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Six characters (and a few more) in search of an author: how to rescue rural development before it's too late

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Abstract

Rural development has not received the priority and attention warranted by the present and future concentration of poverty in rural areas. Is this perhaps because rural development agencies present conflicting narratives? A framework is presented within which to answer that question, and is then applied to the recent policy statements of the European Union (EU), Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), and the World Bank. Each policy statement is compelling in its own way, but the strategies are not consistent. A narrative is needed, which recognizes the rapid pace of change in rural areas, acknowledges the need for diversification out of agriculture, builds market institutions for growth, and works effectively within the current international consensus on poverty reduction, emphasising opportunity, empowerment, and security.

JEL classification: Q15

Keywords: poverty; agriculture; rural development; policy; aid

1. Introduction

In Pirandello's play, "Six characters in search of an author," the director is mustering his actors for a rehearsal, when six "characters" burst into the theater, and demand that he assemble a play from their experience. The director is intrigued. He calls for scenery, props, and paper. He instructs his actors to observe. The characters lay out their lives. But the project is not so easy. The characters argue. They have different perspectives, different stories. There is no coherence. At the end of the play, the director loses patience. In almost its last line, he shouts out in exasperation: "You can all go to Hell, every last one of you" (Pirandello, 1995, p. 65).

In this little parable, we can identify the "director" as the international development community, especially governments and donors. The "characters" are the rural poor, or perhaps the agencies that speak on their behalf, each with its own priorities and institutional

interests. And the director's last line is the response of the development community to requests for more attention and more resources for rural development. The sentiment is not expressed quite so brutally, to be sure, but is no less real: funding for rural development has fallen by two thirds in ten years (IFAD, 2001, p. 41); in the latest round of country strategy papers prepared by the EU, committing 7.4 billion euros, agriculture and rural development account for only 7.8% of the total;¹ in general, "Poverty Reduction Strategy Papers," the new vehicle for development policy at country level, are weak when it comes to rural development (Cord, 2002). Meanwhile, 75% of the poor are to be found in rural areas, and this is likely to continue (IFAD, 2001, p. 15).

Should we blame the director for this state of affairs, or should we blame the characters? In Pirandello's case, we might well argue that a competent impresario should happily engage with a tapestry of competing narratives. In the real world of rural

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¹ Social infrastructure accounts for a further 5-6% and food aid for about 2% (Philip Mikos, pers. comm.).

development, however, the characters cannot so easily be forgiven. Is there not a risk that they have damaged their case by pursuing conflicting paths to the reduction of rural poverty?

That is the charge we need to explore. Diversity is often desirable, we know that, not least in rural development (Chambers, 1993). But debate and diversity may do us no favors when they present policymakers and funders with conflicting messages.

There is a reason, and it can be found in the literature on how policy is formed. Policy making is not a simple, logical, linear process. As Clay and Schaffer (1986, p. 192) remind us, "the whole life of policy is a chaos of purposes and accidents." In simplifying the process, an important part is played by "policy narratives" (Roe, 1991). Never mind that narratives are sometimes wrong and often contested (Leach and Mearns, 1996; Keeley and Scoones, 2003). Roe is surely right when he observes that

Rural development is a genuinely uncertain activity, and one of the principal ways practitioners, bureaucrats and policy makers articulate and make sense of this uncertainty is to tell stories or scenarios that simplify the ambiguity (1991, p. 288)

There have certainly been powerful narratives about rural development in the past. Ellis and Biggs (2001, p. 441), for example, observe that

in retrospect, it is evident that one major body of thought, albeit with plenty of side-excursions and add-ons, has dominated the landscape of rural development thinking throughout the last half-century. This is the "agricultural growth based on small-farm efficiency" paradigm.

Ellis and Biggs (2001) go on to review other approaches, including the process approach most strongly associated with Rondinelli (1983), and a variety of versions of the livelihoods framework (Carney, 1998; Scoones, 1998). Other authors have couched the changing narratives in the language of the Washington and post-Washington consensus (Maxwell and Heber-Percy, 2001; Kydd and Dorward, 2001) or have been focused on the need to build effective markets (Omamo, 2003). More recently, there has been a focus on developing recommendations for high and low potential areas or similar classifications (e.g., Farrington et al., 2003 on "weakly integrated areas"). For example, Richards et al. (2003) present a framework based on two axes, one capturing the degree of "connectedness" or market access, and the other the volume and value of livelihood assets (Figure 1). There has been a general focus in the new poverty agenda on social services (Maxwell, 2003). This has been criticized for neglecting productive sectors (Belshaw, 2002; Williamson and Canagarajah, 2003), though Farrington et al. (2003)

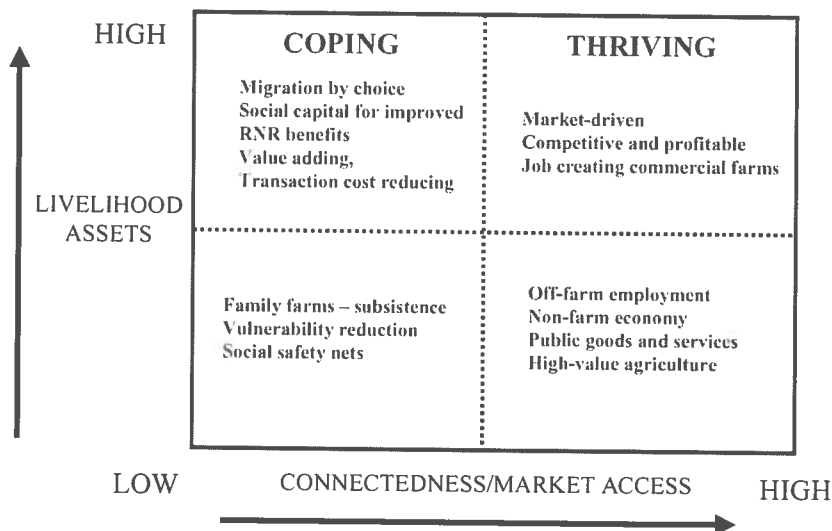


Figure 1. Conceptual poverty \times location matrix. Source: Richards et al., 2003.

explore how productive and social expenditures might be linked.

A key question remains. Do we, in this decade, have a “narrative” about rural development that will be sufficiently convincing to reverse government and donor neglect? The international agencies have certainly grappled with that question. There has been a flurry of policy reviews and statements in recent years. But are they consistent? Are they compelling? Are they right? That is what we need to find out.

2. What to look for

The first step needs to be some way of filleting the different agency perspectives. Caroline Ashley and I took on this job in the special issue of *Development Policy Review* that we edited in 2001 on “Rethinking Rural Development.” That review (a) provided some stylized facts about the past, present, and future of rural poverty, (b) identified the narratives and sticking points in the rural development debate, and (c) provided an initial sketch of a new narrative on rural development, with five principles and ten more specific conclusions (Ashley and Maxwell, 2001).

The stylized facts and the sticking points need not cause undue delay, but a brief summary is needed. First, “trends and discontinuities in the character of rural areas generate a rural development *problematique* sharply different from that of the past” (Ashley and Maxwell, 2001, p. 397). Rural areas are highly heterogeneous, particularly as between high potential and low potential, well connected and weakly connected, and peri-urban or remote; but across the world, the character of rural space is being changed by demographic transitions, the diversification of livelihoods, the spread of market relations, technical change, and, importantly, the gradually shrinking contribution of the agricultural sector to national GDP, export earnings, and tax revenue.

On the sticking points, there are six key issues: (i) can agriculture be the engine of rural growth?; (ii) can small farms survive?; (iii) can the rural nonfarm economy take up the slack?; (iv) the challenge of new thinking on poverty (especially with regard to social protection issues and the distribution of assets, income and power); (v) governance (especially the transition from a discourse about participation to a wider debate

about decentralization and “political deepening”); and (vi) implementation issues, in retrospect a rather overburdened category, covering rural development planning, but also conflict.

The five principles and ten more specific points are listed below. Note that it is not necessary to agree that these are right in order to accept that they may provide a way of discriminating between the competing narratives on offer. Nevertheless, at the limit, this list does challenge the conventional wisdom on rural development, especially the “agricultural growth based on small farm efficiency” paradigm that has been so influential since the 1960s. Significant doubts are also cast on the speed and sequencing of liberalization.

The five principles were that a successful rural development strategy should:

- (i) recognize the great diversity of rural situations;
- (ii) respond to past and future changes in rural areas;
- (iii) be consistent with wider poverty reduction policy;
- (iv) reflect wider moves to democratic decentralization; and
- (v) make the case for the productive sectors in rural development, as a strategy both to maximize growth and to reduce poverty.

And the ten specific points were that a strategy should:

- (i) offer different options for peri-urban, rural, and remote locations;
- (ii) favor livelihood-strengthening diversification options for multi-occupational and multi-local households;
- (iii) accept the force of the post-Washington consensus—that market institutions need to be in place before liberalization, and that states have a key role to play, for example, in supplying (national and global) public goods;
- (iv) explicitly take on inequality, in assets and incomes, with targets, timetables, and concrete measures;
- (v) propose measures to counter the anti-South bias of technical change, recognizing the need for public support to research;
- (vi) demonstrate that agricultural strategies will be consistent with natural resource protection, including water management;

- (vii) recognize the importance of investment in infrastructure and human capital;
- (viii) respond to the “obligation” to protect the poor, with new social protection measures, including in conflict areas, and for HIV/AIDS;
- (ix) propose pragmatic steps toward greater de-concentration and devolution; and
- (x) identify the place for agriculture and rural development in Poverty Reduction Strategy Programmes (PRSPs) and sector programs.

We recognized in 2001 that this “tick-list” needed prioritization in particular cases, and that choices had to be made. In particular, there is a risk that strategies say everything and mean nothing. A coherent narrative needs to trace a line through these various options.

3. Agency narratives on rural development

Most aid agencies, and indeed most governments, have a rural development policy—and many have reviewed their policies within the past five years. Reviewing the policies of a dozen different national and international agencies in 2001, Farrington and Lomax (2001) were able to claim a substantial degree of convergence on key issues, like the priority given to poverty reduction, the importance of environmental sustainability, and the shift to sector approaches. On the other hand, there was less uniformity on the role of government in general, the role of sector ministries in particular, and the management of decentralization. Farrington and Lomax also highlighted a debate about the value and future of projects as a vehicle for delivering rural development. Four issues were identified as “emerging challenges,” where donor policies were “diverse” (Farrington and Lomax, 2001, p. 536). These were (a) diversification, (b) decentralization, (c) globalization, and (d) institutional strengthening.

The degree of consensus can be explored in more detail by looking at the policies of four “market leaders” in the international arena, and at the key policy documents they have produced. The four are:

The European Union	Fighting Rural Poverty: European Community policy and approach to rural development and sustainable natural resources management in developing countries (July 2002)
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FAO	Anti-Hunger Programme: Reducing hunger through sustainable agricultural and rural development and wider access to food (July 2002a) ²
IFAD	Rural Poverty Report 2001: The Challenge of Ending Rural Poverty (2001)
The World Bank	Reaching the Rural Poor: A Renewed Strategy for Rural Development (October 2002)

The documents listed are not precisely equivalent in scope or level of detail; but each provides an insight into the thinking of the agency.

3.1. The European Union

The latest policy of the European Union is contained in a “Communication” from the European Commission, entitled “Fighting Rural Poverty” and dated July, 2002. The paper lays out the rationale for a rural focus, discusses the nature of rural poverty and changing approaches to rural development, and then lays out a policy and strategy. The policy sets out six objectives:

- (i) Promote broad-based rural economic growth;
- (ii) Ensure more equitable access to productive assets, markets and services;
- (iii) Support human and social development;
- (iv) Ensure sustainable natural resources management;
- (v) Reduce vulnerability to risks; and
- (vi) Address the social and political exclusion of the rural poor.

The more detailed strategy builds on these points. It describes supporting actions (like sound macroeconomic management and trade liberalization), explores the six areas listed above in more detail, and picks up cross-cutting issues like gender equality. It has a section on country programming, *inter alia* discussing the role of PRSPs and Sector-Wide Approaches (SWAPs). And finally, it has an important section on policy coherence and complementarity, dealing with issues like

² Other relevant documents are “Rome Declaration on World Food Summit Plan of Action” (November 1996); and “International Alliance Against Hunger: the Declaration of the World Food Summit Five Years Later” (August 2002).

reform of the Common Agricultural Policy and the Common Fisheries Policy.

3.2. FAO

FAO organized the World Food Summit in 1996, and followed this up with "WFS—Five Years Later" in June 2002. The WFS itself provided a framework, structured around six "Commitments" (Box 1). The "Five Years Later" meeting updated the analysis and reviewed funding requirements. The key issues reviewed were conflicts and natural disasters; freshwater resources; the evolution of technology; globalization, public goods, and trade; food safety; and the right to food.

The Anti-Hunger Programme draws these together. It identifies five priorities for action in food, agriculture, and rural development. These are:

- (i) Improve agricultural productivity and enhance livelihoods and food security in poor rural communities;

- (ii) Develop and conserve natural resources;
- (iii) Expand rural infrastructure (including capacity for food safety, plant and animal health) and broaden market access;
- (iv) Strengthen capacity for knowledge generation and dissemination (research, extension, education, and communication); and
- (v) Ensure access to food for the most needy through safety nets and other direct assistance.

The Programme document sets out a policy framework for action in these areas, at international and domestic levels.

3.3. IFAD

IFAD published its major report, "The Challenge of Ending Rural Poverty," in 2001. This was not a formal "policy," but a useful guide to IFAD's overall approach. The four substantive chapters deal respectively with (a) assets, (b) technology and natural resources, (c) markets, and (d) institutions. Underlying

Box 1: The seven commitments of the World Food Summit

1. We will ensure an enabling political, social, and economic environment, designed to create the best conditions for the eradication of poverty and for durable peace, based on full and equal participation of women and men, which is the most conducive to achieving sustainable food security for all.
2. We will implement policies aimed at eradicating poverty and inequality and improving physical and economic access by all, at all times, to sufficient, nutritionally adequate and safe food, and its effective utilization.
3. We will pursue participatory and sustainable food, agriculture, fisheries, forestry, and rural development policies and practices in high and low potential areas, which are essential to adequate and reliable food supplies at the household, national, regional and global levels, and combat pests, drought, and desertification, considering the multifunctional character of agriculture.
4. We will strive to ensure that food, agricultural trade, and overall trade policies are conducive to fostering food security for all through a fair and market-oriented world trade system
5. We will endeavor to prevent and be prepared for natural disasters and man-made emergencies and to meet transitory and emergency food requirements in ways that encourage recovery, rehabilitation, development, and a capacity to satisfy future needs.
6. We will promote optimal allocation and use of public and private investments to foster human resources, sustainable food, agriculture, fisheries and forestry systems, and rural development, in high and low potential areas.
7. We will implement, monitor, and follow up this Plan of Action at all levels in cooperation with the international community.

the analysis on these topics are four overriding points (pp. 3ff):

- (i) The critical role of food staples in the livelihoods of the rural poor;
- (ii) The requirement for better allocation and distribution of water;
- (iii) The importance, if poverty targets are to be met, of redistributing assets, institutions, technologies, and markets; and
- (iv) The need for special attention to women, ethnic minorities, hill people, and residents of semi-arid areas.

3.4. *The World Bank*

A new World Bank strategy, "Reaching the Rural Poor," was approved by the Board in October 2002. The strategy replaces its 1997 predecessor, "From Vision to Action," which was itself intended to be an inclusive rural development strategy.

The new strategy is described as having five key features and five strategic objectives. The five key features are:

- (i) Focusing on the poor;
- (ii) Fostering broad-based growth;
- (iii) Addressing the entire rural space;
- (iv) Forging alliances of all stakeholders; and
- (v) Addressing the impact of global development on client countries.

The chapters of the strategy relate to the objectives, which are:

- (i) Fostering an enabling environment for broad-based rural growth;
- (ii) Enhancing agricultural productivity and competitiveness;
- (iii) Encouraging nonfarm rural economic growth;
- (iv) Improving social well-being, managing risk, and reducing vulnerability; and
- (v) Enhancing sustainable management of natural resources.

It is worth noting that, like the EU strategy, the World Bank paper has a good deal to say about trade protectionism, especially in Organization for Economic Cooperation and Development (OECD) countries.

4. **Is there a consistent and compelling narrative?**

We need to be realistic in exploring the consistency and power of the rural development narratives contained in these documents, and for three reasons. First, policy documents are only paper statements and may or may not reflect what actually happens on the ground: policy is, after all, what policy does. Second, such documents are always compromise statements, reflecting political and bureaucratic interests inside and outside the agency. And, third, all the agencies have their own mandates and histories: it would be surprising, for example, if FAO were to lead on the importance of primary education or health, rather than agriculture. But, of course, the last of these points is the point, partly: the "message" on rural development depends to some extent on the messenger. That is why it is useful to compare and contrast.

This task is carried out in Table 1, using as an organizing framework the ten specific headings listed by Ashley and Maxwell (2001) and reproduced above. A degree of interpretation and simplification is obviously required, but the main lessons are clear.

First, it is evident from the texts that all these strategies are strongly driven by the agriculture and natural resource departments of the respective agencies. These are documents that cover topics like education and health, but are not primarily driven by those issues, nor, most likely, strongly owned by the social infrastructure departments of the agencies, which cover both rural and urban areas. A strong institutional commitment to integrated rural development, which was a feature of development discourse in the 1970s, does not leap out of these pages.

Second, and partly as a consequence, the documents are all stronger on agriculture and natural resource management than on other issues. Thus, all have important things to say about rural infrastructure, technology, the provision of public goods, environmental protection (instrumentally in support of farming, if for no other reason), and the decentralization of rural services. However, there are straws in the wind in all the documents about diversification out of agriculture, for both households and districts.

Third, there is a strong poverty focus throughout, though a somewhat variable commitment to equality. Better access to asset and services are major themes, along with safety nets. There is little discussion of

Table 1
Four rural development strategies compared

Dimension	EU	FAO	IFAD	World Bank
1. Offer different options for peri-urban, rural, and remote locations	The diversity of rural areas is recognized, though evidence is mostly provided on the diversity of regional problems (e.g., inadequate infrastructure in SSA, inequality in Latin America).	The WFS documentation was particularly strong in distinguishing between high- and low-potential areas, and seeking a balance in development effort between them. The emphasis in the Anti-Hunger Programme is more generically on "poor rural communities" (and on Africa). The costs of poor connectedness are stressed, however.	Mountains and semi-arid areas are identified as requiring special attention, but there is little systematic treatment of the problems of different areas. The classification of the poor (Table 2.1) distinguishes rain-fed farmers, smallholder farmers, pastoralists, artisanal fishermen, landless, indigenous people, female-headed households, and displaced people—i.e., not principally by location. However, IFAD has worked intensively in marginal environments.	There is emphasis throughout on heterogeneity and on different farming types (e.g., commercial, small family farms, subsistence etc.)
2. Favor livelihood-strengthening diversification options for multi-occupational and multi-locational households	One of the six core principles is to promote broad-based rural economic growth. The main focus is on raising the productivity of the natural resources sectors, but the growth of the nonfarm sector (and associated infrastructure) is mentioned.	There is reference to rural development in Commitment 3 of the WFS, but the emphasis is clearly on agriculture and sector support services—particularly food, and particularly in the fyl (five years later) declaration and the Anti-Hunger Programme. The latter has one paragraph (p. 73) on the nonfarm rural economy, in a section on the domestic policy environment.	The report clearly recognizes that "most poor rural households diversify their sources of income" (p. 22). However, the report has a strong focus on agriculture, and particularly on food staples.	Agriculture is clearly identified as the leading sector and the primary engine of economic growth, but with emphasis on links to the wider rural economy, overall food chains, and diversification into high-value crops. A chapter is also devoted to the nonfarm economy, with a strong emphasis on supporting rural entrepreneurship.

(Continued)

Table 1
(Continued)

Dimension	EU	FAO	IFAD	World Bank
3. Accept the force of the post-Washington consensus—that market institutions need to be in place before liberalization, and that states have a key role to play, for example, in supplying (national and global) public goods	<p>This point is clearly made. The paper discusses the importance of trade liberalization and the removal of price distortions, but also says that “liberalisation . . . must be carefully managed and sequenced . . . and must be accompanied by actions to create the conditions for equitable and environmentally sustainable market-led development” (p. 9).</p>	<p>No explicit discussion of this item. The emphasis in the Anti-Hunger Programme is on “stable and predictable macroeconomic policies,” with no discussion of sequencing. However, the Programme is strong on state investment in infrastructure, services, and safety nets.</p>	<p>The report has a chapter on markets, emphasizing the benefits of market access and liberalization, but also the constraints, especially for the poor. The report emphasizes high transport and transaction costs, lack of collective organizations, discrimination, and “cultural and social distance.” It has little to say about sequencing or the role of government.</p>	<p>There is a strong emphasis on liberalization and on “completing” reforms, e.g., removing the remnants of marketing boards, and removing other obstacles to the effective operation of markets (such as fertilizer subsidies). However, the report also recognizes (somewhat in passing) that governments need to ensure that parastatal institutions are replaced by satisfactory arrangements, that trader entry is not constrained and that newly liberalized markets function adequately.</p>
4. Explicitly take on inequality, in assets and incomes, with targets, timetables, and concrete measures	<p>More equitable access is another of the six key principles. The main focus is on land, rural finance, and economic and social infrastructure.</p>	<p>Little discussion of inequality, but a strong focus on poverty reduction under Commitment two of the WFS, and to safety nets in the Anti-Hunger Programme. There is an emphasis on poverty and hunger throughout.</p>	<p>This is a major theme, particularly in the chapter on assets. The report pays particular attention to land, water, and livestock, but also deals with housing, health, nutrition, and education.</p>	<p>There is little explicit discussion of redistribution, apart from a brief mention of land reform. However, there is a strong focus throughout on poverty reduction.</p>
5. Propose measures to counter the anti-South bias of technical change, recognizing the need for public support to research	<p>There is a strong commitment to supporting agricultural research and extension, including with respect to global public goods.</p>	<p>Technical change is identified as a priority in Commitment three of WFS, and “the evolution of technology” is one of the six new challenges picked up in fyl. Global public goods (e.g., genetic diversity) is another challenge identified. The Anti-Hunger Programme also emphasizes technology, especially for the poor.</p>	<p>This is a major theme, especially in the chapter on technology and natural resources. There is a careful analysis of the technology requirements of the poor, with many examples—in crops, pest control, land management, and water.</p>	<p>Agricultural growth will increasingly be knowledge-based, especially in high-potential areas. Priorities are new public-private partnerships, biotechnology, and sustainable pest control.</p>

<p>6. Demonstrate that agricultural strategies will be consistent with natural resource protection, including water management</p>	<p>Promoting sustainable natural resources management is one of the six key principles. There is a particular focus on community-based institutions.</p>	<p>Conserving natural resources is one of the six priorities of the Anti-Hunger Programme, especially with respect to water, genetic resources, fisheries, and forests. The fyl papers identify freshwater resources as one of six key issues, especially the conflict between "water for agriculture and rural development" and "water for nature."</p>	<p>Improved natural resource management is largely treated as an instrumental input to poverty reduction, rather than a good in its own right—but is a recurrent theme. Water issues are prominent throughout.</p>	<p>There is a short chapter on enhancing the sustainable management of natural resources, noting the importance of land degradation, water management, forests, fisheries, and global warming.</p>
<p>7. Recognize the importance of investment in infrastructure and human capital</p>	<p>Investment in human capital is one of the six principles: "major investments are required in order to improve the coverage, quality, and affordability of health and education services in rural areas."</p>	<p>The fyl papers contain an analysis of investment required in agriculture, particularly for research, extension, and public infrastructure and services. There is mention under Commitment two to health and education. The Anti-Hunger Programme includes rural infrastructure as one of the six priorities. Education is dealt with mainly in an extension context.</p>	<p>Better transport infrastructure is seen as high priority. Education and health are discussed in the context of asset redistribution, but are not major themes. However, the chapter on institutions deals extensively with strengthening groups, e.g., for managing common property resources or for micro-finance.</p>	<p>Adequate infrastructure is identified as a <i>sine qua non</i>, but in practice little is discussed.</p>
<p>8. Respond to the "obligation" to protect the poor, with new social protection measures, including in conflict areas, and for HIV/AIDS</p>	<p>Managing risk and providing safety nets is one of the six principles.</p>	<p>There is a short section in the fyl papers on "transitional assistance to the food insecure." The right to food is a recurring theme, and is strongly emphasized in the fyl papers. The Anti-Hunger Programme cites safety nets as one of six priorities, with a cost estimate of \$5.2 billion (20% of the total investment package proposed).</p>	<p>There is little in the report on social protection.</p>	<p>A chapter is devoted to social well-being, risk, and vulnerability, focusing especially on nutrition and health, HIV/AIDS, education, and food security.</p>

(Continued)

Table 1
(Continued)

Dimension	EU	FAO	IFAD	World Bank
9. Propose pragmatic steps toward greater de-concentration and devolution	Building more effective, accountable, and decentralized institutions is one of the six key principles. The paper covers decentralization and the reform of public sector institutions, among other topics.	No significant discussion of this item, though fiscal and administrative decentralization are mentioned in the Anti-Hunger Programme.	Decentralization is a theme of the chapter on institutions, for example, with respect to natural resources.	Better governance is a recurrent theme, including administrative and fiscal decentralization. Participation and social inclusion are discussed in the chapter on social well-being.
10. Identify the place for agriculture and rural development in PRSPs and sector programs	There is a strong section on country programming, including a discussion of PRSPs and sector-wide approaches, and of public expenditure reform. A methodology is proposed for country-level rural development strategy work.	Commitment seven of the WFS notes the importance of national plans.	There is little discussion of the modalities of aid, except for a review of partnership possibilities at the end of the report.	There is strong support for national rural development strategies, and an extended discussion of how rural development priorities can be incorporated successfully into PRSPs and other planning processes.

Note: The ten dimensions are taken from Ashley and Maxwell (2001). Additional sources include EU (2002), FAO (2002a), IFAD (2001) and World Bank (2002).

any problems that might arise from the declining competitiveness of small farms, nor of issues to do with taxation.

Fourth, there are some rather surprising weak spots in all the documents. None really grapples with urbanization and the resulting transformation of supply chains, for example, through the growing role of supermarkets (Reardon and Berdegue, 2002). Similarly, with the sole exception of the EU, none really grapples in detail with the debate about the sequencing of and limits to liberalization, the so-called post-Washington Consensus on food, agriculture, and rural development.

Fifth, there are then some interesting differences between the agencies. The EU policy, and perhaps that of the World Bank, is the most complete—but it is worth pointing out that these are also the most recent, and from the two agencies in this group with the broadest remit. The EU covers all the main bases, and contains a well-thought-through strategy on how to incorporate rural issues in the national planning processes. The FAO is strong on agriculture, as might be expected, but is also notable for its attention to safety nets and the right to food. It is unfortunate that the high-potential/low-potential framework, strongly present in the WFS papers, has been diluted in later presentations. The IFAD is notable for its focus on food staples on small farms, and for the institutional environment needed to support this. The World Bank is pretty strongly directed to agricultural growth and to market-friendly approaches.

Each of these is quite compelling in its own way, and certainly has been in the past. But it would be brave to argue that the four strategies are fully consistent with each other. It is hard to be compelling as a community when there are different narratives on the table. A brutal caricature would be as follows:

FAO: an updated version of agriculture-led development from the 1960s.

IFAD: an updated version of the small-farm Green Revolution from the late 1960s and early 1970s.

EU: an updated version of integrated rural development from the mid- and late 1970s.

World Bank: an updated version of market-led growth strategies from the 1980s.

5. Conclusion

Whether or not the different narratives are consistent and compelling, there remains the question about whether they are right. The answer to that question is bound to be location-specific, but five general points came out of our earlier review, and are worth repeating here.

First, it is extraordinarily important to understand the rapid pace of change in rural areas throughout the world. In our earlier work, we tried to look ahead. We (Ashley and Maxwell, 2001, pp. 400–401) suggested that:

- Rural populations will begin to stabilize, possibly with a lower dependency ratio initially as birth rates fall, but then a higher one, as migration (and AIDS) remove young adults.
- The connectedness of rural areas will improve, with more roads and other infrastructure (including telecommunications).
- Human capabilities will improve, with better education and health.
- The great majority of rural people will be functionally landless, either without land altogether, or with only a small homestead plot.
- Most rural income in most places will be nonagricultural in origin (though with linkages to agriculture in many cases).
- Most farms will be predominantly commercial, i.e., buying most inputs and selling most of their output.
- Farms (other than part-time subsistence or homestead plots) will be larger than at present, and become larger.
- For those farms able to engage in the commercial economy, input and output marketing systems will be integrated, industrialized, and sophisticated.
- As a result of all the above, disparities between rural areas will increase.
- Agriculture's contribution to GDP will be no more than 10%.
- Agriculture will contribute no more than 10% to exports (perhaps more in Latin America and sub-Saharan Africa).
- Agriculture will become a net recipient of government revenue.

Second, the evidence does not suggest that agriculture, especially small-farm agriculture, is a particularly easy business to be in. This is despite the strong production and consumption linkages that can be found when small-farm growth does materialize. When agricultural growth does happen, it may be in niche or high-value products for urban markets—and is likely to favor larger farms with better access to technology, information, and management skills.

Third, all the evidence suggests that poor people themselves finesse the small farm problem by diversifying in sector and space. This is true even in India, where agriculture remains the main source of rural livelihoods but where migration, for example, is immensely important (Deshingkar and Start, 2003). An effective rural development policy will need to put diversification out of agriculture at the heart of its interventions.

Fourth, growth remains central to rural poverty reduction, but there is much more work to do on the implications for rural development of the post-Washington consensus. It is one thing to make general statements about the need for careful sequencing of liberalization. It is quite another to argue, as some do, that the parastatals abolished with such difficulty in the 1980s should now be resurrected, or that trade should be controlled so as to stabilize prices. Would it not be more reasonable to concentrate attention on the measures necessary to create missing markets and reduce transactions costs?

Finally, those strategies that focus on how to influence the content of PRSPs are surely right. The dominant development consensus in the world is poverty reduction, driven by the Millennium Development Goals, inspired by the three-pronged poverty reduction framework of the 2000/2001 World Development Report, and supported through sector-wide approaches and new forms of budget support. Rural development is possible within that context, provided there is a strong narrative in which growth, empowerment, and security are linked.

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