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IICA and the new paradigm for agriculture

- **Global economic crisis and agricultural trade: winners and losers**
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IICA's commitment to the new paradigm for agriculture in the Americas

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The role of agriculture

We have seen that the agricultural sector has the capacity to overcome some of the most pressing problems of this century: poverty, hunger, inequality and climate change. We have also seen, with great sadness, how a society that is hungry can easily fall prey to instability and become ungovernable. Agriculture, in this context, continues to be the most important

economic activity in most of the rural territories of the Americas and is the cornerstone for achieving overall rural well-being.

During the most recent crisis, this sector performed well. Investments in the production of food and raw materials, as well as in the value chains of agriculture, are surely paying off for those who did

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► *This new paradigm for agriculture calls for a collective consciousness with a comprehensive, inclusive and harmonious vision to promote the participation of all, drawing on experiences derived from the actual conditions in the countries of the hemisphere.*

not hesitate to bet on agriculture in Latin America and the Caribbean.

In addition to being good business, we cannot overlook the fact that agriculture has a social responsibility to deal with the poverty and inequality that affect most of the countries of the hemisphere and are more evident in the rural sector (Table 1). More than 60% of the poor in the region live in rural areas, which is why an investment in agriculture is also an investment in those sectors with the greatest needs.

The challenge for the governments of the Member States and for the international institutions that support them is very clear: we must produce more, and more effectively, in the countryside and we must incorporate more and more segments of the population into agricultural value chains and increase their incomes. We must assume this commitment to the objectives of agricultural and rural development, aimed at making agriculture in the Americas competitive and sustainable.

A new paradigm for agriculture

The world needs a new paradigm that will make agriculture more efficient and competitive, ensure the sound use of natural resources and include

Table 1. Latin America: national poverty by geographic area

Years	National poverty	Total urban area	Total rural area
1980	40.5	29.8	59.8
1986	43.3	35.5	59.9
1990	48.3	41.4	65.4
1994	45.7	38.7	65.1
1997	43.5	36.5	63.0
1999	43.9	37.2	63.7
2002	44.0	38.4	61.8
2005	39.8	34.1	58.8
2006	36.3	31.0	54.0
2007	34.1	28.9	52.1
2008	33.0	27.6	52.2

Source: CEPALSTAT (ECLAC, Statistics and Economic Projections Division, Social Statistics Unit), based on special tabulations of household surveys of the respective countries.

small-scale agriculture in its benefits. This new paradigm for agriculture calls for a collective consciousness with a comprehensive, inclusive and harmonious vision to promote the participation of all, drawing on experiences derived from the actual conditions in the countries of the hemisphere. This new paradigm considers the following variables:

- Today's world demands a **“modern multilateralism”** based on a common agenda, the commitment of “our countries to common standards in

► *The world needs a new paradigm that will make agriculture more efficient and competitive, ensure the sound use of natural resources and include small-scale agriculture in its benefits.*



terms of democracy, human rights, security and development,” and the formation of “networks and mechanisms to support it.” We view international cooperation as a public good to be offered to all with no strings attached and delivered in a timely and effective manner to solve the most important problems in each of the countries. It also facilitates the adoption of other more far-reaching bilateral, regional or hemispheric strategies which should be focused on strengthening rural areas, as the best place to display fairer agricultural policies for their inhabitants.

- **Agriculture is and will continue to be a matter of strategic importance** for all countries and their societies regardless of level of development or economic conditions. However, it is necessary to recognize that the paradigm of the Green Revolution, which has served as the foundation for agricultural production in recent decades, has just about run its course.
- If agriculture is to be a catalyst for development, **sound public policies**, better practices and, above all, **more investment in the sector** will be needed. We must not only increase investment in agriculture and rural areas, making it more efficient, but also reduce poverty while increasing production.
- As regards priorities for investment, appropriate **technology and its application** must top the list. It is clear that the gap between low-income and middle-income countries vis-à-vis investment in agricultural research

is widening. It is unfortunate that countries with higher levels of poverty also are those with the least capacity to engage in research and technology development, which has repercussions for the levels of innovation required in agriculture, necessary not only to feed more than 9.2 billion people expected to be living in the world in 2050, but also to improve the quality of life for more than 600 million people in developing countries who will continue to suffer from hunger in 2015 (even if the Millennium Development Goals are achieved).

- As the population grows, **food and nutritional security** will continue to be the focus of attention of national and international policies in coming years. Indeed, the situation may become worse in the future if long-term production policies do not offer vigorous solutions to make food both more available and more affordable for the population. The region of the Americas has the potential (natural resources and biodiversity) to tap into the global need for greater amounts of food and raw materials. Our agricultural sectors face a daunting challenge; they must seize the opportunity to become a strategic source of global food security.
- If we hope to reap the benefit of today's **opportunities** and continue to be a region whose countries have the potential to guarantee food security, we must make a greater effort to increase yields by making sound use of water and soil. We must not

lose sight of the fact that agriculture is the economic activity most clearly interwoven with the existence and availability of **natural resources and suitable climatic conditions**. Paradoxically, the predominant production models have a negative impact on the environment, and in turn, the changes in the environment affect agricultural production. These two situations, reduced availability of resources and greater climatic variability, place agriculture at a crossroads and under pressure to find new ways of producing that can coexist with climate change and are environmentally friendly.

- It is important to develop the **huge agricultural** market our continent can become; taking advantage of hemispheric interaction; eliminating domestic inequalities and regional asymmetries; providing opportunities for all; bringing more investment to the sector; and increasing

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institutional capabilities. Likewise, in this huge market, all must be capable of participating actively and narrowing the gap via collaborative strategies among the different sectors, with a view to offering opportunities for growth to the most vulnerable segments of our populations.



It is necessary, therefore, to have national policies for agriculture and rural development in which public and private actors, the academic sector and civil society can join forces and work together under the new paradigm, avoiding short-term, fragmented and unsustainable approaches.

- Countries need to develop their agriculture in ways that are more **competitive and inclusive**, capable of increasing the food supply while becoming more economically

efficient; strengthening agricultural systems so that they can meet demand in terms of quantity, quality and timeliness; ensuring that all segments of society, producers or consumers, enjoy its benefits; and being sustainable and adapting to a broad range of variable conditions. To accomplish this, it will be necessary to develop comprehensive policies aimed at improving equity and the quality of life, accompanied by inclusive strategies that promote the development of capabilities of the rural milieu and the participation of the public and private sectors.

Challenges of the new paradigm

Given the variables set out in the preceding section, IICA has decided to work on a common agenda, which calls on the countries:

- To assign agriculture a key role in the development policies, in order to make the sector more productive
- To maintain their commitment to food security
- To increase investments in agricultural research by generating appropriate technologies and innovations needed to achieve higher levels of productivity, value added and income in the countryside
- To strengthen inclusive rural development policies
- To assume the commitment to defend sustainable development models
- To include the topic of agriculture on the foreign policy agendas through a network of cooperation of greater use in achieving the development goals we all share.

It is necessary to call attention to the fact that for our peoples, it is very important that we shift from the concept of “agricultural policies” to one of “policies for agriculture.” In other words, we need to adopt a broader vision that goes beyond what is traditionally considered “sectoral.” This is why we have insisted

that policies for an agricultural sector that is competitive, inclusive and sustainable cannot be considered the sole responsibility of the ministries of agriculture, but rather of all sectors and actors involved. It is necessary, therefore, to have national policies for agriculture and rural development in which public and private actors, the academic sector and civil society can join forces and work together under the new paradigm, avoiding short-term, fragmented and unsustainable approaches.

Reduced availability of resources and greater climatic variability, place agriculture at a crossroads and under pressure to find new ways of producing that can coexist with climate change and are environmentally friendly.



IICA will play an influential role in the development of a new paradigm for agriculture, for the purpose of responding to the slow demise of the post-Green Revolution model and to the growing demands that will put food security and the quality and availability of natural resources at risk in coming decades. Investment, the development of appropriate technologies, the inclusion of small-scale producers, good agricultural practices, etc., will be key factors in developing this paradigm for development for the general well-being of the Americas.

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