

„The Role of Agriculture and Rural Development in Poverty Reduction“

A Position Paper of NGOs

A small group of German NGOs drafted a Position Paper on a new concept of rural development that is being promoted by key international institutions. Other NGOs from countries around the world have since signed on to the Position Paper. This paper makes strong references to the Global Donor Platform on Rural Development, but it should also be seen in a broader context. Rural development has come back to the mainstream agenda of development thinking, after so many years of neglect and discrimination of the rural poor by southern governments, northern state donors and international organisations. While most NGO-donors and NGOs/CSOs in the Global South have maintained their focus on marginalized rural communities, they have now been surprised by the new thrust, as documented by GDPRD, but also the World Development Report 2008 of the World Bank, the NEPAD-Strategy of CAADP, the new initiatives by the US-Foundations and many others.

This paper stands as a first attempt by NGOs to react to the all very similar new approaches to rural development from official sides. Our common thinking and positioning on the issues has to become more elaborate, as we become better organised in an attempt to react to the new thrust.

...with reference to “On Common Ground: A Joint Donor Rural Concept” a Joint Position of NGOs to the basic Document of the Global Donor Platform on Rural Development, in: www.donorplatform.org



Where we can agree:

In general, we share the following major messages of the papers of the Global Donor Platform on Rural Development (GDPRD):

- A promising strategy for reducing hunger and poverty must start with a clear identification of the affected and vulnerable social groups. In most countries these groups are marginalised smallholders, indigenous peoples, landless rural people, pastoralists, fishers and people whose livelihoods depend on forests.
- The reduction of hunger is not a question of charity, because every person has a RIGHT to a life in dignity, to adequate food, shelter, education, health, etc.
- Agriculture is the strategic sector for stimulating development processes and poverty reduction in the poor countries of the South
- Small scale farming has a crucial role to play within the agrarian sector. In most countries domestic markets offer more opportunities for smallholders than international markets.
- Equitable access to land and secured rights to land are essential prerequisites to enable small scale farmers to benefit from agricultural development.
- Political and economic empowerment of the poor is to be promoted.

The paper matches with our and our partners' experiences regarding some of the crucial points proving that small scale farming systems can be catalysts for local development processes:

- Superior efficiency and productivity of diversified small scale farming systems,
- Positive impact on staple food production and supply of local markets,

- Minimal use of capital-intensive external inputs.

We also share the analysis of some of the main hindering factors:

- Unequal distribution of land and insecure tenure systems;
- Limited access to other productive resources like water, information, etc.;
- Declining producer prices for traditional crops and traditional export commodities;
- Negative rural-urban Terms of Trade;
- The dominant role of supermarkets in controlling access to retail markets;
- The loss of access of many small farmers to key inputs and services, including farm credit and extension due to structural adjustment and privatisation programmes;
- Reduced market options for poor farmers;
- National and international agricultural programmes and policies favouring larger farms;
- Lack of adequate and efficient national and local agricultural policies.

What is lacking:

We think that the paper in many regards is quite contradictory, and lacks a sharp and explicit analysis of other important reasons for the high incidence of hunger and poverty among small scale farmers:

- too small holdings generally in less productive areas – land tenure is highly concentrated not only in Latin America, but also in many Asian and some African countries, and high potential land usually is owned by rich farmers or elites,
- ongoing pressure on land due to insecure

tenure or lack of legal protection of small farmers towards vested interests,

- limited or no support through government programmes, which are biased towards export farming,
- forced liberalisation and opening of markets in developing countries through IMF, World Bank, WTO, regional and bilateral free trade agreements, which enable the influx of cheap and often heavily subsidised imports from rich countries;
- negative effects of so-called modern agriculture on small-scale farmers, making their agriculture unsustainable and capital-intensive, which leads to critical indebtedness of small scale farmers, making them prone to losing their assets.

In this context, we would like to warn not to overestimate overall figures of hunger and development. They are not always reliable and picture major trends, but might be in sharp contrast to specific countries' situations. Regarding the importance of agriculture for a nation's economy, the GDP should not be the reference, since the significant contribution of subsistence agriculture is not valued, nor is the relatively higher importance of agriculture for the poor and hungry (half of them being marginal farmers) taken into consideration.

Green Revolution and small scale farming

In our opinion, the analysis of today's agriculture as a whole – in the North and the South, would not permit such a positive assessment of the Green Revolution (GR):

- In the reality of small scale farmers, the

GR does not prove much success – High Yielding Varieties (HYV) have high demands for water and nutrients and are susceptible towards pests, diseases and adverse climatic conditions. Furthermore, the replacement of local varieties by a few HYV caused a critical loss of genetic diversity of food crops.

- Small scale farmers entered a vicious cycle, when changing their production systems – high capital costs, over-exploitation of soil and water sources, destruction of local ecosystems with higher incidence of pests and diseases, increased input costs compared to relatively low product prices etc.
- In the assessment of agricultural productivity, we must take into account the high level of subsidies, the non-accounting of costs for the society (s.a.) etc. – which would lead to the conclusion that productivity should not be the major criteria measuring agriculture success.

In our experience, a thorough analysis of small scale farming systems in their respective environments would lead to different conclusions for adequate agricultural solutions:

- Vulnerability of the poor demands for secure yields (through diversified crops, locally adapted and genetically diverse seeds and breeds, intact ecosystems etc.) rather than high yields (including high costs and risks),
- Reduction of input costs and increased control of agricultural systems (land, seed, technology) increases livelihood security,
- Agriculture is the main pillar in poor people's survival strategy – therefore, the contribution of agricultural production to family incomes are multifunctional, and reach from subsistence to marketing,



from local to specific export crops. However, marketing bears risks. The more farmers depend on a few crops and far away markets, the greater their vulnerability.

GMO and Agricultural research

We cannot understand why the paper suggests Genetically Modified Organisms (GMO) as an opportunity for small scale farming and we disagree with the assessment of the role of and approach to Research & Development, especially the Consultative Group on International Agricultural Research (CGIAR).

- As mentioned above, the Green Revolution has not been favourable for small scale farmers, but has paved the way for an industrialisation of agriculture, leading to capital and energy intensive as well as unsustainable systems. Profits mainly go to agro-chemical and trade corporations, as it was mentioned in the paper.
- CGIAR's focus has not been on sustainable small scale farming. IRRI even supported trans-national corporations in collecting seeds, leading to biopiracy and patenting of seeds. Farmers organisations worldwide criticise CGIAR.
- GMO are costly, research did until today not come up with any advantageous development for food security but is focused on cash crops. GMO increase input costs. They weaken farming systems, since control over seeds is one of the pillars of sustainable agriculture and important for cultural identity.
- Due to the risk of contamination GM-technology endangers biodiversity.
- It is impossible for scientists to fully con-

trol the process of genetic engineering and to predict the consequences of this technology. Unpredictable adverse effects have shown that GMOs bear great risks for both the environment and human health.

- In combination with patents on seeds, GMOs will create new forms of dependency for peasants from the agro-business and an unjust market system instead of strengthening their independence.

GMOs therefore cannot be an adequate solution for combating poverty and hunger in the world.

Farmers have rich own traditional knowledge and the creativity and innovativeness to develop sustainable systems with a high level of productivity.

- Farmer-led research, backed up and supported by scientists, leads to impressive innovations, e.g. the system of rice intensification (SRI), soil conservation practices, farmer-bred rice varieties being comparable to HYV – but not requiring high levels of input. This research is low-cost, adapted to the local conditions, and in the interest and control of farmers.
- A participatory approach to research should also be applied to extension: farmers do not need external expert knowledge, but facilitation – in order to develop locally appropriate solutions in a farmer-to-farmer modus.

Agricultural Productivity

We fully agree that “one advantage [of small farms] is their higher economic efficiency relative to large farms...”. In our experience, sustainable agricultural practices have a big

potential for increases in productivity (see above).

However, the question whether the MDG No. 1 will be achieved should not be reduced to agricultural productivity. Today, enough food is produced for all, and the immense dimension of hunger in the world indicates that hunger is a structural rather than a production problem. Already today, a large part of the produced calories serve as animal feed and fuels. Their share is expected to grow, since the hunger for meat and the quest for fuels increase. Furthermore, agricultural land is converted to areas for housing, industries and infrastructure. In this light, feeding the world is not a productivity issue in the first place, but a question of priority. The political will to produce enough food for an increasing world population would not only ask for increases in agricultural productivity, but as much for land use policies prioritising staple food production over animal feed and fuel production.

Access to land

Clear statements are lacking regarding the importance of structural changes to address the unequal distribution of land.

- The paper recognises unequal land distribution as “probably the major factor causing differences in the poverty reduction strategies among various countries” and a crucial precondition for ‘pro-poor-growth’. It argues that the productivity increases in agriculture AND successful reduction of poverty in China, India (Kerala and West Bengal) and Taiwan are largely due to the equal distribution of land.

- However the paper describes this phenomenon an “initial distribution of agricultural assets”, ignoring that it is the result of comprehensive land reforms undertaken in these countries. It fails to make a clear statement for redistributive land reforms as a promising strategy for reducing hunger and poverty. It also ignores the problem of unjust power-relations in societies as a major reason for poverty.
- On the other hand the Platform emphasises the importance of “secure and transferable property rights” as “a prerequisite for efficient land and water markets.” Thereby it neglects the increasing pressure on land – e.g. through mining, production of cash crops (esp. animal feed and energy plants), which can lead to the loss of land by the poor. The poor’s land rights must not only be recognised, but must be protected in land administration systems.
- Development processes experienced in the industrialised countries are not likely to take place in developing countries, due to different regional and international contexts. In this light, concentration processes in agriculture are not inevitable. One very critical point discussed in the paper to us seems to be the increase in agricultural wages. In reality, labour conditions are most critical and exploitation is common. The more labour is set free from agriculture, the more the wages come under pressure.

Microfinance

The role of microfinance institutions for local development processes is widely recognised, but does not play a prominent role in the policy paper. Locally based micro finance institutions designed as means to



stimulate local economies and which offer various financial products tailored to the specific problems and potentials of small scale producers (savings, credits, deposit, insurances, money transfers etc.) play also a major role to strengthen the asset base of resource poor farmers. Various organisational forms of institutions are required to reach out to the poor in rural areas. Governments should create a supportive environment for micro finance institutions committed to rural development. Financial assistance should provide capital for viable, community controlled, micro finance institutions.

Agricultural trade

Also lacking is a coherent analysis of the impact of trade liberalisation especially on small scale farmers.

- We agree with the paper's assessment that diversification of production with a strong component of food staples for local consumption plays a key role in reducing hunger and poverty among smallholders. It identifies the decline of producer prices (for example for cereal crops) as a major reason for the hardships of smallholders. It recognises that at least in Africa, large farmers benefited much more from export opportunities than small farms and these, "if left to market forces alone, small farms will be bypassed by this development."
- On the other hand, contradictory to these analyses, the donor platform argues for a radical liberalisation of agricultural markets and against the protection of food markets in developing countries. The decline of prices, recognised earlier as a major problem for smallholders, is considered as positive for the poor. We disagree with this position that doesn't take

into account the numerous studies which show the negative impact of trade liberalisation on poor farmers.

- The paper is rightly criticising subsidies in rich countries which enable cheap exports and hurt poor farmers in the South. But it fails to distinguish between these detrimental subsidies and those which are needed both in developed and developing countries to guarantee a socially and ecologically sustainable agriculture.
- The platform paper does not offer an analysis of the reasons for dumping and import surges and, thus, does not propose any remedies.

Long-term commitment

While we agree with the JDRC that long-term commitment is a pre-condition of agriculture and rural development, concrete statements are needed on 'how to put the learning into practice'. One of the greatest challenges now facing donors and partners alike is that of commitment – particularly the financial, human, and technical commitments that are needed to make agriculture and rural development even more powerful and effective catalysts of rural sustenance and change than they already are.¹ It acknowledges the importance of long-term commitments to agriculture and rural development for countries where a substantial proportion of poor and chronically under-nourished people live in rural areas.

However, the JDRC also fails to put this into an adequate human rights perspective. Long-term commitments for agriculture and rural development are not only the great-

¹ Global Donor Platform for Rural Development (Ed.), On Common Ground: A Joint Donor Rural Concept, November 2006, pp. 20 (JDRC)

est challenges for governments. They are the very obligation of the governments. The Voluntary Guidelines on the Right to Food² have not only underlined this obligation but describe ways for practical implementation of the Right to Food. They have paved the way for national and international action. Governments have to allocate finances, human and technical resources on a long-term basis. Failing to do so is a violation of human-rights.

Participation and democratic decision-making processes

The involvement of people in designing policies which will affect their future directly and indirectly are inherent in the human rights approach to development in general and in particular to agricultural and rural development. This seems to be common ground in the JDRC³. Consequently the question arises: what has been the degree of participation and involvement of such people and their organisations in designing the JDRC itself?

The JDRC rightfully addresses the danger of 'elite capture'⁴. Elites left on their own discretion without democratic participation of the people and institutional checks not only tend to direct funds for their own convenience but also ideas and concepts. Has the process of establishing the JDRC taken care of this? Has the design-process of the JDRC opened sufficient space for participation and involvement of people and their organisations? If not, such a concept would rest on donors' and elite partners' common ground at its best. This would be insufficient from a human rights perspective. Concepts based on elites thinking often do not acknowledge

2 As endorsed by the international community of states in November 2004 in Rome.

3 See JDRC page 13

4 See JDRC page 14

people as the main drivers of their own development and as such they may be bound to fail.

Suggestions

As we can not agree with some of the conclusions and strategic recommendations presented in the paper, we suggest to review a number of aspects regarding the approach to development.

- a) We fully agree that development should be participatory and, therefore, recommend to develop a strategy placing the **poor in the centre**⁵ – not only concerning marketing issues, but also in R&D, extension and decision-making. Development should be empowering, self-determined and sustainable. Development should not only be needs-based but also rights-based. Therefore, solutions must be developed by and with the poor and not for the poor. Poverty is not only the lack of money and food, but also the lack of participation and informed choices.
- b) The general development approach should follow the principles of sustainability in all its dimensions (ecologically, economically and socially)! We recommend to critically review the assessment of GR and rather focus on farmer-led, **sustainable agriculture**⁶, being economically viable, ecologically sound, culturally adapted and contributing to the empowerment of marginalized people by giving the control over the resources back to them. Productivity and marketing are important, but they are not the only

5 In line with JDRC page 13: guiding principles, 2.3.1 People-centred and pro-poor change

6 In line with JDRC page 17: guiding principles, 2.3.6 Sustainable use of natural resources



aspects of an integrated agricultural system. With regard to marketing, the development of local markets in the sense of food sovereignty should be fostered and protected, not only through national but also international policies.

- c) The GDPRD should put more emphasis on other livelihood options for marginalised groups connected with agriculture and land-use, such as livestock (including pastoralism), fisheries etc. In this respect, it is especially important to protect the **natural resources**⁷ and the **users' rights**, since the majority of the poor depends partly on the use of un-cultivated food and non-timber forest produce as an important aspect in their survival strategies.
- d) We recommend not to focus on production and marketing only, but to analyse opportunities in post-harvest technologies, processing and value addition, as well as in off-farm income generating activities which should be supported.
- e) We appreciate that the strong interrelationship between gender equality and agricultural productivity is recognized. Strategies must take into account the crucial **role of women**⁸ for food security and the conservation of agro-biodiversity. They do not only shoulder the bulk of work in agriculture, but take responsibility for subsistence crops, are seed-keepers, collect un-cultivated food etc. Despite their important role, they are marginalised when it comes to access to land, credits and information. All strategies and recommendations have to be gender-sensitive not only in words but in action. La-

7 In line with JRDC page 17: guiding principles, 2.3.6 Sustainable use of natural resources

8 In line with JDRC page 15: guiding principles, 2.3.5 Equity and equal opportunity

bour-saving techniques are a two-edged sword depending on the local context: They can relieve the workload of women thus giving them more time for alternative employment or family care. In other cases, though, they might displace women's wage-earning opportunities and weaken their status within families and communities⁹. Strategies for the implementation of modern agricultural technologies and mechanization should therefore include the creation of (non-agricultural) work opportunities for women. The unequal endowment of men and women with legal and economic rights can not be tolerated. It is part of the challenge for development cooperation to assist women in voicing their needs and rights and demand equal opportunities.

- f) We agree that investments in infrastructure are important and that agricultural development could be a catalyst for broader development. Without **structural changes**, however, agricultural development will not be sustainable. Therefore, agricultural policies in the respective countries must support and protect sustainable, small scale agriculture, world trade must be fair and negative effects of liberalisation must be controlled, redistributive land reforms must be fostered and the influence of agro-corporations must be controlled.
- g) Even though the MDGs are a valuable reference, the **Right to Food** should be the basis of the assessment. This would have implications not only on the production of food and income generation, but also on adequate salaries and measures for those who do not have the capacity to

9 cp. FAO: Women and the Green Revolution (<http://www.fao.org/FOCUS/E/Women/green-e.htm>, August 18th 2006)



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feed themselves. In this regard, minimum wages and specific schemes for marginalised groups should be implemented.

- h) Based on the Right to Food, extraterritorial state obligations should be fulfilled, with implications on world trade agreements, control of TNCs etc.
- i) We agree on the importance of political decentralisation and recommend to focus on **strengthening civil society organisations**. The option for their participation in political decision making processes must be translated into strong policy recommendations.

tant to involve people in designing development concepts, and in this light we ask the Global Donor Platform to ‘open the platform’ for a broad-based dialogue process, involving civil society organisations in the South and the North.

JDRC

We appreciate that the Global Donor Platform agreed on the important drivers, guiding principles and approaches which are relevant aspects in successful development processes. We would like to add important issues being crucial for sustainable development processes as well: (a) right to food, (b) access to and control over resources, especially land, (c) community sovereignty and (d) fair trade relations.

The concept paper is formulated in a quite general manner, and with regard to the restriction formulated on page 15, “platform members noted that the principles and approaches outlined in this document should not be seen as conditionalities for governments”, we have question marks about the concept’s relevance in practice.

We hope that with these comments and suggestions, based on our organisations’ experiences with sustainable development processes, we were able to add new aspects and views. As mentioned above, it is impor-



peace network



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- **Bread for all** (Bern, Switzerland): www.bfa-ppp.ch
- **Brot für die Welt** (Stuttgart, Germany): www.brot-fuer-die-welt.de
- **BUND**, Friends of the Earth Germany (Berlin, Germany): www.bund.net
- **Christian Aid** (London, UK): www.christian-aid.org.uk
- **Coalition in Defence of Diversity** (Andhra Pradesh, India)
- **CTDT**, Community Technology Development Trust (Harare, Zimbabwe): www.ctdt.co.zw
- **DDS**, Deccan Development Society (Hyderabad, India): www.ddsindia.com
- **Deutsche Welthungerhilfe** (Bonn, Germany): www.welthungerhilfe.de
- **eed**, Evangelischer Entwicklungsdienst (Bonn, Germany): www.eed.de
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