasks the community has set for itself;
- selecting technology appropriate to local characteristics (e.g. high labour requirements, environmentally-friendly);
- determining the priority of the projects aimed at satisfying the basic requirements;
- a price policy ensuring more favourable sales possibilities for agricultural and other characteristic products of the peripheries;
- external help without further strengthening dependence, aimed at:
 - utilising human and natural resources of the region,
 - satisfying the basic needs of the population,
 - developing transport and communication systems within the region,
 - elaboration of social or economic projects defined locally, aimed at utilisation of local resources and satisfying basic needs;
- developing production (export) activities to meet local needs, which should result in improvement of living standards in the region;
- reorganising the town and transport system;
- developing transport and communication networks between the settlements;
- reinforcing the community non-governmental organisations.

We can draw important conclusions from the realisation of such strategies which include the above-listed elements, as have been summarised in much professional literature. (*Esman-Uphoff 1984, Stöhr 1987, Zala 1990*) The following issues are worth considering:

- (1) Self-achieved development strategies from below cannot alone solve the problem of underdevelopment.
- (2) The government will continue to play an important role in directing regional development and in putting alternative strategies into practice. Communities should sensibly co-operate with the government and not work against it.
- (3) The effect of the community's spontaneous actions is limited without the external help which forms a link with the external world and acts as a catalyst for directing ideas and resources in the region. Furthermore, a nation-wide network of allies is necessary.
- (4) Development can never be local: the entire region must be considered.
- (5) The community organisations act as a link between state and civil society. However, sooner or later they will have to become institutionalised and

officially employ their workers. As a result of the uninterrupted and formalised relationship with state offices and of mediating state funds for local projects, more and more time and energy will be invested in project evaluation and document preparation. The organisations lose some of their independence during this process of institutionalisation. They have to set up various teams for documentation and administration tasks, for field work and maintaining contact with the external world, whilst contact with the community lessens as the organisation is often unable to perform all the tasks at the same level. In this process the organisations dealing with local development and experiencing some political charge may be marginalised, particularly if they are in opposition to the government.

- (6) The state can err in trying to realise the local development projects directly as in this case the control is not from below. The state should provide the political, legal, financial and institutional background and not intervene directly.
- (7) In the case of regional development from below the leading role is that of the local communities. It is a long process requiring much patience from community initiatives, their formation and elaboration, but this process is indispensable to successful and lasting development. The external assistant shall only act as assistant, catalyst and mediator, while the state should participate only by setting rules and the general conditions.
- (8) Unity of local development ambitions varies greatly. Development solutions are very similar in the underdeveloped areas, but vary according to local characteristics.

REALISATING DEVELOPMENT STRATEGIES FROM BELOW IN TODAY'S HUNGARY

With the Regional Development Act, the necessity of enforcing local initiatives and decentralisation in the field of regional development has been officially acknowledged in Hungary. In the traditionally strongly centralised Hungary a regional policy from below is more frequently discussed. And the question emerges whether the introduction and realisation of a regional policy from below has any chance in today's Hungary.

There are several preconditions that should be fulfilled before development strategies from below can be born and implemented. (*Hautamäki 1991*) Let us outline the implementation of these preconditions on the basis of experience in the field of preparing local and small area strategies.

- (1) Accepting the philosophy of development from below and combining it with the determining system of values

Among theoreticians dealing with regional development it is more and more widely accepted to follow development strategies from below. The spirit and the text of the law allow this. However, among

those dealing with the practical side of regional development, the development theory focusing on economic growth still dominates. Moreover, the local bodies of development only pay lip-service to increasing the role of local decision-making and to emphasising the importance of taking local characteristics into consideration. However, they prefer (in accordance with the former deeply-rooted system of values) the large, externally-controlled projects which introduce high technology and are realised with the help of redistribution by the state. It is especially true in underdeveloped regions where they do not want to change the characteristics of development, where they prefer benefiting from the system of development to changing it. An accurate picture of the situation, however, cannot be given without conducting an opinion poll.

(2) Further conditions within the communities

- Shared motivation for change and joint action

The progress of the small area development organisations between 1989-1996, which retained its spontaneous character despite the stimulating effect of the tender conditions, shows that it was the communities in the poorest regions of the country who most quickly understood the need for changes. At the same time, in the more developed areas, with greater opportunities for individual prosperity, the communities were less motivated to take joint action. It is not by chance that the possibility for implementing the first development strategy based on joining forces emerged in the Cserehát region.

- Public activity and the pace of change

Inhabitants of poorer regions often chose passive resistance, quiet resignation or escape from the region. In underdeveloped regions, despite the greater motivation, it is more difficult to identify and organise the efficient activity of those persons who can be mobilised, who are willing to actively participate in the local development activities. The example of a number of regions shows not only are a proportion of people ready to take an active part in the development processes, what is more, they are ready to direct them. This core activity can snowball with community development techniques. Even the most underdeveloped regions with repeatedly contra-selected population owing to the intensive migration have enormous human resources. An excellent example of this is the establishment of the Cserehát Association of Settlements. Since its establishment, almost 100 private persons have joined the association and that year they set

up social work committees which are now in operation. These committees are made up of local experts from the various development areas; one of the greatest advantages of this system being the bringing together of people fighting similar problems, in order to provide a framework for joint action. This solution proved to be fertile soil for the growth of local initiatives.

- Knowledge: what to do and how to do it

The major problem for communities which have already taken a few steps along this road is the lack of information and expertise. It is a basic characteristic of development controlled from below that it takes a different form in each community. The communities find the solution which is best for themselves alone. Thus every local initiative is at the same time an innovation. The community's ability to innovate can be developed by training programmes, drawing on the examples and experiences of other regions and with the help of visiting external experts. A training syllabus has been developed for this purpose with the help of American experts, and piloted in 16 regional development groups. In passing on strategy formation, teamwork, and communication techniques we enjoyed spectacular success, particularly in the groups of real community type.

- Co-operation

In the poorest regions, where there is nothing to lose or to envy, co-operation is reasonably prevalent. However, quarrels and jealousy between neighbours can cast a shadow on the everyday activities of many development organisations and endanger the success of development.

(3) Further extra-community conditions

- Government attitudes

- General characteristics of the controlling system

It is very difficult to break through the controlling limits of a traditionally centralised state. The role of civil organisations in the development processes in Hungary is far from clear. Nevertheless, the relatively independent local councils of settlements have appeared in the regional controlling system. Enforcement of the principle of self-government is certainly extremely positive from the perspective of development from below. But owing to the restricted financial options, and the priority of basic needs in this regard, the freedom of local councils and the

chances of realising their strategies are rather restricted. Only the most developed settlements have any chance of success. Others can get supplementary funds from the state or international budgets by tenders. However, the tendering system presupposes a certain 'state of preparedness' with regard to local financial and intellectual resources. In the absence of these the role of linkage capital intensifies and diverts attention from the other local resources. The anxiety of the ministries about their positions and the resulting quarrels hinders the chances of approach to development from below.

– Governmental regional policy

Theoretically, the 1996 Regional Development Act allows development from below and evolution of a regional policy based on local initiatives. In the course of the implementation of this European-style law a number of tendencies developed which created obstacles. Firstly, the establishment of associations according to statistical areas promoting the spontaneous organisation of small areas. Control from above over the establishment of associations alone would not be a problem if we considered the associations as elements of the institutional system of regional policy. The problem emerges when these artificial associations are regarded as the sole form of the enforcement of local initiatives, thus excluding the developing committees organising themselves from below and making their situation untenable.

The problems of regional planning represent the other difficulty. This is partly because this profession disintegrated during the political and social changes, and now has to be re-organised, and partly because it cannot be re-organised according to the old schemes. It is an important methodological challenge for the planners to acknowledge the freedom of local communities in planning and developing a new mechanism for reconciling the various plans and methods of displaying initiatives from below.

• Role of large companies

Large companies which used to be the key participants in former development strategies have reacted in an interesting manner. As my experience lies in the underdeveloped areas I cannot analyse this

factor in depth, as one of the major characteristics of underdeveloped areas is the lack of such companies. Thus the emerging local initiatives will not conflict with the interests of large companies.

- Other communities

- Chance for the development of nation-wide networks

Building up a nation-wide network of the small area development organisations was able to start after much heralding. Typically, the organisations bearing some elements of real communities could first feel the importance thereof. The National Association of Intercommunity Development Organisations has 25 members. NAIDO aims to extend channels for information flow, to promote projects originating from direct connections with some economic results, thereby strengthening professional knowledge and managerial skills applicable in developmental strategies from below. This organisation was built up from below but at the same time the initiative from above in setting up a national network can also be felt and will be felt more intensively in the future.

- Co-operation

A precondition of a national network's operation is the co-operation between organisations and regions. In addition to the "good Hungarian mentality" the establishment of partnerships is further hindered by the fact that the development organisations depend on central funds and consequently the competition for the development funds is increasing.

- External helpers

The preparedness and availability of external help is of crucial importance in the process discussed, and here we have arrived at the basic tasks of the universities and research institutes. How the helpers can prepare themselves, the role of science in this process, and the subsequent ways of making use of this help, could be subjects of a whole other lecture.

To sum up, we can say that the regional development strategies from below can only work well when a general decentralisation occurs. Those regions have the chances to implement this kind of development where:

- there are people on the directing boards who have already heard of this concept and their value system harmonises with the facts described above;

- development planning and management is not thought to be the mayor's privilege but intuitively or consciously the involvement of more and more people is aimed at;
- the intellectual background necessary to elaborate the strategy and some starting capital are at their disposal and they also have the appropriate system of connections to attract additional external funds.

Of more than 200 small area development organisations there are maximum 10 which satisfy the above criteria. From the perspective of the future of regional development towards the twenty-first century, it is mandatory to monitor these activities, to help them from outside and to create the general external conditions.

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