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CURRENT AND EMERGING ISSUES IN AGRICULTURAL AND RURAL DEVELOPMENT**ORGANIZER WILLIAM H. MEYERS (ITALY)****RAPPORTEUR KOSTAS STAMOULIS (ITALY)**

The mini-symposium discussed the results and implications of papers commissioned by FAO on contemporary agricultural and rural development, poverty and policy issues. The purpose of the project was to call attention to policy research needs that any government, academic or research institution dealing with food and agriculture (including FAO) could be interested in pursuing. The general format of the papers includes a review of the state of knowledge on each topic under study and the identification of issues for further research. The topics and authors of papers discussed were as follows:

Simon Maxwell and Robin Heber Percy, 'New Trends in Development Thinking and Implications for Agriculture' (discussed by Kostas Stamoulis in the absence of the authors);

Assefa Admassie and Joachim von Braun, 'Market Oriented Reforms, Poverty and Income Distribution : A Review with Special Reference to Agriculture and the Rural Sector';

Alberto Valdés and Johan Mistiaen, 'Rural Poverty in Latin America: Recent Trends and New Challenges';

Pranab Bardhan, 'Institutions, Reforms and Agricultural Performance' (discussed by Kostas Stamoulis in the absence of the authors).

Maxwell and Percy reviewed the current consensus (or conventional wisdom) with respect to 'food agriculture and rural development' (FARD) among major contributors in the policy debate (FAO, World Bank, IFPRI), looking at the relationship with more general themes in current thinking about overall development. Future research on FARD should emphasize (a) the non-material dimensions of (rural) poverty and social vulnerability, (b) the role of informal social protection systems and the more effective use of 'rights' approaches, (c) the impact of globalization on rural dwellers and on global public goods, (d) the pace and sequencing of liberalization (market and institutional reforms) and (e) the identification of successes and failures in applying the new 'instruments' or 'technologies' of aid and donor-recipient partnerships.

Admassie and von Braun dealt with the rationale, origin and major typologies of market-oriented reforms affecting agriculture and the rural sectors in different contexts (that is, in 'traditional' developing countries and those of 'transition economies'). The topics suggested for further investigation are (a) the role of institutions governing input and output markets, (b) the functioning of rural capital and labour markets for determining the pace of reforms, (c) identifying the new risks introduced by market reforms and the appropriate risk instruments to deal with them, (d) the new partnership arrangements between the state and the private sector in a more liberalized economic system, (e) the role of a more effective participation of the practitioners of policy in the poverty reduction debate, and (f) the renewed importance of good governance, participation and empowerment and necessary reforms in governance structures.

Valdés and Mistiaen reviewed poverty and inequality measures and discussed the patterns characteristic of the rural poor, pointing out their extreme variability with respect to location, occupation and income sources, demographic and other household characteristics. Proposed elements of a future research agenda are (a) who the poor are and why they are kept in poverty, (b) the role of non-farm rural activities and how to promote them in areas where the poor live, (c) the special conditions of women and indigenous groups, (d) the poverty-resource degradation nexus, (e) getting a rural rather than agricultural focus on the analysis of poverty, (f) implications of decentralization, and (g) the role and functioning of rural factor markets.

Bardhan examined the general issue of institutional development in developing countries in facilitating or impeding development. The research agenda includes (a) comparative-historical studies identifying which institutional arrangements can account for the differences in country performance, (b) the gender dimensions of agricultural reform, (c) the role of intellectual property rights in affecting agricultural growth, (d) the importance of redistributive conflicts and their impact on growth and productivity enhancement, and (e) the importance of institutional mechanisms for water distribution and pricing.

On the 'development' issue, additional research topics were the multifunctionality of agriculture, ways by which international public goods should be funded, and government decentralization and what it implies for rural poverty alleviation. On globalization, one should not only concentrate on the potential dangers to the poor of increasing integration but also look at the potential benefits deriving from the fall of information barriers, the possibility for greater technological transfers through foreign direct investment, and potential benefits associated with migration. The public-private sector debate highlighted ways in which cooperation could be used to channel benefits of biotechnology to the developing countries, especially to poorer farmers. On the question of aid, participants noted that it now represents a declining share of total transfers to developing countries. Regarding poverty and environmental/resource degradation, the identification of the 'correct discount rate' is essential, since the market interest rate is a distorted proxy of the discount rate.

There was a lively debate on poverty, revealing an urgent need to concentrate efforts on the 'food insecure' segment of the poor and to translate poverty alleviation into relief of food insecurity. Should anti-poverty measures be

incorporated into adjustment packages or should they be taken as 'parallel measures' to reform programmes in order to buffer their potentially adverse effects on the poor? Poverty and income distribution issues should not be confused, as relationships between them are complex and need to be separated. The capacity of individual governments to design poverty reduction schemes should be carefully examined. Complex programmes can fail owing to institutional weaknesses on the part of the implementing governments. The issue of the efficiency of public services in reaching the poor was also raised. The rate of return to investment in education, for example, is said to be very low in agriculture, implying that education may increase returns to labour only for those who migrate from rural areas.

There was also a substantial debate on the 'processes of poverty', which, some feel, is the real issue in poverty research. For instance, what creates a poverty trap? Are labour and land market rigidities important? To what extent is lack of education an issue? What makes for differences among farmers in terms of their resilience to shocks, especially when returns on assets are often low in the first place? What are the effects of risk and fluctuations on poverty? There is a lack of research on most of these issues and an urgent need exists for more knowledge.