



Munich Personal RePEc Archive

Rural Development Policies in Egypt

Soliman, Ibrahim and Gaber, Mohamed

Department of Agricultural Economics, Faculty of Agriculture,
Zagazig University, Zagazig, Egypt

5 May 2010

Online at <https://mpra.ub.uni-muenchen.de/66630/>
MPRA Paper No. 66630, posted 28 Sep 2015 05:21 UTC



International Centre for Advanced
Mediterranean Agronomic Studies

THE SUSTAINMED ROJECT

Sustainable agri-food systems and rural development
in the Mediterranean Partner Countries

EUROPEAN UNION

SEVENTH FRAMEWORK PROGRAM

Projet FP7 Sustainmed <http://sustainmed.iamm.fr>

SUSTAINMED Working paper

No. 02 V2 (2) 10/102010

t

Rural Development Policies in Egypt

Ibrahim Soliman* & Mohamed Gaber*

**Professor of Agricultural Economics
Zagazig University, Egypt*

Abstract

The study classified the Rural Development programs in Egypt into four eras the era of rural reform policies before **1973**, The era of rural development policies associated with liberalization of the Egyptian Economy (**1973-1993**) and included the establishing of “the Village Development and Building up Device” The era of establishing the national project “SHROOK (Sun Raise)” (**1993-2007**), The current era (**from 2008- till now**) which includes mainly the national program for targeting Poorest 1000 villages. The study, also, provided a profile of the EU’s (CAP), which provided lessons to be learned from the multidimensional compliance and the effective Implementation Of conditional income support. The caudal section provided the recommended dimensions and mechanisms for the strategy of rural development

Keywords: *Targeting Needy Shorn Poor Villages, CAP, Conditional income support targeted groups.*

Introduction

This study concerned the following objectives: The first, is to review the existing performance of rural communities in Egypt, to extract the motives for integrated sustainable rural development programs and presents the contemporary conceptual framework of rural development strategies. The second objective, is an analytical profile of the economical, social and institutional policies and programs related to rural development in Egypt. The study classified these policies along four Eras. First, the period before 1973 where some policies and programs were implemented for improvement the performances of rural regions but they were not target oriented rural development programs. The study called this era as rural reform plans era. The second period, started by 1973 till 1993, where the president of Egypt announced the establishment of the Village building and Development Device (VBDD) as an authority belongs to the ministry of local administration. The third era of rural development programs was after 1993 till 2007, associated with economic reform and market liberalization policies and identified by establishing the national project “SHROOK (Sun Raise)”. current Era has an integrated target rural development program via mainly the national program for development of targeting Poorest 1000 villages. The third objective allocated for presenting a profile of the EU’s (CAP), to extract lessons to be learned from the multidimensional compliance and the effective Implementation Of conditional income support. Finally, a caudal section provided the recommended dimensions and mechanisms for the strategy of rural development

Motives for Rural Development Strategies in Egypt

The agricultural Income in Egypt is the main source of living in the Egyptian country side. The agriculture output reached 68.8% and 59,8% out of the total annual Income in the rural in the two successive periods (1974-1985) and (1986-2001), respectively. Currently, 80% of the landholdings in the Old Lands are smaller than 5 feddan, (**Hassan, M., 2003**). Small farmers apply traditional agriculture system of labor intensive methods, traditional irrigation water application etc, under the existing limitations of small holding. However, they are performing quite well with at least two harvests of high value crops per year, even though, the conditions the small farmers work in are harsh and their output mainly produced for local markets. The current small scale agricultural is under pressure due to population growth, land fragmentation and low quality of life in rural communities. According to the population census in 2006, 40% of the rural population was under the age of 14 years old, within the forthcoming two decades. They will be new generation of educated young rural people looking for better opportunity than their parents (**ILO, 2010**)

Since 1987, the Egyptian Economy has moved towards free market economy system, which includes liberalization of agricultural inputs and outputs prices, and the agricultural system has went fare in modernization through intensive mechanization, new high yield varieties and up-scaling of land holdings, which improved the yields and Volume of output of the traditional agriculture in the Old

Lands. However, that would be at the expense of employment, bio-diversity and it would also imply a loss of social and cultural values in the old lands (**Kruseman, G. and Vullings, L.A.E (Eds, 2007)**). Therefore, the study provided an appraisal analysis of the rural development policies and perspectives in Egypt as a socio-economic profile.

Rural development Policies in Egypt over three Decades

For Analytical purposes, the economical, social and institutional policies related to rural development in Egypt were divided in this study into four Eras. Before 1973, (1973-1993), (1993-2007), associated with economic reform and market liberalization policies, and 2008 till now identified by a specified integrated target oriented rural development program.

Rural Reform Policies before 1973

Some policies and programs were implemented for improvement the performances of rural regions before 1973, but they were not target oriented rural development programs. The study called this era as rural reform plans era. The onset of that era was in 1909/1910 when the first development institution established in the Egyptian villages. The Cooperatives law was issued in 1923 and adjusted in 1927 which the agricultural cooperatives in rural Egypt were stemmed from. The Agricultural credit Bank was established in 1931 to finance the agricultural development plans of the Egyptian farmers and Agricultural Cooperatives. The Egyptian Government established a new ministry called the ministry of Social Affairs in 1939. Such Ministry included a department called “the Farmer Department”. Its terms of references were to raise the cultural, economical and social levels of rural communities through what called social centers. The special attention towards rural population appeared in 1942 when the Egyptian ministry of health set up the village health units to improve the health status and environmental aspects in the villages. Such health care plan was followed by a social care plan in 1943, when the ministry of social affairs decided to establish the rural reform association as the first village development institution. The ministry of Agriculture in 1944 started the agricultural compound units in large villages to provide agricultural services to the farmers.

The first seemingly integrated plan towards rural development has shown in the year 1945. Its main objective was expansion of social centers in the villages with local community population more than 10, 000 habitants. The center included outpatient clinic, a rural school and a rural industrial training center. Furthermore, every three social center were served by a health care that included two physicians, an ambulance and inpatients section. Every five social center were served by an agricultural-veterinarian unit that supplied agricultural requisites and veterinarian drugs and vaccines. In the same year, the ministry of education followed the same trend towards rural reform plans. It set up a plan to establish the rural schools which connected the local community environment with educational programs. In 1946 a new circle was added to the ministry of trade and industry, called the circle of small industries. Such circle gave attention to establish training centers in rural Egypt for small industries and handy crafts (**El hydari, A.R., 1998**) Few years after the end of the Second World War, the Egyptian government set up a higher committee for workers and farmers affairs. Its terms of references were the consistency of the governmental services to be provided by concerned ministries (Ministries of social affairs, health affairs and education).

The first land reform law was issued in September 1952. It cited that the family's agricultural land ownership should not exceed 200 “feddans” per family and 100 “feddans” for an individual, where one feddan equals 4200m², i.e. 0.42 Hectare. The legislation, in addition to redistribution of acreages taken from large land lords, it forbidden kicking off the tenants from the land holdings, once they have paying rent and working in agriculture. Also, the law fixed the rent at 7 times the property (land) tax which in turn was between 4-6 EGP (Egyptian Pound) per feddan, i.e. very low value, as 1-US\$ was equivalent to 0.2 EGP at that time. Therefore, the owners were not able for 55 years (till 1997) to getting their lands back or withdrawing the land tenants, once they work in farming. The tenants were transmitting the holding to the successive generations, even if they had other jobs, as it was difficult to prove the main jobs of the village people (**Hezzal, et al, 1995**) Less limits of agricultural land

ownership to be a maximum of 100 feddans per one family and 50 feddans per single individual was applied under the legislation of July 1961,

The year 1956 was the onset of the Unified cooperative legislation, which enveloped all types of cooperatives in Egypt, including the agricultural cooperatives. The motives behind such law were to push forward the developmental movements of cooperatives in Egypt, including, by definition the agricultural cooperatives. That law empowered the economic capabilities of small farmers and land tenants via their agricultural cooperatives. They have become capable to receive agricultural credits under multi-facilities repayment schedules. These credits were of different types from short to medium up to long term loans. The mortgages were simply the crops on field or purchased livestock for being raised on farm. Such policies liberalized the small farmers, either as land owner or even land tenants, from the upper hand of the wholesale traders' loans with unfair payment regime. The participation of local communities in proposing the development projects in the villages and following up the effectiveness of implementation has begun since the year 1960 when the legislation of local administration govern was issued.

Rural Development policies Along the Period 1973-1993

The onset of this era was the year 1973 when the president of Egypt issued a presidential resolution to establish the "Village Development and Building up Device" (VCDD). It is an authority belongs to the ministry of local administration (**Moharam, I., 1990**)

The Village Development and Building up Device

The main role of (VCDD) was the consistency among the concerned ministers and the local community units and other institutions towards integrated rural development. Its role starts from projects identification up to following up the implementation stages. It also, supports the local community efforts, evaluation of available opportunities and resources, making research and specialized studies for the village development (**Adams, R., H., 1991**)

The National Project "SHROOK"

The efforts of (VCDD) were focused on the implementation of the first national project for integrated rural development called "SHROOK", which means in Arabic "sunrise". The first years of the project have been lasted in identifying the target villages and building up development programs. Early in eighties of the last century, implementation was focused upon infrastructure improvement in the Egyptian villages, such as the networks of drinking water, roads, electricity, sewage and communication. A big push was also, given to human development, in terms of social, educational and health services. The women and children in the rural communities were the main target groups, whom much care was received (**Wilde, V., 2001**).

(Table 1) presents the major case studies of the implemented integrated rural development programs in some regions of Egypt under The national project (SHROOK) The implementation plan was elaborated during the two successive five years development plans (1997-2002) and (2002-2007) by allocating annual fund of 250,000 EGP for each village in Egypt over 10 years for the infrastructure projects, particularly drinking water networks, electricity supply, covering both irrigation and drainage canals, leveling villages' inner roads.

Rural Development Policies within the Period (1993-2007)

Since the third five years development plan (1992-1997), the national project "SHROOK" for integrated rural development has become one of major national projects besides the development projects "SINAI Development", Southern Egypt "UPPER EGYPT Development" and "SLAM CANAL crossing under Sues Canal to Sinai". It was enrolled within the budget of the 3rd development plan. The major objective of the project has become "Improvement of Rural Livelihood", (**VCDD, 2004**)

Table 1 Case Studies of Integrated Rural Development in Egyptian Villages

Governorate	Objectives	Period	Finance	Target Villages
Menoufia	<ul style="list-style-type: none"> • Supporting Health and Social Units in the villages • Supporting the local community development association • Training Programs • Personal Communication Programs • Appraisal and evaluation studies of the project activities • Supporting the national population and family planning program in the villages 	1978-1981	1.4 million US\$ from USAID	All (302 villages)
Sharkia	<ul style="list-style-type: none"> • Planned Model of integrated rural development program in a village 	1977-1979	Donation (Ministry of Social Affairs, Afro-Asian Organization, Village Community Development Associations)	Two villages
	<ul style="list-style-type: none"> • Establishment of the Solar Energy project in "Bassaisa" Village 	1978-1980	Agricultural Cooperative fund, USAID, technical Support from Zagazig University and AUC	One village
	<ul style="list-style-type: none"> • Vertical Expansion of Agricultural Production <ul style="list-style-type: none"> ○ Raising the Skill of Extension Officers ○ Implementation of Recommended Agricultural Practices ○ Facilitate the Finance from the village Banks ○ Follow up schedule of the program 	1980-1995	Principal Bank for Development and Agricultural Credits (PBDAC)	All Villages
Ismailia	<ul style="list-style-type: none"> • Development of agricultural Cooperatives <ul style="list-style-type: none"> ○ Training workshops ○ Symposiums ○ Extension Services as Technical Bulletins 	1980-1988	Fredriesch Neumann Foundation	Unidentified
Behaira	<ul style="list-style-type: none"> • Raising Agricultural Productivity • Generating job opportunities • Development of the Institutional system • Improvement of the health status of the village citizens • Improvement of Soil characteristics • Agricultural Intensification • Improvement of Infra Structure 	1984-1992	Unidentified	Unidentified

Source: Abstracted from: Mahmud, A. (2000) "Trends of Rural development and the Socio-Economic Reality of the Egyptian village, M.Sc. Dissertation, Faculty of agriculture, Alexandria University, Alexandria, Egypt (in Arabic)

The private sector enrollment in rural development programs

It should be mentioned that the private sector has enrolled significantly in rural development programs since the earlier years of the nineties of the last century. It seems that the private sector involvements in rural development projects were due to the onset of democratic social environment that started strongly by that time. The Competition among parties and parliament candidates as well as local councils played an important role in generating such motives.

Urban Frontiers of Old Villages and Establishment New villages

Experience over decades has shown that imposing all types of blocking the demand for housing in villages due to population increase was violated, because of the pressure of high price demand for agricultural land for urban use of the adjacent towns. The urban demand pressure surpassed the influence of issued legislations to stop such stream. Therefore, the Urban Planning for facing future population expansion of the Egyptian villages (4702 villages) and adjacent cities was a main parameter of rural development during the period 2005-2007. It implied final identification of distinct frontiers of residence and service areas within the agricultural areas. Accordingly, such policy reached an applicable approach between reality and what ought to be.

Establishment of New Villages

The election program of President Mubarak in 2006 included the establishment of 400 new villages in newly reclaimed land at the adjacent desert frontiers of the agricultural old land of Nile river valley to absorb the abundant rural population on old villages land. Since 2006 about 15 new villages in 7 governorates in southern Egypt has been constructed with sufficient infra structure.

Decentralization Planning For Rural Development

This policy implies the establishment of Sustainable Development of Egyptian Rural through the application of decentralized planning and monitoring of rural areas, by strengthen the participation of local communities. Such readjustment of the administration in the villages would accelerate the programs towards improving the livelihood in *Shorn poor villages* in 10 governorates, (**The World Bank, 2004**).

The Current Era of Integrated Rural Development in Egypt

The current five years plan (2007-2012) included a national program to improve the livelihood of the poorest 1000 villages. The project is implemented through two stages. *The first* three years (2006-2009) includes development of 150 villages in 6 governorates, 4 in southern Egypt and 2 in north Egypt (Nile delta). The investment costs of this stage are 3.7 Milliard EGP, at a quota of 25 million EGP for each new village (1US\$= 5.6EGP, 2007 average exchange rate). The second stage includes 850 villages in 10 governorates.

The National Project for Targeting Needy Rural Households

A main target of the six development plan (2007-2012) is “the National Project for Targeting Needy Rural Households”. It is conducted through the Ministry of Social Solidarity. It is a national project in order to target more accurately the most vulnerable households within poor areas. This project was launched during 2008 and the Ministry has set itself the following goals: (1) Determining the neediest households with regard to social welfare; (2) Identifying the needs of households which are eligible for care and support; (3) Monitoring the appropriateness of services provided by the State to meet these Actual needs; (4) Establishing a database of the neediest households with regard to social welfare; (5) Developing social welfare policies and programs in a way that suits the needs of households(**UNDP, 2008**)

This project is based on two main types of interventions, which are geographic and qualitative targeting, in an effort to reach the neediest households. The qualitative targeting was achieved through the design of a standard digital socioeconomic model (one model for rural areas and a second for urban areas) to identify and classify the levels of need of households. The implementation of this model depends on preparing a detailed and comprehensive map of each household condition (through social field research) and preparing a file for each household which determines the human and financial capacity of the households besides their livelihood needs. The measures rely on 37 of economic and social indicators of the household which are strongly related to the level of household expenditure. Each one reflects one or more of the economic and social dimensions related to poverty and the standard of living. These indicators have been divided into several groups: ***The first*** is related

to the head of household (education, work, the existence of insurance or a pension and land ownership), **the second** belongs to housing data (type of dwelling, number of rooms, the value of the electricity bill and telephone, the ownership of a washing machine/color TV and vacuum cleaner); and **the third** is related to data on family members (the family size, dependency ratio the number of working individuals, the presence of an individual in special education and the presence of a sick or disabled person), **the fourth** concerned utilities (the percentage of houses connected to a safe water network, connection to a sanitation network and connection to an electricity network), **the fifth** related to the education of the households' members literacy rate and enrollment rates), **the sixth** focused on employment (unemployment rates, the percentage of permanent workers, of casual workers and of temporary workers)

The Poverty Map and the Poorest 1000+ Villages Program

The National Project for Targeting Needy Rural Households has relied upon "the Poverty Assessment Report in Egypt" issued in mid-2007 by the Ministry of Economic Development, in collaboration with the World Bank, (**Ministry of Economic Development of Egypt, 2007**). This report included a presentation of a 'Poverty Map' in Egypt. It provided detailed information about the determinants behind the low standard of living and high rate of poverty, in addition to related indicators at the smallest administrative local unit (village and district). The map can help combat poverty and raise the efficiency of public expenditure through the accurate targeting of poor areas and by identifying their actual needs as well as reducing the leakage of benefits to the non-poor.

According to the poverty map issued by the Ministry of Economic Development the number of poorest villages has reached 1141, spread over ten governorates (Menia, Suhag, Asyut, Qena, Sharkia, Behera, 6 October, Helwan, Beni Suef and Aswan).

Poverty criteria of the Village Community

Households are classified according to the degree of poverty, into four groups namely, the extremely poor, the poor, the near poor, and non-poor. Each group has specific characteristics that determine the size and the quality of the benefits that they will get. For example, the characteristics of extremely poor households (in rural and urban areas) are: (1) Family members are five or more (rural area), and six or more (urban area); (2) The percentage of working individuals is less than 25%; (3) Rooms per capita are less than 50%; (4) Household head does not have social security; (5) There is no private bathroom; (6) The electricity bill is less than 15 EGP (rural areas), and less than 20 EGP (urban areas); (7) There is no landline telephone; (8) The household does not live in an independent apartment or a rural house built of red brick or better (in rural areas); (9) The head of the household does not have a permanent job or is illiterate (in urban areas). In line with this project, the Ministry of Social Solidarity is in the process of reformulating the social services and programs and activating the role of social services centers in addition to maximizing the role of social researchers in order to improve the effectiveness of targeting.

The Profile of Rural Poverty in Egypt

The total population of the poorest villages in Egypt reached about 11.8 million people. More than 1.1 million poor households live in these villages with 5.3 million poor people, representing about 45% of the population there. Almost three-quarters of the poor are concentrated in the three governorates of Menia, Suhag and Asyut.. The number of poor in these villages represents about 54% of the total of Egypt's rural poor and about 42% of the total poor population of Egypt. The poor in Upper Egypt account for about 95% of the total poor in the poorest 1000+ villages. The analytical results are summarized in (**Table 2**)

Egypt's poverty map also provided ample evidence for high levels of discrimination across the rural areas themselves. The 1000 poorest villages (out of Egypt's total number of 4,700 villages) account for as much as 54% of the total number of rural poor in Egypt (**Table 2**). This is largely a result of the unequal distribution of public goods including physical infrastructure (water, sanitation and roads) as well as public services, namely education and health facilities.

Table 2 The poorest Villages in Egyptian Rural

Governorate	No. of Villages	Population	% of Population	Number of the poor	% (Poor/ Total poor)	% (Poor/ Population)
Asyut	236	2530302	23.74%	1436795	29.45%	56.78%
Suhag	271	2733101	25.64%	1268608	26.00%	46.42%
'Menia	365	3049039	28.60%	1270324	26.04%	41.66%
Qena	150	1497021	14.04%	587743	12.05%	39.26%
Sharkia	74	606968	5.69%	227576	4.66%	37.49%
Aswan	4	6518	0.06%	2391	0.05%	36.68%
6-Oct	8	46656	0.44%	17109	0.35%	36.67%
Helwan	10	86945	0.82%	31702	0.65%	36.46%
Beni Suef	13	86807	0.81%	31162	0.64%	35.90%
Behera	19	16406	0.15%	5839	0.12%	35.59%
Total	1150	10659763	100.00%	4879249	100.00%	45.77%
Lower Egypt	93	623374	5.85%	233415	4.78%	37.44%
Upper Egypt Helwan & 6October	1039 18	9902788 133601	92.90% 1.25%	4645834 48811	95.22% 1.00%	46.91% 36.53%

Source: The Egypt Human Development Report (2010) on "Youth in Egypt: Building our Future" executed by the Institute of National Planning, Egypt, with the United Nations Development Program, project document EGY/01/006 of technical cooperation.

Povrty among Rural Youth

It should be mentioned that the bulk of poor in Egypt is concentrated among youth. According to **SYPE (2010)**, whereas rural youth account for 59% of Egypt's total youth, they account for 85% of Egypt's poor youth. Therefore, that being poor is very much a characteristic of residing in rural Egypt and thus having less access to public goods and services. Lack of access to schooling in turn becomes a major determinant of low quality work opportunities throughout life and thus the poverty cycle reproduces itself (**Smith, C., and Rees, G., 2003**)

Establishment of the Institutional Framework of the National Project

Since the completion of the Poverty Assessment Report in 2007, the Government of Egypt has been working on a development plan that aims at implementation of the 'National Project to reduce poverty in the 1000+ poorest villages (**UNDP, 2010**). A ministerial group for social development was formed in 2007. It includes the Ministers of Housing, Utilities and Urban Development, Environment Affairs, Social Solidarity, Education, Higher Education, Health, Transport, Local Development, and the Secretary of the Social Fund for Development. The group aims at coordinating the design and implementation of the projects between different ministries whose missions are to upgrade service delivery in the villages covered by the project. Moreover, new partners were added to this group in 2009, namely the Ministry of Family and Population, the National Youth Council, the National Sports Council, the General Authority for Literacy and Adult Education, and the National Post Authority.

The philosophy of geographic targeting is to achieve a qualitative leap in the standard of living of citizens through state intervention via an integrated and comprehensive upgrading of public services in the targeted villages. Given the strong relationship between public services and poverty, the approach is to break the vicious cycle of poverty by removing those poor infrastructure conditions that perpetuate it.

Implementation of the National Project

For Geographic targeting it is planned to implement this national large expanded project in three phases.

Phase 1: the development of 151 villages and 750 Hamlets in 6 Governorates

These villages include nearly 1.5 million people and are located in 24 local units (between 3 to 5 villages in each local unit) spread across six governorates (Menia, Asyut, Suhag and Qena, Sharkia and Behera). Implementation of this stage will take 3 years. Each village includes the surrounding hamlets that belong administratively to that village. The hamlets are small villages (communities) as satellites of a mother (large) village.

The development of these villages is carried out through 12 developmental interventions: (1) Activating the participation of civil society organizations in every local unit to assist in the implementation of housing and waste recycling projects; (2) Providing beneficiary households at a rate of 20 housing units for each village from within the 'National Project for Housing'; (3) Improving the drinking water and sanitation services through the establishment or expansion and renovation of water networks and stations, (4) lifting and processing stations for sanitation and home connections; (5) Developing an integrated system to deal with the problems of collection and recycling of solid waste, and the clearance of canals and drainage canals; (6) Establishing a fire fighting and civil defense center and providing a fire truck in every local unit, (7) Training of selected citizens on the work of firefighting and civil defense, (8) Upgrading the health units, providing equipped ambulances, organizing the medical convoys, and providing qualified medical crews; (9) Improving the quality of basic education by developing or establishing new schools and training teachers; (10) Expanding the coverage of social security and social services and providing a social worker for every 50 to 70 households; (11) Eliminating the illiteracy of the 15-35 years age group by making the education faculties in regional universities assume the task, associated with preparing trainers and training courses and with the support of the Adult Literacy Authority through providing the classrooms, textbooks and training assistance, and to conduct the exams (12) Providing employment opportunities for young people.

Phase 2: Developing another 912 villages in Additional 4 Governorates

These villages belong to 43 centers distributed over four governorates (Menia, Asyut, Suhag and Qena). The implementation of this phase will take three years. This will be achieved through 8 interventions as follows: (1) Activating the participation of civil society organizations to assist in the implementation of the project; (2) Paving and lighting the entrances to villages; (3) Improving environmental conditions and dealing with solid waste; (4) Improving the health, paramedic and emergency services; (5) Enhancing the quality of basic education; (6) Expanding the coverage of social security and social services; (7) Construction of houses for the most vulnerable households at a rate of 20 houses per village; the programs and projects during this stage will be financed through the allocations provided for in the state investment budget in collaboration with civil society organizations, businessmen, and the private sector, (8) A pilot project in one village of each governorate of Sharkia, Asyut and Behera will train youth on construction and building skills (carpentry, plumbing, etc.) through training centers of the Central Agency for Reconstruction.

Phase 3: Developing 78 villages in Another 4 Governorates

The implementation of this phase will begin within one year of the start of implementation of the second phase. It expands to the poor villages in Helwan, 6th October, Beni Suef and Aswan. The development interventions will be a package of the dimensions cited under phases one and two.

National Project's Funds, time schedule and Limitations

Overall, success or failure in applying programs for the 1000+ poorest villages in Egypt will rest on the ability of all parties to sustain the financial requirements necessary for this huge and ambitious project in all its phases. It will also require a high degree of coordination amongst all ministries and government bodies involved. The estimated cost of the project during the first phase amounts to about billion Egyptian pounds (EGP), which will be funded from the allocations provided for in the state investment budget and distributed over the following ministries and agencies: Housing, Health, Education, Transport, Environment Affairs, Social Solidarity, Local Development, Social Fund for

Development, the Adult Education Authority, the National Youth Council, and the National Sports Council. The Ministry of Housing alone holds nearly 68% of the total estimated cost for this phase. The average cost share of each governorate varies according to the number of (the poorest) villages that it includes and the priorities of those villages' needs from different services.

The allocations amount to 733, 552, 612, 665, 837, and 467 million EGP for each of the governorates of Menia, Asyut, Suhag, Qena, Sharkia, Behera, respectively; this is besides an additional amount of 365 million EGP which includes 160 million EGP to cover drains and 205 million EGP as the cost of buying land distributed over the governorates.

The implementation of the first phase of the project started in October 2008, and it is planned to be completed within two years starting from the financial year 2009/2010. The executive position of various ministries and agencies showed that the implementation of several projects in various domains has been completed during this phase. However, the problem of land allocation in the targeted villages is still the main obstacle to the implementation of various projects during this phase. It is expected that 158 projects in the first phase of the program in housing and sanitation, health, education, environment, youth and sports will be completed in 2009-2010, besides commencement of work in about 350 additional projects, to be completed successively during the period of implementation of the program (UNDP, 2008).

Lessons from the EU's Rural Development Policy

The rural development policy in the EU has developed over the past thirty years into a consistent and coherent framework. One of the key elements in this framework is the instrument of *conditional income support targeted groups* (Kruseman, G. and Vullings, L.A.E (Eds), 2007) The income support is conditional on the compliance with rules, regulations, and indicators for public objectives. In other words, specific farmers are remunerated for providing environmental, socio-cultural services and other public goods.

The Common Agricultural Policy (CAP)

It was initially developed in the 1960s to ensure adequate food production by supporting farm households with production related subsidies. As agricultural productivity increased in the European Economic Community (EEC) the CAP led to production levels above and beyond the levels required by the internal market of the member states. At the same time differences in rates of development were becoming apparent in different parts of the community. Therefore, in the mid 1970s the first initiative was developed to protect farmers in less favored areas (LFA) via a main objective and two sub objectives *The main objective* was to 'ensure the continuation of farming, through (a) 'Maintaining a minimum population level', (b) 'Conserving the countryside'.

This objective was designed to address a number of needs, specific to certain *Least Favorable production conditions' Areas* (LFA). Since its introduction in 1975, the objectives of the LFA measure have evolved, reflecting a shifting of social and environmental needs in less favored areas, and a changing in the set of priorities. While *the social need has lessened*, and the measure was no longer seeking to address rural population, the concern for the maintenance of a certain type of agricultural land use and environmental protection has increased.

Furthermore, with successive amendments, member states are now responsible for fixing the levels of compensation, defining the types of production to be covered by the scheme, and modifying LFA boundaries. Therefore, in many countries additional national or regional objectives are pursued over time, due to considerable disparities between member states in terms of the area classified, the level of payment per beneficiary, and the effects of the measure on farm incomes with implications for its effectiveness and efficiency have emerged.

The measure of most recent council regulation is the contribution to *'maintaining the countryside'*, through the continued use of agricultural land, and also to *'maintain and promote sustainable farming systems'*. Farmers were to be compensated not to bring their incomes up to a given level, such as those outside the LF A, but in order to secure the continuation of appropriate agricultural management. In general, targeted subsidies in the EU have moved from production

oriented subsidies towards income support to bring targeted rural incomes up to a given level.

In principle, the EU Regulation on LFA(s) provides a flexible framework for an efficient system of targeted compensatory payments. The present combination of classification criteria, eligibility rules and payment structures at Member State level, results in payments being geared towards specific needs.

Multidimensional compliance

At present income support in the EU is strongly linked to the notion of "Multidimensional – compliance", through certain rules relating to agricultural land and to agricultural production and activity in the areas of the public goods, animal and plant health, animal welfare and good agricultural and environmental condition. This link is expressed in concrete terms in the possibility, if the rules are not respected, full or partial reductions of certain EU agricultural payments would be applied. *The reductions shall be based on the severity, the extent, the permanence, the repetition and the intentionality of the non-compliance.*

There is now a growing body of opinion that agricultural payments should no longer be granted to farmers who fail to comply with basic rules in certain important areas of public policy. To provide target groups with additional funds as part of their livelihoods are available on condition that the beneficiaries comply with certain well-defined rules related to the objectives of the public entity providing the funds. These objectives are: (1) to contribute to the development of sustainable agriculture. This is achieved through when the farmer respects the rules relating to the relevant aspects of "Multidimensional –compliance. (2) To make the Common Agricultural Policy of the EU (CAP) more compatible with the expectations of society at large

The primary reasons to apply such an instrument as part of a rural development and agricultural sector policy are:

- (1) Support the target groups without introducing subsidies that have a too large distortion effect on markets.
- (2) Payment for non-tradable environmental and socio-cultural services.
- (3) Public-private partnership in achieving public goals through private benefits entails the provision of public goods.

Although the idea is to introduce support in a way that is not market distorting, there always remains an important risk in this respect. Especially in the absence of well defined non-tradable environmental and socio-cultural services that are provided in return for the income support. This is why these main reasons must coincide in order for effective income support to come into place.

Effective Implementation Of conditional income support

The target groups should be very clearly defined. Potential eligibility is defined by criteria defining the target group as follows:

1. Clear ex-post conditions should be well defined as the target population has to meet in order to receive the income support.
2. Clearly defined legal framework required in order for this type of innovative policy instrument to function properly.
3. Clearly defined operational rules as the methods by which compliance with the conditions for the income support can be monitored and controlled; it is one of the most crucial components of the operations.
4. Consistency across levels of aggregation to take into account while trying to solve (conflicting) social, economic and environmental problems using an instrument aimed at individual or groups of households. There are the general policy goals that are set at the highest level. At a more decentralized level there are specific additional conditions at member states level. These conditions must be consistent with the aims of the measure.
5. Appropriate incentive structure of participation for effective use of the instruments. In order to prevent land abandonment in LFA, payment was linked to continued agricultural land use. In places where management of the rural landscape was more important, payments were linked to good

agricultural practices.

6. Provision of essential services that avoid underlying problems of inadequate provision of either public or private services. Lack of such provision might drive farmers to undesirable practices from society's point of view.

Strategy and Recommendations towards Rural Development

Income is only a mean to reduce poverty and not its end (**UNDP, 1990**) Therefore, to induce successful strategy for rural development must recognize three points. *Firstly*, the rate of transfer of people out of low productivity of agriculture and related activities into more rewarding levels would be slow; and, given the relative size of the modern sector in most developing countries, it will remain slow. *Secondly*, the mass of the people in the rural areas of developing countries face varying degrees of poverty, their position is likely to get worse if population expands at unprecedented rates while limitations continue to be imposed by available resources, technology, and institutions and organizations *Thirdly*, rural areas have labor, land and at least some capital which, if mobilized, could reduce poverty and improve the quality of life (**El Hydari, A. R., 1998**). This implies fuller development of existing resources, including the construction of infrastructure such as roads and irrigation systems, introduction of new production technology, and the creation of new types of institutions and organizations.

Rural Development is concerned with the modernization and monetization of rural society, and with its transition from traditional isolation to integration with the national economy. Since rural development is intended to reduce poverty, it must be clearly designed to increase production and raise productivity. However, improved food supplies and nutrition, together with basic services such as health and education, cannot only improve the physical well-being and quality of life of the rural poor, but can also indirectly enhance their productivity and their ability to contribute to the national economy (**Bush , R., 2007**)

The rural development is a strategy designed to improve the economic and social life of a specific group of people-the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless. Therefore, the objectives of rural development,, extend beyond any particular sector They encompass improved productivity, increased employment and thus higher incomes for target groups, as well as minimum acceptable levels of food, shelter, education and health. To achieve such goals a national program of rural development should include a mix of activities, including projects to raise agricultural output or to create new. Such a program might be made up of single-sector or multi-sectorial projects, with components implemented concurrently or in sequence. The components and phasing must be formulated both to remove constraints and to support those forces, prevailing in the target area, which are favorable to development (**World Bank, 1975**)

Rural Development Programs influence rural people's livelihoods patterns. These patterns are :**environmental**, including soil erosion, water supply, forest cover, **economical**, including work opportunities, income, costs of living, **social**, including culture, access to health care and education, **institutional**, including farmers' organizations, women's groups, political leadership. Therefore the focus should be on understanding these patterns within a particular community, and how they interact with the intermediate- and macro-level patterns (**Wilde, V. (2001)**)

The human development concept enveloped the rural development with a broad concept implies to enlarge the rural people choices and focusing on human resource development and the ultimate beneficial of its fruits (**UNDP, 1990**). Accordingly, there are three issues to be considered for rural development planning. *First*, explicit attention is given to the linkages among economic, environmental, social and institutional patterns that together constitute the development context. *Second*, understanding gender, wealth, caste and other social differences in communities should be considered as fundamental to understanding livelihood strategies and development priorities. *Thirdly*, planning for the future should stand on the analysis of the current situation and should stems from

incorporating ideas and methods from rural people who share a commitment to participatory development (**Assaad, R. El Badawy, A., 2004**).

As, the onset of this century enveloped all development concepts under sustainability, which hypnotizes that the development objective should seek to produce sustainable economic growth while ensuring future generations' ability to do the same by not exceeding the regenerative capacity of the nature. In other words, sustainable development is a pattern of resource use that aims to meet human needs while preserving the **environment** so that these needs can be met not only in the present, but also for future generations. The term was used as **development** that "meets the needs of the present without compromising the ability of future generations to meet their own needs (**United Nations, 1987**)

References

- Adams, R., H. (1991) "The Economic Uses and Impact of International Remittances in Rural Egypt" *Journal of Economic Development and Cultural Change*, Vol. 39, No. 4 (Jul., 1991), pp. 695-722
Published by the University of Chicago Press, URL: <http://www.jstor.org/stable/1154591>
- Assad, R. El Badawy, A (2004) "Private and Group Tutoring in Egypt: Where is the Gender Inequality?", *Proceedings of ERF 11th Annual conference on : Post Conflict Reconstruction*, Beirut, Lebanon, 14-16 Dec.
- Bush , R. (2007) "Politics, power and poverty: twenty years of agricultural reform and market liberalization in Egypt", *Third World Quarterly Journal*, Volume 28, Issue 8, P. 1599 – 1615
- El hydari, A.R., (1998) "Criticizing View and Perspective View on: SHROOK project", *Symposium of Rural Development: Between the Past, Present and Future*, Center of Rural development, in Bourg El Arab, Alexandria, Egypt (in Arabic).
- Hassan, M., (2003) "Role of Agricultural Policies on Support of Economic Development in Egyptian Rural" *Egyptian J. of Agric. Econ.*, Issued by the Egyptian association of Agricultural Economics, Vol. 13, No. (4)
- Hazell, P., Perez, N., Siam, J., and Soliman, I. (1995) "Impacts of the Structure Adjustment Program on Agricultural Production and Resource Use in Egypt", IFPRI, EPTD, Paper No. 10, Wash. D.C., USA
- (ILO) International Labor Organization of the United Nations and Ministry of Manpower and Migration of Egypt, (2010) "Egypt Youth Employment National Action Plan 2010-2015", <URL:<http://www.ilo.org/public/english/region/afpro/cairo/downloads/>>
- Kruseman, G. and Vullings, L.A.E (Eds) (2007) "Rural Development policies towards 2025: targeted conditional income support: a suitable option?" *Alterra-rapport 1526*, ALTERRA - Research Institute for the Green World, DLO Research Program for LNVSubtheme: International cooperation (BO-10)
- Ministry of Economic Development of Egypt (2007) "Poverty Assessment Update of Egypt" (Two Volumes), Social and Economic Development Group Middle East and North Africa Region of the World Bank, Report No.39885–EG)September 16, 2007,
- Moharam, I. (1990) "Rural Development" *Cooperative Educating Series*, Omer Lofty Center for Cooperative Training, Ismailia, Egypt (in Arabic)
- Smith, C., and Rees, G. (2003) "Economic Development", 2nd edition, Basingstoke Macmillan
- SYPE: Survey of Young People in Egypt: Preliminary Results (2010), which was conducted in April 2009 by National Population Council of Egypt.
- United Nations (1987), "Report of the World Commission on Environment and Development, General Assembly Resolution" 42/187, 11 December 1987. Retrieved: 2007-04-12
URL:<http://www2.alterra.wur.nl/Webdocs/PDFFiles/Alterraraapporten/AlterraRapport1526.pdf>
-) UNDP) United Nation development Program, UN" (1990) *Egypt Human Development Report on: Concept and Measurement of Poverty*, New York, USA
- UNDP) United Nations Development Program with the Ministry of Economic Development of Egypt (2008), "The follow-up report of the implementation of the Millennium Development Goals"
- (UNDP) United Nations Development Program and the Institute of National Planning, Egypt (2010) "EHDR 2010" *Egypt Human Development Report of 2010 on Youth in Egypt: Building our Future* the project document EGY/01/006.
- (VCDD) Village Development and Building up Device (2004) "A study on the Impact of SHROOK Program on Livelihood in Rural Regions of Egypt", Modern Cooperative House Press, Cairo, Egypt, March, 2004
- Wilde, V. (2001) "SEAGA Field Handbook" Prepared in collaboration with the Socio-economic and Gender Analysis (SEAGA) Program, Published by Women and Population Division, FAO, Food and Agricultural Organization of United Nations) Rome, Italy, 131 Pages.
- 1World Bank, (1975) "Rural Development" *Sector Policy Paper*, No. 10272, Wash Dc. USA, URL: <http://go.worldbank.org/QJTVRCZK10> Washington D.C., USA

