



# **Productive Strategies for Poor Rural Households to Participate Successfully in Global Economic Processes**

## **Final Report**

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# Executive Summary

The aim of this Scoping Study is to develop a research agenda and from this, options for a research program, under the title 'Productive strategies for poor rural households to participate successfully in global economic processes'. The research is to be implemented by the Rural Poverty and Environment Program Initiative within the International Development Research Centre. This Study was produced by the Overseas Development Institute.

The aims of this Study are to:

- Identify policies, processes and institutions that will expand potential benefits of global economic processes to the rural poor;
- Identify ways the rural poor can develop their own capacities and define their own productive strategies to improve their livelihoods;
- Prepare an agenda of priority research areas;
- Build a coherent programme of research;
- Highlight critical issues regarding methodologies;
- Identify on-going work in the research areas; and
- Identify potential partners.

The large Study team - based in Europe, Latin America, Africa and Asia - generated data during a series of six Regional Scans, seven Country Reports and seven Country Workshops. This approach has combined desk-top analysis of secondary data, bilateral discussions with key respondents and participatory research methods in a workshop format. The objective is to produce findings which are empirically robust and reflect the concerns of practitioners, public policy makers, researchers and representatives of the rural poor at the local level.

The conceptual framework for the study was established through investigating the following five key issues: Who are the rural poor? Why the rural focus? Why use the sustainable livelihoods framework? What are global economic processes? What constitutes the enabling environment?

The rural poor are not an undifferentiated group. They can be placed into three categories 'small producers for global markets', 'workers' and 'marginal producers for domestic markets' to reflect their differing current productive strategies, access to assets and engagement with global economic processes. The policies, processes, institutions and productive strategies being developed by the rural poor themselves to facilitate a successful engagement between the rural poor and global economic processes, were then examined throughout the South. The following priority research areas were identified:

- **Small producers for global markets:** market facilitation; support to producers; accessing viable pro-poor value chains; and enhancing economic infrastructure;
- **Workers:** migration and remittances and rural non-farm economy; and
- **Marginal producers for domestic markets:** discriminatory provision of government services; potentials for 'lagging' regions; rural poor as consumers; and social protection.

In addition to these priority research areas, the following meta-themes were identified that impact upon all three categories of the rural poor: factors of production; environment and natural resource management and enabling environment. The key cross-cutting issues identified were gender and ethnicity. This defines the research agenda. The component parts of this agenda are then assessed against the eligibility and selection criteria established at the commencement of this Study. Having established the scope of the agenda, on-going research in these areas and potential partners are identified.

The experiences of implementing four relevant research approaches are also reviewed: value chain analysis; environmental economics; bridging research and policy and also strengthening research partnerships. The implications for the emerging research agenda of this experience is discussed.

The Study ends with some proposals for a programming approach and modalities. An illustrative research programme is generated comprising of Partnership Formation Grants: Research Grants, Scholarships and Unsolicited Proposals. Some of the modalities and financial aspects of this proposed CAD\$17.5m research agenda are highlighted.

## Acknowledgements

This Study has been a genuine team effort and the authors are very grateful for the engagement of colleagues across the world.

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The Regional Co-ordinators ([Jonathan Rushton](#), [Stephanie Levy](#), [Priya Deshingkar](#) and [John Howell](#)) successfully completed the difficult job of mediating between onerous requests from London and the response from local teams in seven countries in the South.

The Country Researchers had a huge role in the highly effective Country Reports and Country Workshops. Our thanks go to [Arati Davis](#) and [Le Thi Van Hue](#) in Asia; [Sanjay Kumar](#), [Magda Ghoneim](#) and [Mamadou Bara Gueye](#) in Africa and [Rommy Viscarra](#) and [Ranfis Mercado](#) in Latin America for their excellent research and logistical input.

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## Abbreviations & Acronyms

CAD	Canadian Dollar
CfP	Call for proposal
CS & PF	Corporate Strategy & Program Framework
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DFID	Department for International Development
ENRM	Environmental and Natural Resource Management
FDI	Foreign Direct Investment
GEP	Global Economic Process
GGP	Globalisation, Growth and Poverty
GVC	Global Value Chain
ICT	Information Communication Technology
IDRC	International Development Research Centre
LAC	Latin America and the Caribbean
MTR	Mid-Term Review
NTFP	Non-Timber Forest Products
ODI	Overseas Development Institute
PI	Program Initiative
R&D	Research and Development
RAPID	Research and Policy in Development
RNFE	Rural Non-Farm Economy
RPE	Rural Poverty and Environment
SSA	Sub-Saharan Africa
UPE	Urban Poverty and Environment
VCA	Value Chain Analysis

# 1.0 Introduction

## 1.1 Aims of this Scoping Study

The aim of this Study is to develop a research agenda and from this, options for a research program. This research relates to one of the four key areas of responsibility of the Program Initiative (PI) called Rural Poverty and Environment (RPE) within the International Development Research Centre (IDRC). RPE was created by the board of IDRC in November 2004 when the Centre's Corporate Strategy and Program Framework (CS + PF) was approved. This strategy amalgamated three regional initiatives into one global Initiative: RPE (see Fig. 1). The goal of the RPE is to support participatory action-learning-research, policy and institutional innovations and reforms. RPE contributes to the development of networks, partnerships and communities of practice, in order to strengthen institutions, policies and practices that enhance the food, water and income security of the rural poor, including those living in fragile or degraded upland and coastal ecosystems.

In order to achieve this, RPE supports activities in four Outcome Areas:

- 1) Building effective environmental governance where all stakeholders, including marginalised groups, participate in environmental and natural resource management;
- 2) Enhancing equitable access and use rights to natural resources by strengthening the negotiating capacity of the rural poor to defend or expand their rights to natural resources;
- 3) Strengthening communities' capacity to respond to and benefit from integration within wider social and economic systems (i.e. urbanisation, globalisation and market integration); and
- 4) Adaptive learning.

It is in the context of this third Outcome Area that RPE is developing a research agenda for 'Productive strategies for poor rural households to participate successfully in globaleconomicprocesses'. IDRC contracted the Overseas Development Institute (ODI), a UK-based development policy think-tank, to support the process of developing this research agenda in November 2005.

The ODI is contracted to:

- 1) Identify and review research directions and actors by: preparing an agenda of priority research areas; highlight critical issues regarding methodologies; identify on-going work within the scope of the theme by other donors and related institutions; and identify potential partners;
- 2) Provide recommendations that enable RPE to build a coherent programme of research in this area, including possible collaboration with other IDRC programmes – such as Globalisation, Growth and Poverty (GGP);
- 3) Identify the policies, process and institutions that will expand the potential benefits of wider linkages to the rural poor and allow the development and dissemination of these findings with researchers, NGOs and civil society groups and policy-makers in the South; and



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**Figure 1: IDRC Program Framework 2005-2010**

	<b>Program Initiatives 2000-2005</b>	<b>Program Initiatives 2 005 - 2010</b>	<b>Secretariats</b>
Environment and Natural Resource Management Program Area	Community-Based Natural Resource Management People, Land, and Water Minga: Alternative Approaches to Natural Resource Management Cities feeding People Ecosystem Approaches to Human Health	Rural Poverty and Environment Urban Poverty and Environment Ecosystem Approaches to Human Health	International Model Forest Network Secretariat Environmental Management Secretariat
Information and Communication Technologies for Development Program Area	Acacia Pan Asia Networking	Acacia Pan Asian Networking	Bellanet
Social and Economic Policy Program Area (formerly Social and Economic Equity)	Governance, Equity and Health Micro Impacts of Macroeconomic and Adjustment Policies Trade, Employment and Competitiveness Peacebuilding and Reconstruction	Governance, Equity and Health Globalisation, Growth and Poverty (as of October 2005) Peace, Conflict and Development Women's Rights and Citizenship (as of March 2006)	Research for International Tobacco Control Economy and Environment Program for Southeast Asia Secretariat for Institutional Support for Economic Research for Africa
Innovation, Policy and Science Program Area (approved March 2005)			
Crosscutting Research	Gender		
Special Initiatives	Canadian Partnerships Research on Knowledge Systems Training and Awards Program	Canadian Partnerships Training and Awards Program	

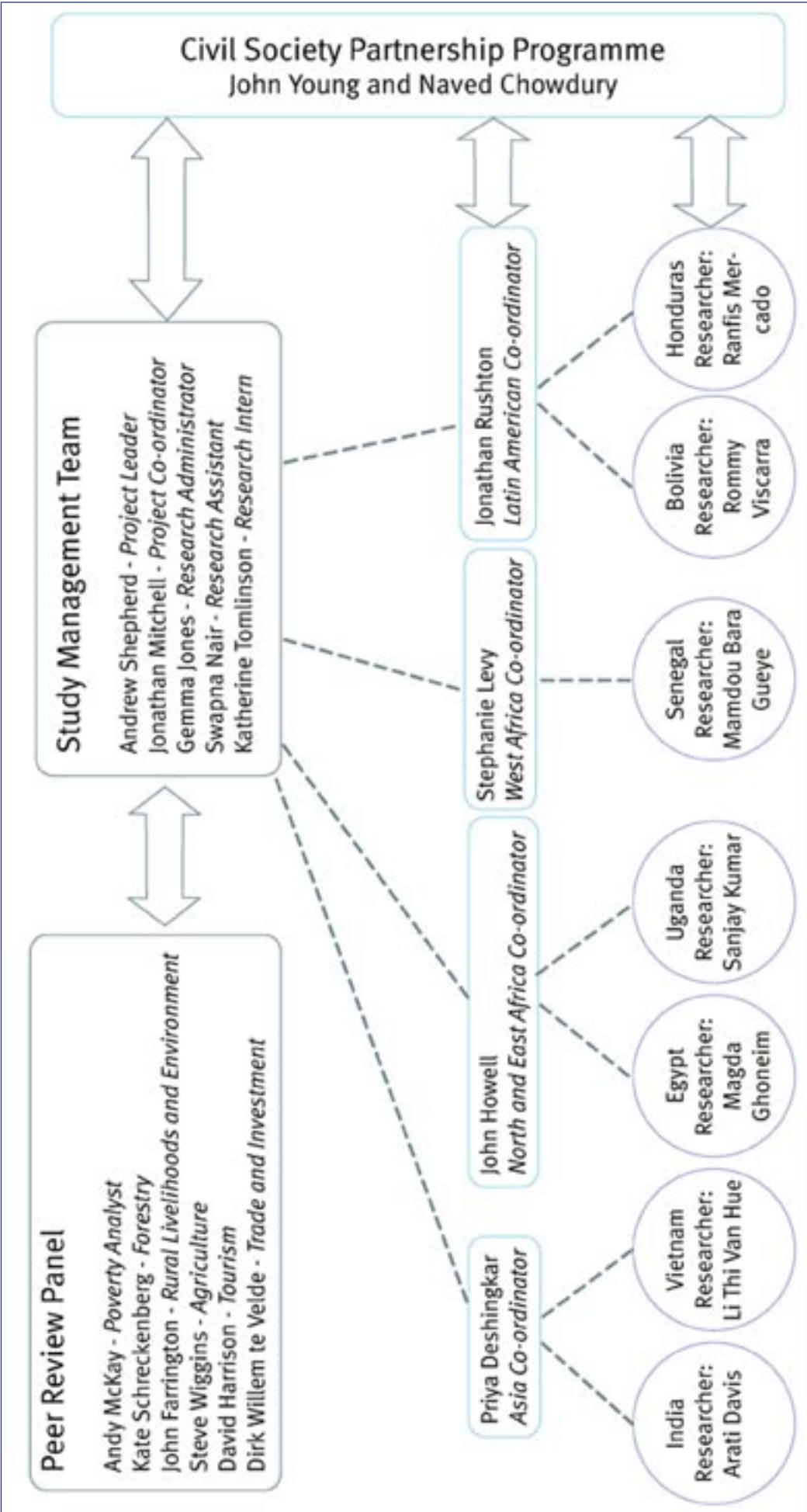
- 4) Identify ways to enhance the capacity of rural communities to develop their own indigenous capacities and define their own productive strategies to improve their livelihoods.

This Study will provide a conceptually robust and empirically sound rationale for the allocation of up to CAD\$4m of IDRC funds in research each year in the remainder

of the five year program cycle from 2006/07 to 2010/11. The emphasis will be on transformational research that will not just study the conditions of the rural poor – but undertake the research necessary to change them. The research agenda will be based upon a sound empirical diagnosis but will nonetheless seek to advance inspirational and innovative research.



Figure 2: Study Management Team Organogram



## 1.2 Study Process

The first critical step in the implementation of this Scoping Study was the Inception Workshop held in December 2005 at the ODI offices in London. The Workshop was attended by key management from the RPE and the ODI team as shown in Figure 2.

The Inception Workshop established the approach, process, research conceptual questions, and administrative arrangements for the Study. Figure 4 illustrates the study process out-turn. Actual activities have followed the planned programme closely in terms of the tasks carried out and their sequence.

Between January and March 2006, Regional Scans were developed for each of the seven Regions listed below. These Regional Scans comprise a brief overview of the socio-economic development issues relevant to the Study; a regional perspective on the central research questions framing the Study; an overview of research activities and a 'long list' of themes meriting further research. These Scans were based primarily on secondary data, although the Regional Co-ordinators in the Study Team all had an existing knowledge of their Regions. The full draft of Regional Scans can be found on the Study website <http://www.odi.org.uk/propoortourism/projects/idrc/index.html> and are summarised in Annex A.

The six Regional Scans relate to the following IDRC Regions the:

1. Central Andes (**Bolivia**, Ecuador and Peru);
2. Western Caribbean and Central America (**Honduras**, Nicaragua, Cuba, Yucatan Peninsula, Belize and Guatemala);
3. Sahelian Belt of West Africa (Burkina Faso, Niger, Mali, Mauritania and **Senegal**);
4. Nile Basin (**Egypt**, Ethiopia, Kenya, Sudan, Tanzania and **Uganda**);
5. South Asia (**Northern India**, Nepal and Bhutan); and
6. Mekong Delta and Philippines Region (Cambodia, **Vietnam** and the Philippines).

These Regions are illustrated in Figure 3 and the Third Outcome area – the focus of this Scoping Study - is a priority for all of them.

In each of the six Regions a case-study country was selected (with two countries in the Nile Basin Region). These countries are highlighted in the bullet points above. Between April and May 2006 Country Reports were produced for each of the seven countries.

Figure 3: RPE Priority Regions

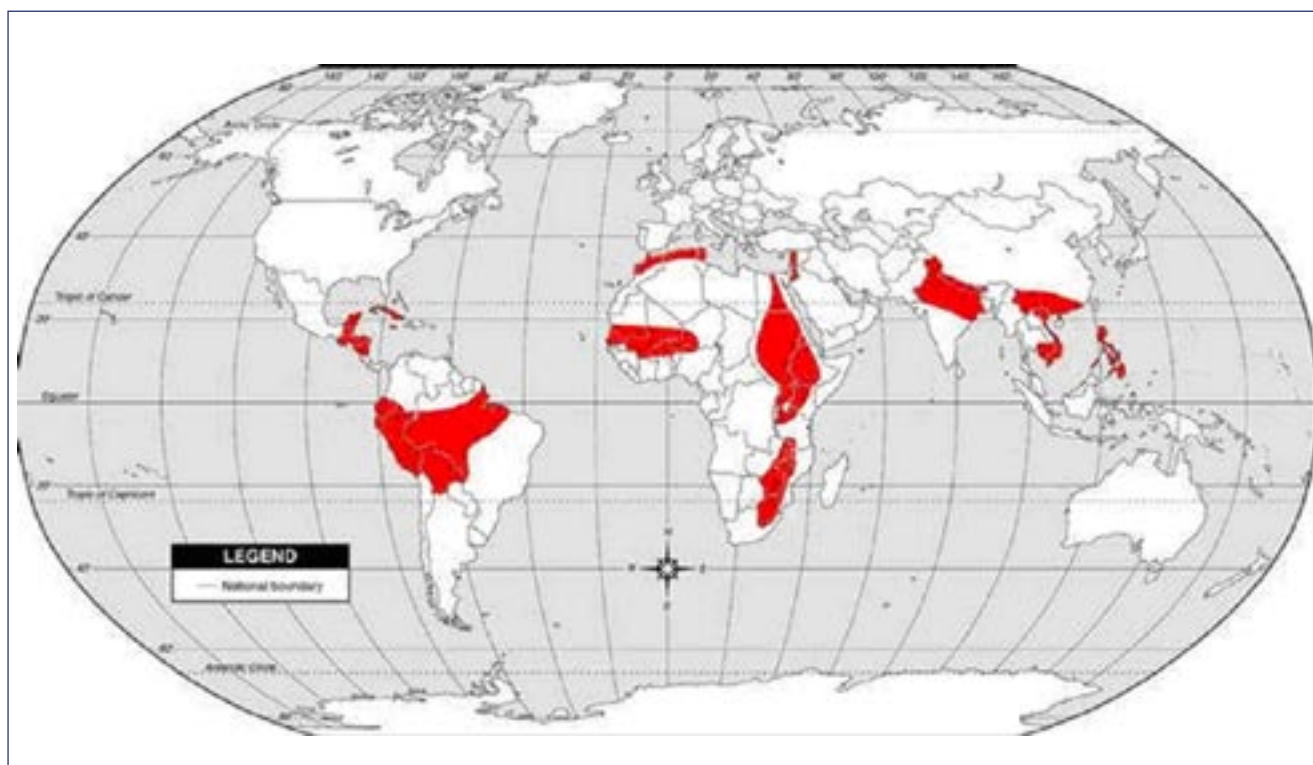
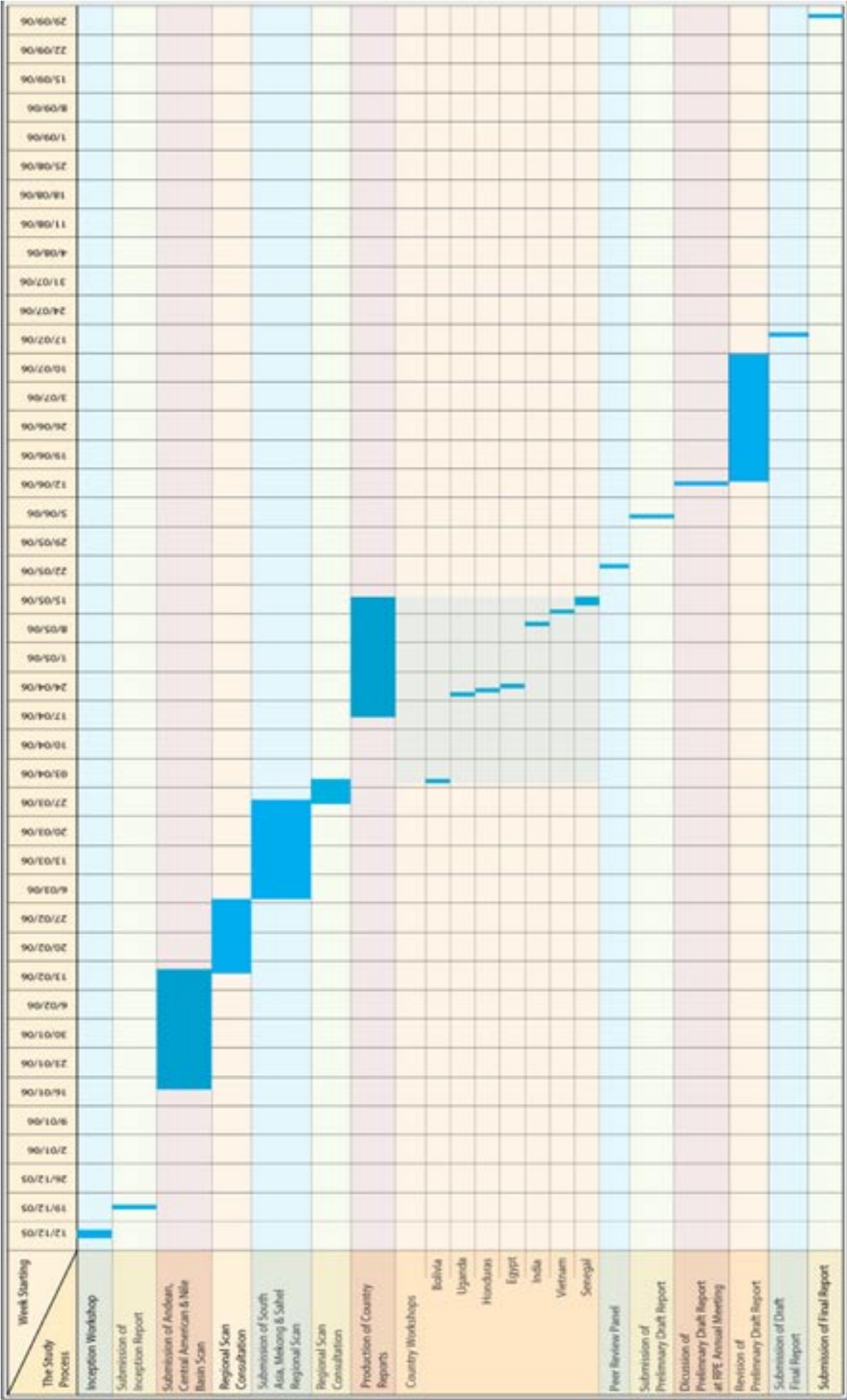


Figure 4: Study Process Out-Turn



The objective of the country-level investigations was to validate the secondary and regional analysis in the Regional Scans to determine the relevance to the case-study country. Country Reports were, in all cases, undertaken by respected researchers that are nationals of each of the seven case-study countries – in collaboration with the relevant Regional Co-ordinator. Country Reports aim to ‘ground truth’ the research themes raised in the Regional Scans, identify potential partners for IDRC in the future research agenda, highlight methodological issues and identify on-going relevant research work (see summary in [Annex B](#)).

During April and May 2006, Country Workshops were held in each of the case study countries. At these Workshops, the findings of the Regional Scans and Country Reports were discussed with key stakeholders from the private and public sector and civil society. The Workshop discussions were generally a very valuable input into the research process (see summaries in [Annex D](#)).

A Preliminary Draft Report was distributed to RPE and discussed with the management team at the RPE Annual Meeting in June 2006. This meeting provided useful feedback that greatly enriched the process leading up to the production of the Draft Final Report in mid-July. This Final Report has benefited from considerable input from RPE senior management.

## 2.0 Conceptual Framework and Strategic Choices for RPE

This Study is framed around two broad research questions. From these a series of detailed issues cascade. These issues have provided the framework that has defined the scope of the Regional Scans, the Country Reports and the Country Workshops.

Five key conceptual issues need to be addressed at the onset:

- **Who are the rural poor?**
- **Why the rural focus?**
- **Why use the sustainable livelihoods framework?**
- **What are global economic processes? and**
- **What constitutes the enabling environment?**

This section elaborates these concepts and spells out the connected strategic choices and implications for the research agenda.

### 2.1 Who are the rural poor?

Poverty is not a static concept - there is considerable upward and downward mobility around any poverty or well-being line. Mobility tends to be especially high around income poverty lines compared with other indicators of deprivation. The aggregate incidence of poverty is the net effect of all this mobility in both directions.<sup>1</sup>

In this analysis, we capture upward mobility by looking at poor people participating in, or potentially participating in, global economic processes (GEPs). Downward mobility is also captured by our examination of instances when global economic processes have negative effects and exclude the poor from participating in global economic processes.

The rural poor may be producers, but also traders, workers, migrants, consumers and resource managers. This 'role' aspect needs to be captured - particularly with respect to reproductive and social roles.

In many countries the rural poor constitute a large number of individuals and households

- some 0.8 billion globally. The poor are not, however, a homogeneous or undifferentiated group. Key divisions within the rural poor population of developing countries are relevant to this Study. These may include whether households have access to different assets which can determine the extent of participation in global economic processes. These differences can also determine in which roles the rural poor participate (e.g. direct producers for international markets, workers, etc.).

#### Box 1: Study Research Questions

##### Research Question 1:

How can poor rural households adapt their livelihood strategies to benefit from participation with global economic processes?

##### Research Question 2:

How can the enabling environment be enhanced to support the successful participation of the rural poor?

In relation to global economic processes we can see the rural poor as:

- participants, either in the form of producers or workers; or
- potential participants, who face a defined – and therefore surmountable – obstacle to engagement; or
- people who are marginalised due to experiencing multiple and cumulative barriers to a successful engagement with GEPs.

Key questions are the conditions under which participants can improve their well-being through a more viable engagement that offers an exit from poverty. Likewise, potential participants can become participants with reasonable terms of incorporation in terms of wages, prices and security. Our findings suggest that there are concrete strategies that can allow the marginalised to become less marginal – with the longer-term possibility of incorporation on terms that may be positive. Even the currently negatively-affected may have opportunities to redress the negative impacts.



Our hypothesis is that those households with assets are often participants in global economic processes as producers, but their assets may still generate insufficient returns to escape poverty on a sustainable basis. Evidence from horticulture production in Kenya, for example, indicates that smallholders are prevented from participating in this highly rewarding enterprise because they lack the financial means to certify their produce as required by European retailers<sup>2</sup>. Supporting cooperation among smallholders in order to allow them pooling of scarce financial resources might enable them to enter these markets. Often, smallholders also lack the necessary knowledge with regard to current rules and regulations within the commodity chain and are therefore excluded from participating. Improving human capital becomes therefore specifically important.

Evidence from the Country Workshops indicates that there is a group of rural households who participate in global economic processes mainly as workers, because they lack other vital assets such as access to land to engage as producers. They may benefit from support, such as to improve their human capital. There is evidence that increasing employment opportunities have arisen for the poor, even when they were excluded in the first instance from participating as producers in specific value chains, but as a consequence of either increased farm labour opportunities, jobs in the processing of primary produce, or specific service provision.<sup>3</sup>

There is also a group of households or individuals who are neither working nor have access to assets. Unless support systems are available this category is likely to be a net burden on the household and may prevent their escape from poverty.

## 2.2 Strategic Choice of Target Populations

These conceptual issues have important practical consequences for the shape of this research agenda.

Following from the discussion above, if this Study focused only on the rural poor that are directly interacting with global economic processes as producers and traders (here labelled ‘small producers for global markets’) the document would be mercifully brief. However, appreciating that brevity has been achieved at the cost of excluding most of the rural poor, the strategy of adopting the narrowest definition of the rural poor is highly questionable.

Adding to our target population the much broader category of rural poor who interact indirectly with global economic processes via the labour market allows researchers to work with many more of the rural poor. These are workers who, whilst not directly engaging with global economic processes, nevertheless work for people on farms and in factories who do. We also include in this category the migrants who are increasingly crossing international borders to secure work. The significance of international migration can be seen in a number of Central America states, where one-tenth of the population currently resides in the United States and remitted salaries are an important feature of the macro-economy.

An important strategic choice for this study is how far to look beyond these two categories whose interaction with global economic processes – whether direct or indirect – is fairly clear. Should a third, and much broader still, category of rural poor that have an altogether more tenuous or ‘marginal’ engagement with global economic process be included?

This category of the rural poor does not engage with global economic processes through production or the labour market. Households are, in part, subsistence-oriented and, in part, produce for local and national markets. However, they may depend on global economic processes for some production inputs and also consumer goods (the so-called ‘marginal producers for domestic markets’).

The argument for excluding the most marginalised and chronically poor - whose interaction with global economic processes and domestic markets is minimal

**Table 1: Differentiating the Rural Poor**

Small producers for global markets	Workers	Marginal producers for domestic markets
<ul style="list-style-type: none"> <li>Inputs markets for production inputs (e.g. fertilisers, seeds, etc..)</li> <li>Traditional agro-commodities (e.g. coffee, tea, rice, cotton, etc..)</li> <li>High-value agricultural goods (e.g. horticulture, shrimps, medicinal plants, etc..)</li> </ul>	<ul style="list-style-type: none"> <li>Working nationally in enterprises that are a consequence of GEP (e.g. workers on estates, in textile factories, etc..)</li> <li>International migrants</li> </ul>	<ul style="list-style-type: none"> <li>Sell to local markets</li> <li>Depend on production inputs from global markets (e.g. fertilisers, irrigation equipment, etc..)</li> </ul>

- is not that they are unimportant, nor that their marginalisation is not a pressing development policy issue. The purpose of this Study is not to advise governments on broad development priorities in the case study countries. The purpose of this Scoping Study is rather to advise RPE on a five-year research agenda that will have impact by changing the lives of poor rural people by improving their productive strategies to engage in global economic processes. On the grounds of efficiency and impact there may be a justification for a focus on the categories of the rural poor already engaging with GEP where there is the best prospect of demonstrable success within a narrow window of time.

The counter argument to this is that in many rural areas a significant proportion of the population is chronically poor. Where this is the case, it could be considered a denial of rights, or even unethical, to deliberately exclude this group.

Second, decisions made regarding the categories of rural poor targeted have implications for the nature of the research agenda that is likely to be generated. It is likely that the constraints faced by the most marginalised to a successful engagement with global economic processes are multiple, structural and long-term (for instance, poor human capabilities and economic infrastructure). Research on these profound market and government failures are likely to be quite broad academic studies of a type traditionally carried out by university departments.

If, however, the focus is on a target group that is either directly or indirectly already interacting with global markets, with the aim to support an engagement on more beneficial terms to the rural poor, the research may have a more applied action research flavour. The focus on a much narrower range of market failures (i.e. transaction costs, lack of information, etc.) has traditionally appealed to implementation-orientated practitioners more than academics. This latter approach to research may fit the mandate of RPE more closely than the more fractitional academic model of research.

The danger with this line of argument is that it can perpetuate several rather unhelpful research stereotypes. For instance, not all academics are uncomfortable with action research and academic excellence should not be compromised in the quest for research with policy relevance and development impact. However the broader point - that the choice of target population has an influence on the type of research and the type of researcher – remains.

The experience from the Workshops, however, advocates a pragmatic response to these choices. The priority research areas emerging span all the categories of the rural poor. Implicitly this reflects a view amongst researchers and workshop participants that all categories of the rural poor should potentially be touched by this research agenda.



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### 2.3 Why the Rural Focus?

It is possible to justify a rural focus for a research agenda seeking to reduce poverty because most poor people live in rural areas. In 1950, only 18% of the inhabitants in developing countries were living in urban areas. This portion increased to 40% in 2000 and is expected to further grow to 57% in 2030<sup>4</sup>. However, poverty is still mostly concentrated in rural areas - and will be for some time. Of the estimated 1.2 billion poor, three quarters work and live in rural areas. Of these 1.2 billion poor, about 45% live in South Asia, 24% each in Sub-Saharan Africa and East Asia, and 6.5% in Latin America and the Caribbean.

Projections suggest that although rural poverty will decrease as a consequence of increasing urbanisation, the share of the rural poor by 2025 will still be above 60%<sup>5</sup>. Poverty reduction, and particularly seeking to meet the Millennium Development Goal target of halving the level of 1990 poverty by 2015, thus depends largely on reducing rural poverty.

What became clear during this research was that rural areas in the South are in the midst of an economic transformation that is just as significant as the demographic transition. One of the implications of this is that linkages between 'rural' and 'urban' areas are deepening rapidly - for instance, the:

- extent of migration and remittance flows;
- growth of the rural non-farm economy;
- rural production for urban markets; or
- rural consumption of urban products.

Therefore, whilst this Study focuses upon rural poverty, poor people's livelihoods do not respect a clear rural - urban divide. Much of the analysis is preoccupied with the nature of linkages between rural and urban areas.

### 2.4 Why use the Sustainable Livelihoods Framework?

The sustainable livelihoods approach<sup>6</sup> is a useful way to structure the routes of support for the rural poor to successfully participate

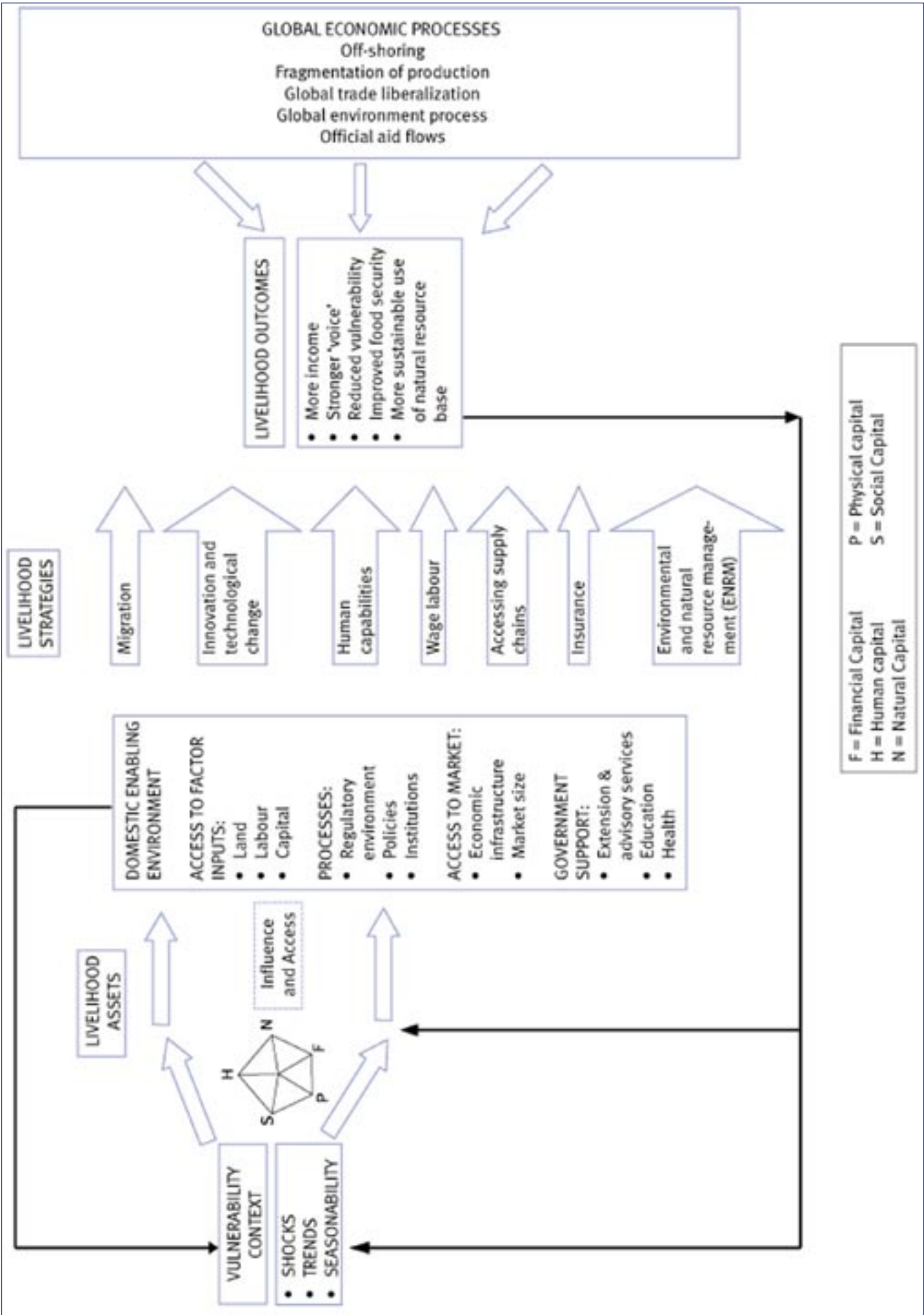
in global economic processes. It helps to identify which of the asset categories – physical, natural, financial, social or human assets – are the ones constraining poor rural households. It can also be a useful tool for identifying who the rural poor are and how the different groups of rural poor differ – for example with regard to assets which they own or have access to, which contribute to defining their livelihood strategies or their resilience to shocks and stresses.

The livelihoods approach is a “bottom-up” approach which emphasises the agency of poor rural households in responding to ongoing economic processes. Depending on opportunities offered, household members for example might migrate in search of better paid jobs or they might access specific high value chains. Households also can invest in improving their capabilities through education and training, thus enabling them to participate on better terms in new economic activities.

Assets are at the centre of the livelihoods approach and may include natural resources, such as private land, water, forests, or common pasture, which the poor may manage or even enjoy ownership rights (see Table 2). But they also include, for instance, human capital endowments such as labour power. This may be enhanced with knowledge, experience and health. Or this endowment may be dissipated by disadvantages such as disabilities, chronic illnesses and malnutrition. Social networks are another potential asset, which may be especially important in accessing global economic processes. The poorest often lack social network assets more significantly than any other form of asset.

Adopting a livelihoods approach will also help establish the interactions and dependencies between poor rural people with their natural environment and the institutions governing these interactions. Do the poor own or have access to the necessary natural resources (e.g. land, water, forests, etc..) to engage successfully in economic processes? How are potential or actual conflicts over access to natural resources necessary for engaging in global economic processes mediated (e.g. conflicts over land or water)? Are the poor negatively affected by the environment (e.g. natural hazards)? Do they have to bear the main negative impacts of environmental pollution arising as a consequence of increasing economic activities (e.g. air pollution, water contamination, etc.)?

Figure 5: An Adaptation of the Sustainable Livelihoods Model



The relevance of issues related to the management of natural resources can be illustrated in two different ways.

First, throughout this Study, factors of production and environmental management and enabling environment issues were raised repeatedly in a very diverse range of contexts. These meta-themes reflect the reality that these issues demand significant and almost ubiquitous research attention. Also, as Table 2 indicates, these areas cannot be ‘pigeon-holed’ into a single category of the rural poor as is the case with most priority research areas. Meta-themes are, in this sense, truly transversal.

outcomes directly, but might be affected in their working environment by specific environmental hazards – farm labourers being insufficiently protected from pesticide use or being affected by water contamination, for example.

- **Rural poor as marginal producers** for domestic markets depend heavily on the condition of natural resources for their immediate survival and to meet their food, feed, fibre and fuel needs. Improving their wellbeing might depend on targeted interventions to improve the quantity or quality of the assets at their disposal and regulating access rights in their favour.

**Table 2: Access to Assets**

	Small producers for global markets	Workers	Marginal producers for domestic markets
Human capabilities	✓	✓	
Social capital	✓	✓	
Finance	✓		
Land	✓		✓
Natural resources (water, biodiversity, etc.)	✓		✓

One can expect that the three categories of rural poor identified in Table 3 will be differently affected by environmental factors and have a different influence on them:

- **Rural poor as direct producers:** they produce agricultural goods that are traded internationally. Increasingly, such goods must comply with specific food safety, and social and environmental standards.
- **Rural poor as workers:** have little agency in influencing environmental

Second, the global donor platform for rural development – a grouping of the leading bilateral and multi-lateral donor agencies – in June 2006 compiled a list of the top ‘hot topics’ (or rural development issues of global significance) [See Table 4].

Whilst impressionistic, this gives an indication of what key donors active in rural development perceive as the most compelling rural development issues. ENRM heads the list. The fact that the research themes emerging from this ‘bottom up’ Study echo the views of the global donor platform provides some reassurance that this research agenda is relevant to broader contemporary debates in rural development.

The livelihoods approach also pays due attention to differentiation within households. Intra-household allocation of assets, or access to them, is usually highly differentiated and might change considerably as households interact with global economic processes.<sup>7</sup> Migration of male household members in search for paid jobs might have profound impacts on women, their access to assets and resulting productive strategies, for instance.

**Table 3: Relationship between Rural Poor and the Environment**

Small producers for global markets	Workers	Marginal producers for domestic markets
<ul style="list-style-type: none"> <li>• Dependent on environment and natural resources, but can overcome certain restrictions (e.g. have ability to substitute natural capital (i.e. soil fertility) with human-made capital (i.e. artificial fertilisers)</li> <li>• Potentially large impact on environment and natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Less significant agency of influencing natural resources</li> <li>• Migration often has an important environmental impact in source and destination areas</li> </ul>	<ul style="list-style-type: none"> <li>• Highly dependent on environment and natural resources</li> <li>• Often provide environmental services of national / global importance for which they are not rewarded</li> </ul>

**Table 4: Global Donor Platform for Rural Development ‘Hot Topics’ June 2006**

Topic	Sub-Topic	‘Votes’
1. Agriculture, environment and natural resource management linkages	Water; urbanisation; climate change; regional security; natural resource management; soil; biodiversity; trade; unsustainable consumption patterns; environmentally sustainable technologies	20
2. The future of small-holder agriculture	Financing of ‘family’ farms, land tenure security; local production systems; small-holders and globalisation; ‘lagging’ areas; policy and investment options for marginal areas	16
3. Aid modalities	Role of modalities in agriculture and rural development; define roles of public, private & donor sectors; SWAPs; decentralisation & territorial development	13
4. Rural finance	Public financial management; management reform of government, banks and savings/credit unions; public/private innovations	10
5. Value chains & ‘supermarketization’	Supermarket chain concentration & integration of value chains in developing countries; high value agriculture.	10
6. Agriculture & health inter-linkages	Avian influenza, BSE, Malaria, pesticides, HIV/AIDS, nutrition	10
7. Trade agreements	International trade policy; trade regimes; protection, competitiveness and subsidies	10
8. Rural/urban development	Demography; peri-urban agriculture; ‘rurbanization’; migration	9
9. Biotechnology	GMOs & development of transgenic materials	8
10. Bioenergy	Biofuels; agricultural biomass; renewable energy; competition with food crops.	7

Source: <http://www.donorplatform.org>

This Study indicates that gender issues have a decisive influence with regard to the way rural poor can interact with global economic processes. Access to assets is often highly differentiated between men and women, and thus defines the possible livelihood strategies. On the other hand, new configurations might arise as a result of gendered integration into GEP. While men migrate in search of paid work, roles of women might change and make new institutional arrangements with regard to accessing assets possible. These might have a considerable influence with regard to which opportunities arising from GEP are available to whom.<sup>8</sup>

## 2.5 What are Global Economic Processes?

Globalisation represents the accelerated mobility of capital, labour, goods and services. Impacts on the rural poor range from negative to neutral to positive and the impacts may be direct or indirect and have a short or long-term temporal dimension. In looking for ways GEP impacts can be enhanced (‘bottom up’) we can draw attention to the ‘meso’ level of activity

of firms, (sub-national) governance and institutions as well as the national and international enabling environment [See Box 2].

The economic policy context has changed very considerably over the past twenty years. Across our six regions a range of de-regulatory measures have been taken including:

- Competitive markets: the de-regulation of foreign exchange markets;
- Trade liberalisation: this has had complex impacts including the displacement of indigenous industry but has benefited consumers with better quality and better value goods;
- Foreign direct investment: is encouraged as a means of overcoming the domestic savings constraint on the rate of economic growth.

It should be recognised that these measures have been implemented at different rates in different regions. For instance, stakeholders in Uganda disputed whether liberalisation had yet taken place in reality. The current

## Box 2: Manifestation of Global Economic Processes of Relevance for the Rural Poor

Manifestation of Global Economic Processes of Relevance for the Rural Poor	
Manifestation	Evidence
Penetration of rural markets by global goods and, increasingly, services with consequent implications for consumption and welfare	Chinese goods have emerged as popular items of trade among African countries and Chinese companies are exporting increasing quantities of a wide variety of products directly to the African markets. China's trade with Africa has been registering a substantial growth in recent years. Price-sensitive markets in Africa have welcomed the easy availability of low-priced Chinese goods. This trend has been repeated in almost all countries across Africa and the result is clearly visible in rural markets flooded with low-priced Chinese goods. <sup>1</sup>
Liberalisation of national markets and reduction of tariffs allowing greater competition from imports	Average (unweighted) tariffs (35 countries) between 1860 and 2000 saw a moderate rise between 1860 and the beginning of World War I from about 12 to 18%, then a steep rise in the interwar period from less than 10% to a maximum of 25%, a fairly stable level of 12 to 15% from the end of World War II until the early 1970s, followed by a marked decline to around 8% at the end of the 20th century. <sup>2</sup>
Changes in the market for traditional commodities (e.g. declining prices and increasing volatility, overproduction)	Between 1977 and 2001, real dollar prices fell for 41 out of 46 leading commodities, at an average rate of 2.8 per cent per year. In 2001 coffee on the international market was worth just 16 per cent of what it was in 1980, after taking inflation into account; and cotton was worth no more than 21 per cent of what it was in 1980. <sup>3</sup>
Development of new markets for export commodities (e.g. new products, changing specification of traditional export commodities)	Fresh fruit and vegetables, fish, live animals and meat, nuts and spices accounted in 2001 for 50% of the total value of agri-food exports of developing countries, up from a 31% share in 1981. <sup>4</sup>
Development of global companies and increasing concentration	Concentration in agri-business leads to shrinking shares of the value of retail sales in the country of production. While coffee producing countries received about US\$ 10-12 billion out of a \$30 billion retail market in the United States at the end of the 1980s, today, they only receive \$5.5 billion from the value of retail sales which exceeds \$70 billion. <sup>5</sup>
Change in finance markets	Capital mobility from 1860 to 2000 saw major changes: Between 1860 and 1914 there was a massive advance in capital mobility, followed by a sudden and very sharp decline after the beginning of World War I. After the establishment of a regulatory framework at Bretton Woods in 1944, and specifically after the abolition of fixed exchange rates in major economies during the 1970s, capital mobility again increased dramatically. <sup>6</sup>
Development of growth poles/urban agglomeration, attracting mobile capital and labour	It is estimated that in 2000 more than three-fifths of the urban population of Africa, the Caribbean and Southeastern Asia was living in market towns and administrative centres with less than half a million inhabitants. <sup>7</sup>
The ageing population and strong economies of developed economies combined with reducing costs of international travel have resulted in a boom in international South-North migration.	There were an estimated 191 million migrants worldwide in 2005, up from 176 migrants in 2000. Women accounted for 49.6% of global migrants in 2005. <sup>8</sup>
<b>Sources:</b> <ol style="list-style-type: none"> <li>1 Africa Business Page, <a href="http://www.africa-business.com">http://www.africa-business.com</a>, accessed 21.07.2006</li> <li>2 Kaplinsky, R. (2005) <i>Globalisation, Poverty and Inequality</i>. Cambridge, Polity Press. p. 23</li> <li>3 Oxfam (2004) "The Rural Poverty Trap: Why agricultural trade rules need to change and what UNCTAD XI could do about it." Oxfam Briefing Paper 59. Oxfam.</li> <li>4 Davies, J.R. (2006) 'How can the poor benefit from the growing markets for high value agricultural products?' Kent, NRI. p. 6</li> <li>5 International Coffee Organization (ICO), cited in: UN (2002) <i>World commodity trends and prospects</i>. Note by the Secretary-General. A/57/381. United Nations, New York.</li> <li>6 Kaplinsky, R. (2005) <i>op. cit.</i>, p. 24</li> <li>7 Satterthwaite, D., C. Tacoli (2003) <i>The urban part of rural development: the role of small and intermediate urban centres in rural and regional development and poverty reduction</i>. Working Paper Series on Rural-Urban Interactions and Livelihood Strategies, WP 9. London, IIED.</li> <li>8 International Organisation for migration (IOM) <i>Global Estimates and trends</i>. <a href="http://www.iom.int">http://www.iom.int</a>, accessed 20.07.2006</li> </ol>	



Bolivian government is actually hostile towards many global economic processes. Several global economic processes have the potential to provide an impetus for pro-poor rural growth, such as the:

- Reduced cost of mass consumer goods, including food;
- Greater availability of low paid but regular work in casual wage labour markets where growth is labour-intensive – although this can lead to chronic poverty. Most industrialisation favours skilled labour - so upskilling is an important strategy for the rural poor to be able to access these opportunities;
- Spread of linkages of rural regions to urban agglomerations as hubs for investment and also labour migration.
- Growth of the demand in developed countries for specific products (e.g. specialities, fresh produce year-round, etc.); and
- Increasing consumer awareness for social and environmental concerns.

## 2.6 Strategic choice of Global Economic Processes

RPE has a choice with respect to what economic roles played by rural poor people should receive research attention. The poor are consumers as well as producers of various goods or services. Many more rural poor people may interact with global economic processes through consumption than through production or employment. This interaction is both direct and indirect – direct consumption of ‘globally’

produced products is a very dynamic and under-researched area; but also indirect consumption of products whose price, quality or availability have been affected by global economic processes.

An argument for focusing on rural poor consumers would be that welfare is still measured mainly in terms of consumption. This means that any improvements would be directly reflected in the commonest measures of welfare. In addition, reduced expenditure provides the basis for saving and investment which are, in turn, critical to generate economic growth. The literature on the consumer role of the rural poor is rather modest and limited to the impact of price shocks on consumption and the relationship between food security and consumption.

## 2.7 The Enabling Environment

The enabling environment is comprised of institutions which may facilitate pro-poor rural economic growth.<sup>8</sup> For this analysis, this is of sufficient significance to be a meta-theme covering all categories of rural poor.<sup>9</sup>

The ‘*Operationalising pro-poor growth in the 1990s*’ studies suggest that pro-poor agricultural growth is facilitated by available economic infrastructure; secure property rights; positive incentive frameworks in the sectors where poor people work and invest; investments in R&D and dissemination of crop technologies to small producers and initiatives to help the management of risk. Put differently, the enabling environment, both formal and informal, influences if and how poor people can access vital assets for productive strategies.

For the rural non-farm economy (RNFE), critical factors include: encouraging pro-poor



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growth; the investment climate; incentives for labour-intensive production; access to post-primary skill-enhancing education with gender equality; greater infrastructure spending and improved quality of services delivered.

Some of the interrelationships between these variables are summarised in the diagram overleaf, drawn from ODI work on pro-poor growth in Nigeria<sup>10</sup>.

These variables can be grouped as follows, the:

- Legal and regulatory reform (tax reform, land laws and administration);
- Infrastructure (different types of which benefit quite distinct groups of poor people, also infrastructure development has important employment generating impacts);
- Capacity of the state (in terms of contracting, regulation and project supervision);
- Investment climate surveys (should be broadened to include agriculture, services; informal sector – including the views of poor entrepreneurs and workers); and
- Increasing access to finance (particularly in terms of improving the usually weak links between the conventional financial sector and community banks and micro-finance institutions).

this research, and its crucial importance with regard to livelihood strategies, it is impossible to specify specific aspects of the enabling environment in relation to productive strategies of poor rural households which should not constitute part of the research themes funded under this programme.

Nevertheless, RPE might wish to limit research activities to those aspects which directly influence productive strategies of poor rural households and the way they integrate – or are limited to participate – in global economic processes. Trade agreements, for example, will have a profound impact on rural producers, both directly and indirectly, whether and on what terms they can access markets, both within their country and beyond. Issues to be addressed under this programme, however, should not deal with trade regulations, negotiations and agreements at global level in general terms, but only with those aspects directly impacting the rural poor and their productive strategies (for example with regard to the introduction of health and safety standards for agricultural produce which limit access of southern producers to EU markets).

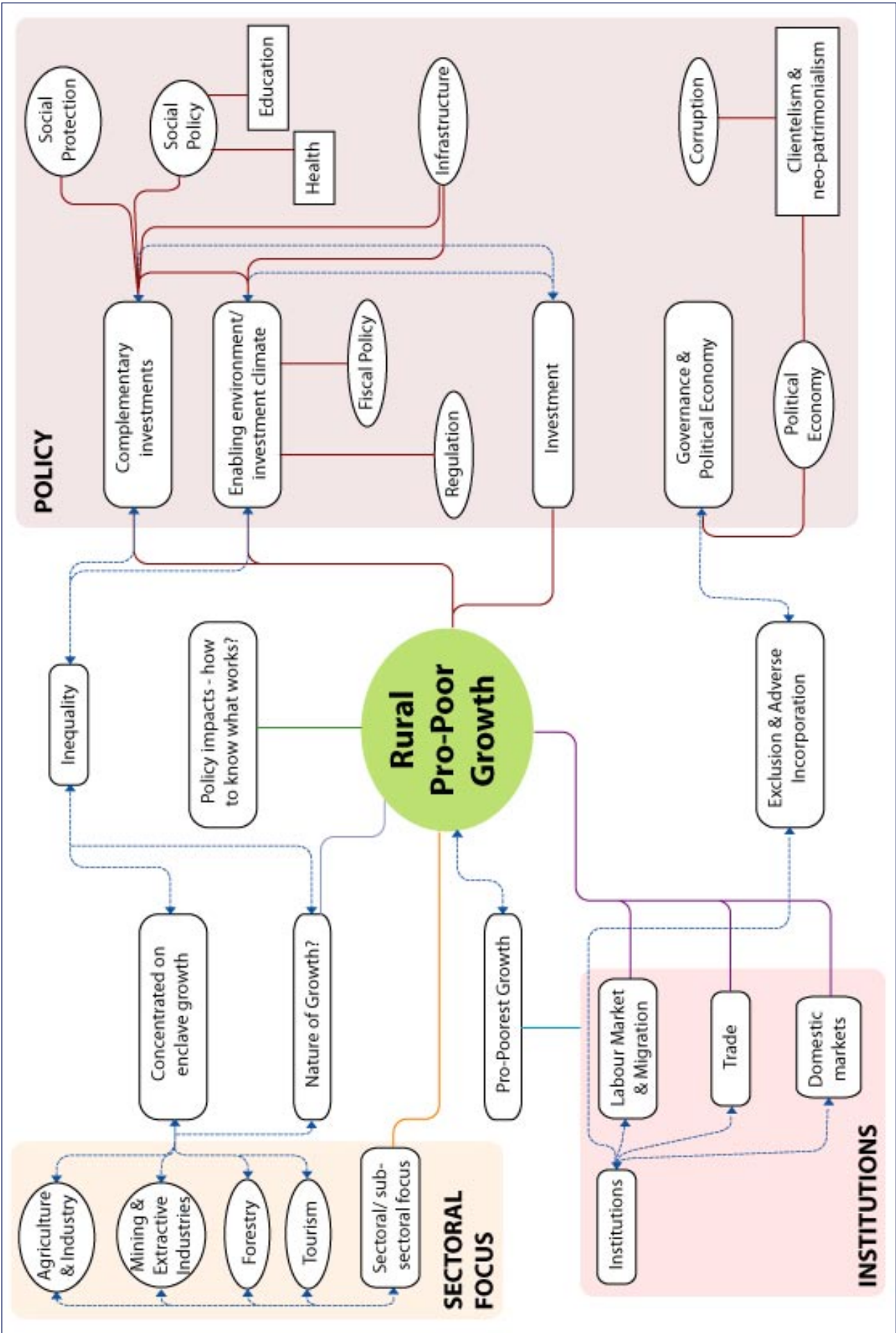
## **2.8 Strategic Choice of Enabling Environment**

The term ‘enabling environment’ encompasses a wide range of investments, policies and institutions that are ultimately of relevance for and explain the lack of successful engagement of poor rural households in global economic processes. They relate, among others, to access to factor inputs (land, labour, capital), access to and structure of markets, or state support systems and services. Aspects of the enabling environment influencing poor rural households are extremely wide and stretch from local to international.

Based on the broad range of aspects of the enabling environment identified in



Figure 6: The Enabling Environment



## Chapter 2: Footnotes

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## 3.0 Priority Research Areas

### 3.1 Scoping approach

Priority research areas have been identified to illustrate the scope of the research agenda. The intention is not to pre-empt or constrain future responses to calls for proposals from researchers. The aim is rather to populate the conceptual framework developed in Section 2 with illustrative research areas to indicate the boundaries for the research agenda.

Priority research areas have emerged from a triangulation process involving:

- empirical analysis of predominantly secondary sources in the six Regional Scans (see Annex A for summarised findings);
- more detailed and specific empirical analysis in the seven Country Reports. Validation of findings through a consultative process involving bilateral meetings (see Annex B for summaries); and
- the Country Workshops (see Annex D for summarised findings).

The research themes emerging from the Regional Scan, the Country Report and the Country Workshop are compared in Annex C. Several interesting patterns emerge from this analysis:

- It is striking how these different analytical methods generated quite contrasting lists of research theme priorities.

Particularly for the Country Report and Country Workshops which focused upon similar geographical units. This finding confirmed the value of adopting a multi-methods approach to data collection in this Study;

- The research themes identified from the Regional Scan tend to be broader and more abstract than those proposed by the Country Report. The themes emanating from the Country Workshops are, in many cases, more specific still. This reflects the good quality of discussions at the workshops and the active participation by many experienced development practitioners;
- Taken together the two findings above suggest that the participatory aspects of this process added significant value to the quality of the output;
- The argument that the emerging research themes resulting from these processes reflect the interests of the researchers and participants involved more than the characteristics of the different places, is undermined by the presence of many common themes across a wide range of geographic contexts; and
- Generally a good balance of research themes was maintained between the three categories of the rural poor, the 'small producers', 'workers' and 'marginal producers' throughout the process.

**Table 5: Criteria for the Selection of the Long-list of Research Themes**

<p><b>Eligibility (i.e. essential to have) criteria for research themes - they must:</b></p> <ol style="list-style-type: none"> <li>1) have a 'regional resonance' which means they must have clear relevance for more than one nation state in the region (there is, however, no requirement for a cross-regional resonance);</li> <li>2) be within the scope of this research study and the aims of RPE;</li> <li>3) take into account who is already doing (and funding) what relevant research;</li> <li>4) demonstrate a transformative potential (i.e. potential pro-poor impact if theme is implemented) and social equity considerations;</li> <li>5) be a response to a market or government failure that generates a barrier to the successful participation of poor rural households in global economic processes – this creates the conceptual basis for intervention with public funding; and</li> <li>6) emerge from an analysis of data at a regional level and demonstrate conceptual coherence with the other themes.</li> </ol>	<p><b>Selection criteria (including cross-cutting themes) for the selection of research themes – preference will be given to research themes that:</b></p> <ol style="list-style-type: none"> <li>1) demonstrate environment and natural resource management issues;</li> <li>2) involve building the capacity of poor rural households and southern institutions;</li> <li>3) encourage co-finance opportunities within IDRC (i.e. GGP and UPE) and external agencies; and</li> <li>4) diversity across the six regions should be ensured by the heterogeneity across the case study countries that will enrich the knowledge base on the productive strategies</li> </ol>
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### 3.2 What is a Theme?

We have not been prescriptive in terms of what constitutes a research ‘theme’. The eligibility criteria and selection criteria for choosing a theme were agreed at the Inception Workshop and are presented in Table 5. At each of the Country Workshops, participants were empowered with summary presentations of the findings of the Regional Scan and the Country Reports by the authors of these documents – followed by detailed discussion to validate the empirical basis for these documents. Participants were then requested to generate issues they regard as requiring urgent research attention as components of this research agenda, having been made aware of the criteria for selecting themes.

The output of each of the seven Country Workshops was reviewed by the Peer Review Panel in May 2006 and this feedback was incorporated into the Discussion Draft report prepared for RPE in June 2006.

As a result of this rather open and participatory approach, our list of themes represents a rich mix of issues. These include:

- methodological approaches (e.g. ‘value chain analysis’ or ‘strengthening the voices of the poor’);
- specific productive strategies (e.g. ‘migration’ and ‘collective action by producers’);

- identification of high potential sectors (e.g. Non Timber Forest Products, tourism, etc);
- over-arching ‘meta-themes’ that we have identified which impact across different categories of the rural poor. These have been identified as ‘factors of production’, ‘environment and natural resource management’ and ‘enabling environment’;
- pressing public policy issues (e.g. what to do about ‘lagging regions’, or the discriminatory provision of government services); and
- cross-cutting issues (e.g. mainstreaming gender issues).

### 3.3 Emerging Research Themes & Issues

This Scoping Study has generated a large amount of primary and secondary data. In the Tables below, we have attempted to summarise this information to the point where the reader will get a flavour of the rich vein of information generated by each of the Regional Scans, Country Reports or Country Workshops – without getting ‘bogged down’ in the detail.

The outcome of the individual Country Workshops is summarised in the text (details to be found in Annex D) so that the attention of the readers is drawn to the valuable insights on possible research

**Table 6: Emerging Research Themes for Bolivia**

Small Producers	Workers	Marginal Producers
How can the rural poor access appropriate market information and the standards required?	Migration is an increasingly important phenomena, yet is taking place out-with any policy framework	How can discrimination against rural and indigenous consumers of public services to enhance human capital be overcome?
How to encourage a more commercial outlook and competitive focus?		How can public policy be more receptive to the rural poor and how can policy be influenced by research?
Need to improve economic infrastructure in rural areas		
Meta-Themes:		
<b>Factors of Production:</b> How to improve access to finance for entrepreneurs? How can appropriate business skills be transferred to small producers? What are the appropriate skills & knowledge for rural poor to participate in international job market? Urgent need to improve rural education and health services to improve human capabilities of rural poor. Within the current land laws what are social and economic impacts of poor rural people’s participation in global processes? How can conflict over land be better understood and resolved?		
<b>Environment &amp; Natural Resource Management:</b> What are the environmental impacts of engaging with global economic processes?		
Cross-Cutting Issues: None		

themes, research methods and a range of other issues, provided by workshop participants. Providing information in this disaggregated format also highlights the

important differences between cultures, economies and places – that can sometimes get lost in a summarised commentary.

**Table 7: Emerging Research Themes for Egypt**

Small Producers	Workers	Marginal Producers
<p>How can agricultural co-operatives be restructured to become commercially viable &amp; still facilitate market access for rural poor?</p> <p>What models of small producer – commercial firm linkages exist and &amp; how could ‘best practice’ be disseminated most effectively?</p> <p>How can small producers often failing to connect to new, liberalised markets?</p>	<p>What are the gender and poverty impacts of remittance income in poor rural areas?</p> <p>Can the RNFE absorb the landless and land-constrained rural poor?</p>	<p>What policy implications would a review of the official categorisation of ‘urban’ and ‘rural’ areas (in some cases obsolete due to rapid urbanisation) have on marginal producers?</p> <p>How has liberalisation impacted on welfare of rural poor as consumers?</p> <p>Can the empowerment of civil society structures strengthen the implementation of existing progressive legislation?</p>
<b>Meta-Themes:</b>		
<p><b>Factors of Production:</b> How to improve access to land and finance for the rural poor?</p> <p><b>Environment &amp; Natural Resource Management:</b> How can the concerns of the rural poor in the Nile Basin Initiative be articulated and represented, compared with other water-user groups? Tight environmental constraints (e.g. land and water) to expanding the cultivated area.</p>		
<b>Cross-Cutting Issues:</b> Locate and strengthen women-dominated commodity chains		

**Table 8: Emerging Research Themes for Honduras**

Small Producers	Workers	Marginal Producers
What are the most viable agricultural value chains for global engagement?	How are remittances from migration used?	What mechanisms are required to ensure that demands from rural people influence policy measures?
<b>Meta-Themes:</b>		
<p><b>Factors of Production:</b> What knowledge and skills are needed for the rural poor to participate in business opportunities and the global job market? How can management &amp; implementation of education and health services delivered to the rural poor be made more effective? Do land rights constrain participation of rural poor in global economic processes?</p> <p><b>Environment &amp; Natural Resource Management:</b> What are the social and environmental impacts of mass migration? How can rural poor be represented in environmental conflicts? What are the environmental impacts of changes of land use resulting from engagement with global economic processes?</p>		
<b>Cross-Cutting Issues:</b> Extent of implementation of gender analysis in government and impact on poverty reduction programmes?		

**Table 9: Emerging Research Themes for India**

Small Producers	Workers	Marginal Producers
<p>Can a national system of branding represent a 'stepping stone' towards currently unaffordable international certification system?</p> <p>Under what conditions can the private sector substitute for the collapse of public extension service?</p> <p>How can the poor be engaged in viable value chains in fresh fruit &amp; vegetables, small livestock, non-timber forest products, handicrafts and fisheries?</p> <p>How can de-regulation that will benefit the poor be made more attractive to public policy-makers?</p>	<p>What are the social and economic impacts of migration on poor rural households?</p> <p>What is the impact of conventional financial institutions providing financial services to migrants and other rural poor?</p>	<p>What is the future of regions that are 'log-jams of disadvantage' and should public policy-makers focus upon stimulating local economic development or facilitate out-migration from fragile regional economies?</p> <p>How can government services be delivered more effectively to the rural poor?</p> <p>How can the voices of the rural poor (particularly tribals &amp; SCs) be represented more effectively in policy-making?</p>
<b>Meta-Themes:</b> <p><b>Factors of Production:</b> can financial products like pensions and health insurance be designed to be accessible to the rural poor? How can the skills of rural migrants be upgraded? Pro-poor land market innovations in States that are land-scarce.</p> <p><b>Environment &amp; Natural Resource Management:</b> Two aspects to water use, first is how poor households access water using technology. The second is whether aggregate water demand is in alignment with catchment availability.</p> <p><b>Enabling Environment:</b> The important role of initial public investment to 'pump prime' private investment was noted. The capacity of government institutions, and the impact of corruption on their ability to deliver services to the rural poor was highlighted. Aspects of government natural resource &amp; energy policies were questioned.</p>		
<b>Cross-Cutting Issues:</b> None		

**Table 10: Emerging Research Themes for Senegal**

Small Producers	Workers	Marginal Producers
<p>How can support for market information and quality assurance be made available to the rural poor?</p> <p>Can value-chain analysis be used to develop local markets for rural produce?</p> <p>Risk-adverse farmers need to be supported to adopt production relevant for global markets</p> <p>Importance of farmers organisations to support small producers</p>	<p>What is the impact of remittances on poverty and local development?</p> <p>How should policy-makers respond to the growth of the RNFE?</p>	<p>How is globalisation changing the consumption structure of poor rural households?</p> <p>How can the rural poor participate effectively in the policy process?</p> <p>Rural development potential needs to be assessed using robust analytical techniques?</p> <p>How can the rural poor be protected from the adverse effects of global processes?</p>
<b>Meta-Themes:</b> <p><b>Factors of Production:</b> How can micro-finance institutions support productive &amp; sustainable development more effectively?</p> <p><b>Environment &amp; Natural Resource Management:</b> How can indigenous knowledge and technologies be used to mitigate the environmental impact of global processes? Links between rural people &amp; natural resources.</p> <p><b>Enabling Environment:</b> Need to build strong complementarities between public and private investments to support the participation of the rural poor in global processes. How can the poor be protected from the adverse effects of global processes through sound redistributive policies?</p>		
<b>Cross-Cutting Issues:</b> Gender issues are important – particularly with respect to access to access to finance of non household head		



**Table 11: Emerging Research Themes for Uganda**

Small Producers	Workers	Marginal Producers
<p>Sociology &amp; business ethics in the supply chain</p> <p>Provision of economic infrastructure to support business development (reinventing the traditional farm market)</p> <p>Market information is vital for the rural poor and the potential role of the media and technology in providing the conduit for this is critical</p> <p>Are supply chains as a vehicle for accessing markets on a sustainable basis?</p>	<p>How can migration become a more effective tool for local development in rural areas?</p>	<p>How can regional and global trade liberalisation benefit the poor?</p> <p>What is the economic future of post-conflict 'lagging' regions?</p>
<b>Meta-Themes:</b>		
<p><b>Factors of Production:</b> How can access to financial services for poor rural households be improved?</p> <p><b>Environment &amp; Natural Resource Management:</b> How can the activities of charcoal producers be regulated to minimise environmental degradation? How can the environmental management of specific development initiatives be enhanced?</p> <p><b>Enabling Environment:</b> How can local government engage with the private sector at the local level to establish a more positive business environment?</p>		
<b>Cross-Cutting Issues:</b> Mainstreaming of gender issues through the identification of commodity chains that are dominated by women – avoid 'cul-de-sac' of women-only projects		

**Table 12: Emerging Research Themes for Vietnam**

Small Producers	Workers	Marginal Producers
<p>How can the need of small farmers for collective action and support be met?</p> <p>How to improve the agricultural extension system work better and disseminate market information more effectively?</p> <p>Can community forestry contribute to poverty reduction?</p> <p>How to support value-chain development for commodities that women and the poor are already engaged?</p>	<p>How can migration become more pro-poor and have fewer social costs?</p> <p>Can tourism be more pro-poor in the Mekong Region?</p>	<p>How to develop markets in remote, highland, non-Vietnamese-speaking regions?</p> <p>How should policy change with move from narrow preoccupation with food security to broader rural development agenda?</p>
<b>Meta-Themes:</b>		
<p><b>Factors of Production:</b> Access to sufficient micro-credit to establish production facilities is problematic</p> <p><b>Environment &amp; Natural Resource Management:</b> How can indigenous knowledge be used to improve livelihoods without depleting the natural resource base?</p> <p><b>Enabling Environment:</b> weak local authorities are adopting inappropriate planning &amp; regulatory policies</p>		
<b>Cross-Cutting Issues:</b> Ethnicity, gender and indigenous knowledge		



To make sense of this diversity, we have aggregated the emerging research themes into priority research areas. We identify three sets of productive strategies by which the rural poor may link to global economic processes. These are:

For small producers:

- market facilitation, meaning the provision of market information, technology and certification issues;
- support to producers which spans assistance to producer organisations, linkages between small and large producers and technical extension services;
- strengthening access to viable pro-poor value chains relates to the numerous suggestions for value chains in which the rural poor are often already participating and for which relatively minor amendments will increase household incomes;
- the inadequacy or lack of economic infrastructure, sometimes as basic as a rural market-place, or adequate transport infrastructure to the market is a major impediment to market development in poor rural areas.

For workers:

- migration and remittances are of critical importance and have major economic, social and other impacts; and

- the growth of the rural non-farm economy to the point where most rural income in our study areas is not directly from farming, is having a significant impact on the livelihood options of the rural poor.

For marginal producers:

- there is clear evidence of discriminatory provision of services and policy development and implementation against the interests of the rural poor in a broad range of countries;
- the need to inform an analysis of the future for 'lagging' or remote or post-conflict regions with robust analysis was wide-spread;
- large numbers of the rural poor are consumers of global goods and services across all categories. However, only the marginal producers are financing this consumption without any global aspect to their productive sphere;
- the importance of being able to provide social protection to the most marginal from adverse effects of global economic processes.

The workshops revealed the importance of the three meta-themes, across a diverse range of geographic contexts. Meta-themes are so called because of their significance and their impact across all categories of the rural poor. These meta-themes are factors of production; environment & natural resource management; and the enabling environment.

**Table 13: Priority Research Areas**

Small Producers	Workers	Marginal Producers
Market facilitation	Migration & remittances	Discriminatory service provision and policy
Support to producers	Non-farm rural economy	Potential for 'lagging' or remote regional economies
Strengthening of viable pro-poor value chains		Poor as consumers
Enhancing economic infrastructure		Social protection from the adverse impacts of global economic processes
<b>Meta-Themes:</b>		
<b>Factors of Production:</b> access to land, capital and human capabilities		
<b>Environment &amp; Natural Resource Management:</b> natural resources and their management		
<b>Enabling Environment:</b> Institutions, policies and practices		
<b>Cross-Cutting Issues:</b> Gender and ethnicity		

The key cross-cutting issues emerging from the workshops included gender and ethnicity.

In Table 13, we outline these priority research areas at a level of generalization that allows them to have relevance across all regions.

Below, we discuss the key ideas and questions underlying these themes and issues. We also highlight any regional differences emerging from the research.

### 3.4 Productive Strategies

#### 3.4.1 Small Producers for Global Markets

Priority research areas for small producers for global markets identified during the research process included market facilitation, support to producers and the strengthening of viable pro-poor value chains and enhancing economic infrastructure.

Market facilitation mainly involves supporting small producers to counter the market failures that are blockages to their engagement with global market processes on terms that are beneficial. For instance, this involves supporting producers in accessing the necessary production factors (finance, land, etc.) and information as well as supporting them in marketing their produce (e.g. certification services).

During the Study exercise, several examples were provided of how the removal of a relatively simple impediment allowed small producers to participate more successfully in market processes. For instance, the dissemination of information about agricultural market prices in Kampala on the radio to rural producers has had a significant impact on the prices they have been able to negotiate with market intermediaries.

#### Possible Research Questions:

- *How can market information be provided to the poor?*
- *Are there affordable alternatives to certification processes required to access viable value chains?*

Support to producers captures a range of ideas from the use of collective action to strengthen the bargaining position of small producers; linkages between small and large

firms with the latter providing market access for the small producer; and, extension services to provide technical support to small producers.

It is a sad irony that, at the same time as markets were liberalised and small producers found themselves subject to higher input costs and competitive output markets, their traditional institutional support structures began playing a less active role. In the case of public agricultural extension services, pressure to reduce spending effectively dismantled the service in many poor, rural areas in Africa, Asia and Latin America. In Vietnam, the *doi moi* economic reforms that started in the late 1980s led to the collapse of the agricultural collective. It is unsurprising, therefore, that the priority to find an institutional mechanism for collective action amongst small farmers came through so strongly in our research. Interestingly, though, this was not a reactive call for the clock to be turned back to a romantic and mythical past – the imperative is to find new models of collective action that benefit from past failures.

In Egypt, for instance, the role of the elaborate cooperative structures has been weakened by the transfer of a major part of their functions to a semi-state bank. Co-operatives still exist but their role is much less significant. This has prompted a debate as to their future. The role of co-operatives as a vehicle for political control has been rejected. Cooperatives seem rather to be transforming themselves into commercial entities and the concern expressed is that this should be carried out in a way that retains the ability of the organisation to work closely with its poor, rural constituency. In Vietnam, there is also no wish to return to the ‘top down’ cooperatives and extension services that were mechanisms for state control in the countryside, however, small farmers recognise the need for collective action amongst small producers (which have allowed small farmers in Vietnam, very unusually, to penetrate supermarket supply chains). Elsewhere there was little appetite for resuscitating failed government extension services but interest in looking at more innovative models, such as partnerships with private sector organisations already within the value chain.

Collective action by small producers can directly address scale of production issues and facilitate more favourable input and output channels for producers. In addition, our research has also developed quite an

**“When structural adjustment programs led to the withdrawal of support from the Senegalese government to poor rural farmers, they became unable to invest in agriculture. Some farmers responded by tapping into local knowledge and practices to generate sustainable innovations and technologies”**

Source: Sahel Regional Scan

extensive list of other constraints in the enabling environment experienced by small, poor producers entering viable value chains. For instance, these include lack of market information; lack of access to production finance; and product certification schemes. These functions may require the services of specialist organisations, with which producers individually or, more usually, their organisations will need to link with. How these links are best achieved is an under-researched but significant issue.

Producer organisations can be strengthened. A dimension of this which has not been addressed to date is to strengthen their abilities to negotiate in international fora, with international consumer groups and leading value chain companies who drive standards in the supply chains. If these companies can be convinced to focus on the livelihoods of the rural poor, progress can be made. Learning the lessons from successful producer organisations is a priority.

#### Possible Research Questions:

- *What is an appropriate model(s) for collective action amongst small producers that is responsive to their needs, commercially sustainable and supports them in accessing viable global value chains or dynamic local value chains?*
- *What lessons can be learnt from successful producer organisations about their potential influence over the leading actors in value chains?*
- *How can producers and their representative organisations best interact with specialist intermediary organisations providing information, marketing, quality control and certification services?*
- *Can partnerships between poor, rural producers and established private sector organisations within the value chain be structured in a way that offer a profile of*

*risk and reward that provide incentives for partnership formation and maintenance for both partners?*

The identification and strengthening of viable pro-poor value chains is an important priority research area for small producers. One of the most important strategies through which the rural poor can link up with global economic processes is as (predominantly agricultural) producers accessing global value-chains – both in traditional commodities (e.g. coffee, cocoa, tea, cotton, rubber, palm oil, rice, etc.) and in high-value agricultural products (e.g. fresh fruits, vegetables, flowers, meat, dairy products, fish, shrimp, etc.). This is clearly difficult for poor, rural producers to achieve on beneficial terms and so the focus under this theme was exploring the various ways to provide a conducive enabling environment for this engagement.

Virtually all studies and workshops in this scoping process have emphasised the importance of getting small producers and labourers more closely associated with promising supply chains, and exploring the scope for improving the terms on which they are incorporated. This starts from the perception that most value chains are not particularly ‘pro-rural poor’ in their outcomes.

Much of the focus is on global supply chains. But the rural poor often produce into local chains, and these may be changing under the influence of GEPs – urbanisation patterns, new trading relationships, increasing domestic demand for high-value goods, etc. An example would be the charcoal industry in many countries – a ‘prime’ product of the rural poor, during the ‘dead season’ when the labour market is slack, and own production activities have slowed; dependent on common property resources, with all their attendant management issues.

**“The Vietnamese government has current plans to relocate one-third of the rural population to urban areas in the next ten years in order to allow the consolidation of viable farming units in the countryside.”**

Source: Vietnam Workshop

Increasing incomes, on the other hand, leads to changing consumption patterns with a stronger emphasis on high value produce such as meat and dairy products or fresh vegetables and fruits – potentially interesting new developments for rural producers. The research theme would need to identify (in context) value chains which are changing especially rapidly as a result of GDP and focus on these.

Different value chains have important environmental impacts. For instance, shrimp farming in Vietnam is already beginning to run up against environmental constraints that are having serious impacts on the livelihoods of the rural producers, as well as the environment itself.

#### Possible research questions

- *Which niche markets are likely to evolve into mass markets, and with what upstream and downstream implications in the value chain?*
- *What analytical tools will best convince supply chain operators to take the interests of the rural poor into account, in the CSR policies or otherwise?*
- *What are the welfare implications of poor, rural producers accessing viable global value chains and how are they shared among individual household members?*
- *How can indigenous capacity for value chain analysis in the South be enhanced?*
- *What are the key local value chains affected by GEPs and how are they changing, with what implications for the rural poor?*
- *What are the environmental impacts of different value chains?*

Enhancing economic infrastructure was seen as a priority research area by rather few participants in this Study process. This is in sharp contrast with the strong recent interest in the subject by leading multi-lateral and bilateral development agencies. Perhaps the issue was not highlighted in many local participatory processes because it is such an obvious point – that small producers find it difficult to engage successfully with global economic processes when the roads are so poor that it is sometimes difficult to get goods to market, the communications systems do not work and power supplies are erratic.

In Uganda, for instance, it was proposed that literally building the economic infrastructure of a rural market place was a necessary intervention to assist small producers to engage with broader economic processes.

At the global level, increasingly strict standards are being applied in the food sector. They cover issues as diverse as food safety, plant and animal health, product quality, environmental protection and social welfare. Regulation encompasses increasingly the whole supply chain – and is referred to as “farm to table” or “farm to fork” analysis. In developed countries, regulatory systems increasingly require that safety assurance actions are documented for the whole supply chain, and traceability of products / product components is becoming increasingly important. Although many developing countries have benefited from tariff preferences, new standards can become an issue of concern in future. A recent development is the emergence of private-sector standards, some of which are even tougher than government regulations, and may also include, besides food safety aspects, environmental and social issues. For large producers, finance, infrastructure and personnel are normally an obstacle to comply with these standards, however,, small-scale producers generally need support to cover the costs. There is a tendency to source from large-scale growers which are easier to coordinate and where compliance with process requirements is easier to ensure than with a large number of small-scale producers.

#### Possible research questions

- *What support systems are necessary to help small producers to adjust to increasingly stringent and often quickly changing standards (e.g. food safety and quality, occupational safety, environmental conditions, social conditions) in export food markets?*
- *How can transaction costs for agri-businesses (i.e. coordination costs involved in ensuring continuous compliance with process requirements), when dealing with a large number of small-scale producers, be lowered?*
- *What are the local / regional environmental impacts – both positive and negative – of increased market integration of small-scale producers and increasing trade relations?*

- *Do social and environmental standards effectively lead to the desired outcomes? Who benefits and who is excluded because of not being able to meet the standards?*

*countries, to promote increasing demand for organic products from small-holder producers in the developing world?*

“Remittances from abroad are received by 13% of all Mexican rural households and less than 4% of urban households. However, for the poorest quintile of rural households this proportion rises to over 20%.”

Source: Western Caribbean and Central America Regional Scan

Organic production is increasing in importance. Market shares are growing in developed countries, in part because of higher awareness of consumers with regard to issues of health, quality, taste and environmental impacts. It can be expected that also in urban areas of developing countries similar trends will be observable alongside to the growth of the middle class. Many producers, especially in remote areas, already use organic production techniques because they lack the means to purchase expensive fertilisers or other agro-chemicals. Switching farming practices to organic production is expected to not incur too high costs for these farmers. Farmers producing organic coffee, for which the market is fairly well established, mention the following advantages: it is safer for their families and children because no agro-chemicals are on the farm, it lowers expenditures for synthetic inputs, it is better for the environment, and helps to protect the water. The main difficulty for producers is to access the market for organic produce and to afford the rather expensive certification.

#### Possible research questions

- *What comparative and competitive advantages do specific areas / countries / regions have for organic production?*
- *How can information of opportunities to access organic markets be better spread to small-holder producers?*
- *How can small-holder producers be supported in switching to organic production (especially if this entails reduced yields or other costs in the first years of the transition)?*
- *How would marketing need to change, both in developed and developing*

#### 3.4.2 Workers / Migration

Most of the rural poor in developing countries are unlikely to enter global value chains, either as migrants or as entrepreneurs – but may enter jobs in the local labour market that are a consequence of global economic processes. This generally matches the observed preferences of the poor for a reliable and stable income within their community (indicative of a risk minimisation, as opposed to income maximisation, strategy). Wage labour in the local economy is not only what many of the poor want, it is also an effective mechanism for reducing poverty. ‘*Operationalising pro-poor growth in the 1990s*’ research exercise found that rapidly tightening rural labour markets, and the associated rising wage levels, was the principle route out of poverty in Asia. In Africa increasing the output of producers was the most effective mechanism for pro-poor growth and in Latin America poverty was reduced by a combination of the two mechanisms. This was corroborated by participants at the workshop in India discussing various arrangements used by landowners to secure farm labour in the face of tight rural labour markets.

It is clear that a profound transformation of the rural economy is underway in much of the developing world. Agriculture itself is changing from a subsistence mode of production to a more commercial mode of production. This is evidenced by the fact that the policy issues relating to land in Vietnam and Egypt were preoccupied with the need to aggregate farm holdings to a sufficient size to allow efficient production of a marketable surplus – rather than the traditional preoccupation with equity issues and breaking farms into small subsistence units to give all rural people access to own land.

The link between rural labour markets and farming has been the focus of significant recent research. Specifically, the Rural Non-Farm Economy (RNFE) has expanded to the point where – in a broad range of rural contexts across the developing world – between about 40% (in Latin America) and three-quarters (in much of Sub-Saharan Africa) of rural income no longer has its source in farming<sup>11</sup>. This has important



policy implications and certainly challenges the traditional assumption that the most effective way to reduce rural poverty is to increase agricultural productivity. Indeed, an influential recent article has suggested that the most effective approach to rural poverty reduction could be to enhance the skills of the rural poor to facilitate their move out of farming and even out of the rural area altogether. A key policy issue for this study is how to support the rural poor in accessing the increasing opportunities in the NFRE.

*‘... it may be that policies should be aimed at oiling and assisting the process of transformation of farmers into non-farmers, and rural people into urbanites, rather than shoring up the livelihoods of small holders through agricultural subsidies, land reforms and piecemeal employment creation schemes’<sup>12</sup>*

The RNFE is clearly a broad categorisation that includes a heterogeneous set of activities spanning many sectors of activity. Our research highlighted activities in the Non-Traditional Forest Products or NTFP (in South and South East Asia – although the categorisation of NTFPs as a RNFE activity is contested in some quarters), pro-poor tourism (Mekong) and handicraft production (Egypt).

#### Possible Research Questions:

- *What is the impact of agricultural transformation on the livelihoods of the poor in the rural labour market?*
- *What is the RNFE?*
- *Can the RNFE reduce poverty through generating increasing numbers of pro-poor jobs for the landless and the land-stressed in rural areas?*
- *Can eco-tourism impact on the livelihoods of the rural poor at scale?*
- *What are the environmental impacts of RNFE activities?*
- *Do NTFPs only provide a likely route out of poverty when harvested as a ‘specialist’ strategy – rather than collected as a ‘coping’ strategy?*

Migration, as an important strategy for linking rural people to global opportunities, is ubiquitous. It also reinforces the key point that, when discussing ‘rural’ issues it is often

the linkages between rural and urban areas that hold the greatest promise for the rural poor. Although the nature of migration flows and the issues arising from these varied considerably in different regions, migration was the most consistent research theme generated during this study. Development practitioners have only recently realised the macro-economic significance of remittance flows from international migration to developing countries.

Four key patterns of migration were highlighted in the research:

- i) South – North migration is very significant in, for instance, Honduras where 10% of the population are currently working in the United States. There is also a long tradition of Egyptian migrants working in the Gulf States and South Asians working in Europe and the Gulf. The extent to which these migrant flows involve the rural poor varies. However, it should not be assumed that the rural poor are not international migrants. Amongst rural Mexicans, for instance, the better educated and affluent tend to migrate to Mexico City and the poorer, less educated migrate to the US;
- ii) South – South migration is common in the Sahel and in parts of Latin America – for instance from Bolivia into Argentina;
- iii) Significant international rural – rural migration flows exist between, for instance, Nepal and the affluent agricultural regions of Northern India (as well as within Nepal) some of which are increasingly producing into global value chains;
- iv) In many cases even domestic rural – urban migration involves a linkage to global processes where work is found in urban enterprises financed by FDI and / or exporting their output internationally. Witness, in Bolivia and Honduras, the rapid increase in jobs in the ‘maquiladoras’ or export-orientated factory units.

**“Recent large scale urban migration in India, combined with a tightening urban labour market, has done more to erode caste prejudices than any piece of legislation in the past fifty years.”**

Source: India workshop, New Delhi

In addition to the contrasting nature of migration flows from rural areas in developing countries, and the extent to which the poor are participants, there were four main categories of migration-related issue raised by this research.

First, remittances are inexorably linked to the migration phenomenon. Emerging from our research was a more micro-economic concern with the impact of remittance flows into poor, rural households on poverty, gender relations and local development. In Senegal, for instance, there was a strong perception amongst workshop participants that the rural poor tended to 'waste' remittance income on consumption investments such as housing and land, to the detriment of local development. Whether this perception is valid, or rather reflects a particular urban elite prejudice against rural migrants, merits attention.

**“Of critical import to the livelihoods of migrants from rural areas is to upgrade their skills and remit their saved wages safely and cheaply. In rural India Western Union is providing this service”**

Source: India workshop, New Delhi

A second group of research questions related to the very high transaction costs faced by migrants attempting to remit their savings to rural areas – often involving literally handing wads of cash to intermediaries such as taxi drivers at great expense and risk of loss. Recent innovations reducing these transaction costs include evidence of conventional financial institutions offering products to serve this market for the first time (witness, for instance, the recent activities of Western Union in poor, rural areas of India) and the use of ICT.

Third, research was proposed on the social and human capability impacts of migration both in the places of origin and destination. For instance, the combination of a tight urban labour market and large-scale migration from rural areas is associated with significantly

**“A secondary market in mobile phone airtime in Uganda is developing as a means of transferring funds to remote rural areas more quickly and with lower risk than traditional methods.”**

Source: Ugandan Workshop, Kampala

reducing the level of caste discrimination in the urban areas of India in recent years. The generally anti-migration public policy position in many countries also imposes high social costs on migrants. An area we believe to be under-researched appears to be one of the most significant positive impacts of migration from poor, rural areas – namely, the strengthening of the skills base of the rural area when migrants return.

Fourth, migration is clearly integral to the processes of urbanisation and the commercialisation of agriculture that accompany the transition from a rural to an urban society and economy. However, there are indications that this transition which has generally been slow and traumatic in many developed countries is likely to proceed at a much faster rate in developing countries. For instance, in Vietnam the government is concerned with the international competitiveness of the agricultural sector and so wants to move small, poor farmers out of the countryside to allow larger, commercial farms to develop. The planned movement of up to one-third of the rural population to urban areas in the next ten years is likely to have dramatic impacts on Vietnamese society and the economy.

Fifth, this Study revealed significant environmental impact of migration at their destination. For instance, where migrants move into a frontier area, it is often associated with deforestation and degradation and the use of inappropriate agricultural methods for the often nutrient poor soils. Migration to urban areas is also often associated with over-extraction of fire wood in the peri-urban areas and environmentally-damaging peri-urban horticulture.

#### Possible Research Questions:

- *What is the nature of migration from poor, rural areas to link with global economic processes?*
- *What are the social, economic and environmental impacts of migration on poor, rural households (with a particular focus on gender, poverty and local development impacts)?*
- *How can policies that marginalise migrants be changed?*
- *What are the skills development impacts of migration? and*



- *How can remittance transaction costs be reduced and do conventional financial institutions have a role that includes the poor?*
- *What is the impact of the five 'Ts' of migration (i.e. money transfers, transport, telecommunications, tourism and nostalgic trade)?*
- *What are the environmental impacts of migration at the destination?*

Migration can lead to a shortage of healthy workers in the source areas, leaving behind the elderly people and children. This can have severe impacts both on agricultural production and investments in natural resource management. Those people remaining behind often do not have the capacity to invest in resource conservation.

#### Possible research questions

- *What are environmental impacts of migration in the source area?*
- *What are environmental impacts of migration in the destination area?*

#### 3.4.3 Marginal Producers for Domestic Markets

For marginal producers the priority research areas identified are: discriminatory service provision; potential for 'lagging' or remote regional economies; the poor as consumers; and, social protection from the adverse effects of global economic processes.

With increasing economic transformation, internal migration, and urbanisation there is a tendency of spatially unequal government spending, favouring urban areas. Workshop participants clearly saw a need to better balance government and donor-funded investments - to avoid discrimination of remote, 'lagging' rural areas. Specifically, there was reference made to less discriminatory spending on social infrastructure and services such as education and health, as this was considered important with regard to increasing the human capabilities of rural producers to enable them to participate on better terms in global economic processes.

An important related research area is urbanisation and, specifically, the tendency for urban agglomerations to 'capture'

a disproportionate share of a nation's investment, talent and government expenditure. This reflects the continued, artificial urban-rural divide in development studies and policy, which this research agenda should seek to overcome. It is well known that urbanisation 'in the neighbourhood' helps reduce rural poverty – it opens up labour markets, services, market infrastructure, selling opportunities and cheapens consumption goods. Urban agglomerations are key locations for investment – even if an investment location is rural, the presence of urban-style infrastructure, urban connections and services (e.g. hotels, shops, schools) will figure in investment location decisions. Thus, a key enabling policy is to ensure that urbanisation is well distributed around the rural regions of a country: the political economy of this is poorly understood. There has been a strong emphasis on promoting 'small towns' in many countries during the last decade: this should have resulted in much greater opportunity for the rural poor, and lessons of this 'movement' need to be learnt. This is an activity which could be joint with UPE, although the emphasis is considerably different to its Focus Cities programme.

#### Possible Research Questions

- *What policies need to be pursued to get a spread of urbanisation into rural regions?*
- *How could government spending on social infrastructure and services be influenced to avoid spatial discrimination against lagging regions? and*
- *Would a new definition of the 'urban' and the 'rural' contribute to reduce discrimination of remote rural areas and foster linkages between the two?*

This research area relates to the need to get marginalised people – often in 'lagging' regions - into productive value chains and was consistent across a very broad range of geographic contexts. For instance, in the Nile Basin the notion of 'lagging' region was applied to post-conflict regions that have been destabilised by prolonged warfare – such as Northern Uganda and Southern Sudan and parts of Southern and Western Honduras. The concern expressed was that, now it appears that there is a reasonable prospect of peace returning to these areas and this is likely to be associated with the

delivery of large volumes of international humanitarian relief, there is a danger that the critical importance of identifying the sustainable economic future for the region will be lost under the delivery of social infrastructure. When the humanitarian relief expenditure ends this may leave the regions with an elaborate social infrastructure to maintain and a very limited revenue stream to finance this activity.

In Vietnam and Bolivia the 'lagging' region issue relates to the Highlands areas and Chuquisaca and Potosi Districts respectively that contain high concentrations of ethnic minority people and have been largely bypassed by the impressive socio-economic performance of the mainstream economy. The term, 'lagging' regions, then, had an ethnic dimension in Vietnam and Bolivia – and, to an extent, in India also.



©David Harrison/ODI Tourism Programme

In Senegal the concern with 'lagging' regions was more a function of the pattern of economic development that is currently reinforcing spatial inequality between the already more prosperous areas, like Dakar, and the poorer regions in the interior.

The term 'lagging' regions then has a widespread relevance in part because people in contrasting locations use a geographical expression as a euphemism for a sensitive social and economic problem. The theme is strongly linked to migration and accessing supply chains and seeking to protect often the most vulnerable and marginalised groups in society.

#### Possible Research Questions:

- *What tools are required to identify sustainable drivers of inclusive economic growth in 'lagging' regions?*

- *Having identified viable value chains for the region what activities should public policy makers engage in to stimulate a developmental trajectory?*
- *How can public funds, whether from international humanitarian organisations or government sources, be used to leverage sustainable private sector funds into the 'lagging' region?*

The rural poor are not just producers – but are also the rural poor as consumers of global goods and, increasingly, services. Pure consumption products have penetrated even isolated poor rural communities. Although consuming imported goods and services is not a conventional productive strategy, it is an activity which has important effects on the welfare of the rural poor. These impacts can be positive in terms of accessing goods at a lower price or higher quality than was available from the domestic market. Globalisation may have a negative impact where an imported product is substituting for an indigenous product with better nutritional or socio-economic characteristics or impacts.

This question is of particular importance to those who are currently most marginal to GDP, as consumption will probably represent their single most important interaction.

#### Possible Research Questions:

- *What is the net impact on welfare of price and other changes resulting from the consumption of imported goods by the rural poor?*
- *Is there evidence of imported goods displacing traditional goods to the detriment of the health and welfare of poor rural households?*

The livelihoods approach has encouraged researchers to focus more carefully on issues of vulnerability and social protection. Specifically, attention has been paid to shocks (unexpected events, like drought and death) and stresses (predictable events like dowry payments) that are capable of moving a non-poor family into poverty or a temporarily poor family into chronic poverty. Helping households reduce and cope with risk helps avoid poverty, but also has important secondary benefits through encouraging poorer households to invest in higher yielding, but more risky, activities.

The engagement of the rural poor with

global processes clearly has the potential to increase the incomes of the rural poor under specific circumstances. However, even where the incomes of the rural poor are positively affected by this engagement, the variability of income flows may increase as the uncertainties and variability resulting from the natural environment and local community context are compounded with those resulting from the functioning of the international economic system.

Traditionally, the public sector has had responsibility for providing this social safety net protection, although their ability to deliver on this responsibility has generally been poor. In addition, the public sector can even be a source of instability. The swings in trade agreements between Honduras and the US has injected additional volatility into the livelihoods of many poor rural households.

However, there is some evidence emerging of a market response to this need to reduce the vulnerability of the poor. In India, for instance, conventional financial institutions are increasingly seeing the rural poor as a viable market for a range of livelihood finance products, from pensions to life insurance.

#### Possible Research Questions:

- *How have governments responded to the need to reduce the vulnerability of poor, rural households whose incomes have become more variable as a result of engaging with global economic processes?;*
- *To what extent, and under what conditions, can market provision of financial products reduce the vulnerability of the rural poor to global economic processes?*

- *To what extent can value chain actors be encouraged to provide (or enable the provision of) insurance and other protective mechanisms alongside core market interactions?*

### 3.5 Meta Themes

#### 3.5.1 Access to Factors of Production

**Human capabilities:** There is a large group of the poor who have a poor financial, physical and natural capital base. This group's livelihood depends upon their ability to function in the labour market as local, national or international labourers. Given the growing skills bias of the expanding non-agricultural employment, this group is crucially and increasingly dependent upon their human capabilities.

The research, particularly from Latin America and the Caribbean, indicated that not only are human capabilities weak in poor, rural areas but that government support services to improve human capital is weaker in the rural than the urban areas. Although this theme was only identified in LAC it certainly has relevance to Sub-Saharan Africa where many of the education and health variables are even worse. The experiences of Costa Rica and Cuba indicate that the delivery of decent government services to the rural poor is more an issue of political will than access to large-scale resources – and thus within the material reach of most developing states.

In fact the lack of prominence afforded to human capability issues outside LAC is, in itself, a striking finding of this exercise and a topic warranting research effort – particularly in West Africa which has such



inadequate human capabilities, but also in South Asia, where human development indicators lag behind economic indicators, and gender inequality is very high.

#### Possible Research Questions:

- *How can the public provision of rural education and health be improved – particularly for girls and women?*
- *What is the appropriate knowledge and skills needed for the available job market?*
- *Why is there a failure to appreciate the importance of developing human capacities in Africa in general and West Africa in particular?*

Social capital in the form of networks is considered crucial with regard to accessing either production factors such as land or finance, or to engage in new productive enterprises and access jobs in the non-farm economy. Supporting poor producers in improving their connections, partly through supporting their organisational capacity to increase their negotiation power, and partly through supporting their human capital, can be considered as important factors contributing to improve the social capital base.

#### Possible Research Questions:

- *How can support of collective action lead to more viable linkages with other stakeholders in the value chain?*

Our research revealed that the traditional concerns with access by the rural poor to micro-finance remain in Sub-Saharan Africa. However, there are signs that the concerns elsewhere have moved on. In India there are clear indications that the rural population are becoming an important market for

conventional financial institutions offering a range of services that extend beyond finance to include pension and insurance products.

There is also a growing scepticism that micro-finance initiatives offer a sustainable route out of poverty.

#### Possible Research Questions:

- *What is the impact of micro-finance initiatives on poverty?*
- *What has changed in the way conventional financial institutions regard the rural poor that has allowed them to become bankable and insurable?*

The lack of prominence afforded to the issue of how the rural poor can access adequate land was one of the great surprises of this exercise. Our hypothesis is that the reduced importance of land issues mirrors the reduced significance of farming in the livelihoods of the rural poor and the emergence of alternative livelihoods strategies, often unconnected with agriculture or even rural areas.

However, a large proportion of the people living in poverty in rural areas depend, in part at least, on agriculture for their survival. Access to land therefore remains an issue, both for small commercial producers and for the most marginalised subsistence farmers.

As a consequence of increasing commercialisation of agriculture, it is also possible that conflicts over land might increase as small producers are increasingly pushed to the margins as more powerful actors claim land for their enterprises. A particularly clear pattern is emerging in Bolivia and Brazil where global demand for beef and soya is fuelling a conflict between in-coming large commercial farmers and indigenous people.

#### Possible Research Questions:

- *What is the impact of land reform on poverty?*
- *Given the significance of processes such as urbanisation and the growth of RNFE, should land reform remain on the public policy agenda?*
- *What should be the public policy response to the fragmentation of family farms to (and beyond) the point of non-viability?*





### 3.5.2 Environmental and Natural Resource Management

One of the most important assets to which the rural poor often have access to, or ownership of, is a range of environmental services and natural resources. Sustainable exploitation of natural capital has traditionally generated the livelihoods of the rural poor and remains an important element of rural livelihoods. Common pool resources contribute US\$5bn a year to poor rural households in India – equivalent to 12% of total household income.<sup>13</sup>

The unsustainable use of natural resources has important direct impacts upon the livelihoods of the rural poor. In the Philippines, for example, the coastal fishery once supported a quarter of the population. As a result of over-fishing and depletion, the total catch level has dropped dramatically, with important negative impacts on the incomes and nutrition of the coastal poor.

Economic restructuring in general and, specifically, the transformation of the agricultural sector will lead to changing priorities with regard to the allocation of natural resources. There is evidence that the growth of the horticulture sector in Kenya has led to increasing water abstraction in favourable highland areas and left more marginal areas further downstream virtually without water. Conflicts between downstream and upstream users are increasing as a consequence. Similarly, large-scale development of energy production, mainly hydro-electric power generation, to satisfy the growing energy demand of urban and industrial consumers will have repercussions on the livelihoods of people living in areas to be flooded and can also influence international relations – developments in the Nile Basin are a point in case.

The rural poor are often constrained in their choice of productive strategies by the conservation requirements of either their own governments (often adhering to regulations dating back to the colonial era) or pressure from western environmental movements. At present therefore, the price of conserving the ecology and biodiversity is being borne by the rural poor. Table 3 on the relationship between the rural poor and their environment, indicates that the rural poor (and marginal producers in particular) often provide significant environmental goods and services for which they are not rewarded. There is a need for innovative

compensation mechanisms to consider more progressive ways of paying the costs of conserving the environment (this issue could link to the sister Scoping Study to this one, focusing on compensation for environmental services).

By focusing on productive strategies and assessing whether they enable poor rural producers to integrate beneficially into GEP, and ultimately whether or not they are sustainable, we assume that a majority of the strategies will relate to activities involving natural resources. This is particularly for strategies taken up by small producers producing directly for international markets and those of marginal producers. Consideration of the sustainable use of natural resources should take pace when analysing current and proposing alternative strategies.

Thus, it will be important to assess, for example, what the environmental impact of RNFE activities are, as many of these will require environmental inputs such as water, construction poles or energy (e.g. fuel-wood), supplies of which may be difficult to sustain as particular activities intensify.

Corporate Social Responsibility is increasingly important in today's business. The proliferation of social and environmental standards, both public and private, can be positive or negative for small producers. Analysing their costs and benefits from the perspective of small producers, but also of businesses, can help establish cost-sharing arrangements which benefit both parties.

For this programme, identifying research projects which address the nexus of value chains and consequences for the environment and natural resource management are of specific relevance. As discussed in Section 4.3.2, the decision regarding the weight to attach to the ENRM selection criterion is an important one that will have a considerable influence on the shape of this agenda.

Nevertheless, research projects should, whenever possible, try to establish the links – positive and negative – between productive strategies of the poor and marginalised with regard to their environmental outcome. Applying environmental economics as one tool will help establishing the costs and benefits of specific activities and thus provide information on whether the economic benefits to the poor from integrating into GEPs outweigh the

environmental costs.

An issue which was not raised prominently in the country workshops was effects of climate change resulting from increasing global economic processes on the poor, mainly resource dependent producers. As this topic is addressed under the special programme Climate Change Adaptation in Africa, no specific research questions are presented here.

#### Possible Research Questions:

- *Can local knowledge and people be harnessed to inform natural resource management processes and who pays for this service?*
- *What is the environmental impact, and scope for sustainability, of natural resource-based activities on which the rural poor depend?*
- *How can the interests of the rural poor be integrated into international negotiations relating to the management of natural resources?*
- *What impacts do increasing economic activities have on the environment and the quality and quantity of natural resources?*
- *Does the transformation of economic activities and the increasing integration in global processes reduce conflicts over access to resources or rather aggravate them?*
- *What are the environmental impacts of small producers being increasingly integrated into global economic processes? How could negative*

*environmental impacts be mitigated?*

- *Could organic production lead to a 'win-win' situation both for small-scale producers – both producing for international and domestic markets – and the environment?*
- *What support systems are necessary to help small-scale producers to switch from conventional to more environmental-friendly production methods? How would costs have to be shared between the individual and society?*

### 3.6 Enabling Environment

Although the issue of how the enabling environment can be enhanced to support the successful participation of the rural poor was one of the two central research questions underlying the Scoping Study, it yielded much less extensive research findings than the more 'agency' orientated issues around how the rural poor can adapt their livelihood strategies for successful engagement. However, explanations of the lack of successful engagement between the rural poor and global economic processes often focus largely on enabling environment (e.g. lack of access to finance or land) – so this is clearly an important part of the picture.

As outlined in the conceptual framework, the enabling environment is an umbrella term that generally includes access to factor inputs; regulatory and institutional issues; access to market and the role of state support. Until recently one would have expected any discussion about the market access by the poor to focus upon access to factor inputs, such as land, labour and capital. However,



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this is becoming less significant for several reasons.

First, as the rural poor become increasingly absorbed into the labour market through the processes of agricultural transformation and growth of the RNFE, access to land become less significant in some places. However, in Latin America the issue of access to land has remained an extremely important policy issue with important socio-economic, geographical and ethnic dimensions. On communally-owned or managed land resources the issue of access to land is somewhat more nuanced. The issue in many places involves the elite 'capture' of land use allocation rights – to the detriment of the rural poor.

Second, constraints on access to capital and, particularly, production credit are important issues in a number of the case-studies – particularly where the liberalisation process ended the availability of credit to poor producers at subsidised interest rates (e.g. Egypt). However, there is mounting cynicism about the ability of micro-credit arrangements to lift the poor out of poverty on a sustainable basis. This partly reflects the concern that such funding is often used to finance consumption rather than production expenditure – so often tackles the symptoms rather than the causes of poverty. There is also some evidence that the successful impacts of international 'best practice' MFI models from countries such as Bangladesh have been overstated.

Third, new circumstances have resulted in new issues assuming greater importance in allowing the poor to engage with global economic processes. For instance, institutional issues are of great significance to poor, rural households seeking to enter global value chains. In terms of production, the importance of collective action by small producers is discussed in some detail under the section dealing with accessing supply chains. Intermediary organisations and processes (standards, certification etc.) are also significant in new markets. The importance of assimilating 'the rules of the game' in the supply chain is highlighted in discussions regarding business ethics in the supply chain.

Government support for the rural poor to engage more successfully with global processes is lacking in several important respects. In many cases government is failing to establish a conducive enabling environment for enterprise. At the most mundane administrative level of registering

a upstart business; getting access to economic infrastructure or enforcing a contract; countries such as Bolivia, Senegal and Uganda rank very badly compared with other developing countries (as evidenced by 'costs of doing business data' rankings). This disabling environment makes all business activity more risky and poor, rural business even more so. Some innovative suggestions were made about how to establish a dialogue at the local level to build linkages between municipal government and the private sector.

There are many business/investment climate surveys produced. These lack a poverty perspective. IDRC could lobby (using evidence of importance, and feasibility) to get a poverty perspective included in these as a matter of routine. This would introduce a new, if second order question for a survey: what enabling measures are critical to ensure that the benefits of investment are shared by the (rural) poor?

Government is not just failing to dialogue with, or support, business. A strong view was expressed globally that government is also largely failing the rural poor with respect to listening, and responding to, their needs in terms of public service delivery. This is evidenced by the poor delivery of services to rural areas, the lack of political representation of the rural poor in policy-making processes and the failure to implement legislation that is on the statute books that would benefit the rural poor.

It may be appropriate to stipulate that enhancing the 'voice(s) of the rural poor' should be a concrete part of all major proposals to RPE.

#### Possible Research Questions:

- *How can government enhance the quality of the investment climate, including the macro and trade framework and incentives for labour-intensive production (GGP);*
- *What enabling measures are critical to ensure that the benefits of investment are shared by the (rural) poor?*
- *To what extent does increasing infrastructure access stimulate earnings in poorer areas;*
- *How can the voices of the poor be strengthened through research, and more widely, to articulate their concerns to public policy makers more effectively?*

- *How could local institutions dealing with natural resource management be supported in view of the changing economic activities and changing roles of some members of the local community as a result of their integration into GEPs?*
- *Are new institutional configurations including actors from business, government and NGOs, which will evolve as a consequence of increasing market integration of rural areas in developing countries, capable of dealing with natural resources and changing social relations?*

### 3.7 Cross cutting Issues

#### 3.7.1 Gender

The relevance of gender issues to this study topic is almost ubiquitous – as is the recognition that traditional approaches to addressing the issue (e.g. a series of small ‘women only’ income generation projects) generally fail. There would seem to be a strong case for taking a fresh look at gender issues from a value chain perspective to see if engendered projects could be approached using more mainstream development approaches.

The choices made by rural poor as to which value chains to enter can have very significant impacts on the access to resources of people of different gender in the household. For instance in West Africa, where men and women have very separate budgets, the transition from harvesting shea, nere and tamarind (where the benefits accrue to women) and farming cotton (where the benefits accrue to men) has a stark gender impact.

#### Possible Research Questions:

- *What is the scope for identifying value chains that are already dominated by women and supporting the development of these in a more positive direction as a means of targeting female beneficiaries?*
- *What analytical tools will successfully ‘engender’ value chain analysis, such that rural poor women as well as men are considered by key value chain actors?*

#### 3.7.2 Ethnicity

Ethnicity as such was rarely mentioned as a specific cross-cutting issue of the research to be initiated. However, in several cases discrimination of ethnic minorities was mentioned under different headings – Vietnam’s lagging regions being mainly inhabited by ethnic minorities, for example.

#### Possible Research Questions:

- *Are there specific value chains and economic activities dominated by ethnic minorities which could be strengthened in order to integrate them better in GEP?*
- *Does increasing integration of small producers in GEP lead to new social configurations marginalising specific groups within rural society?*

### Chapter 3: Footnotes

- 11 Ashley, C., S. Maxwell (2001) ‘Rethinking Rural Development’ Development Policy Review 19 (4),
- 12 Rigg, Jonathan 2006 ‘Land, farming. Livelihoods and poverty: rethinking the links in the rural South’ World Development 34 (1), 180 - 202
- 13 IDRC (2005) Corporate Strategy and Programme Framework 2005 - 2010

## 4.0 Framework for a Research Agenda

### 4.1 Introduction

The aim of this section is to take the output from Section 3, the priority research areas, and to develop this into a research agenda - and provide some options for a future research agenda. This will involve the following:

- Having a clear understanding of what we are trying to achieve;
- Assessing the proposed priority research areas;
- Highlighting critical methodology issues;
- Identifying related on-going work and potential partners;
- Programming and modalities.
- To strengthen and help mobilise the local research capacity of developing countries, especially in the program areas of Environmental and Natural Resource Management; Information and Communication Technologies for Development; and Social and Economic Policy;
- To foster and support the production, dissemination, and application of research results that lead to changed practices, technologies, policies and laws that promote sustainable and equitable development and poverty reduction; and
- To leverage additional Canadian resources for research for development by creating, reinforcing, funding and participating in partnerships, policies and laws that promote sustainable and equitable development and poverty reduction.

### 4.2 What are we Trying to Achieve with the Agenda?

The design of this research agenda has been driven by an explicit understanding of what RPE are trying to achieve. This is as true for the programming and modality issues as it is a technical issue regarding the scope of the agenda.

We suggest the overarching objective for this research agenda to mirror the title of this Scoping Study, 'Productive strategies for poor rural households to participate successfully in global economic processes'. This suggestion is based upon the following logic.

First, the overarching objective of this Scoping Study is to define the research agenda for the third Outcome Area of RPE (see Section 1.1). This overarching objective proposed above seeks to capture the essence of this outcome area.

Second, the study team has spent a significant amount of time over the past year discussing ideas under this title with respondents in a broad range of Southern and some Northern contexts. This is a form of wording that has meaning across a very broad range of contexts and conveys accurately and succinctly a quite complex set of ideas.

We were also cognisant of the strategic goals 2005-2010 for IDRC in the CS+PF document.

### 4.3 Assessing Against the Criteria

The criteria for assessing the priority research areas are divided into eligibility and selection criteria.

#### 4.3.1 Eligibility Criteria

Eligibility criteria have to be met by potential research areas and, if they are not, research areas are excluded from the research agenda. The eligibility criteria used below are:

- Regional resonance;
- Within Scope of study & aims of RPE; and
- Take into account existing research activities.

#### Regional Resonance

In moving from the Regional Scan to Country Report and Country Workshops, the study methodology included an inherent 'regional bias'. This was reinforced at the Country Workshops where participants were presented with the criteria for emerging research themes that explicitly excluded research areas that do not have a regional resonance. Notwithstanding this, there

are examples of countries – notably Egypt - that historically do not identify strongly with the broader Region. For these countries some rather parochial research ideas were proposed which are documented in the workshop reports (e.g. the specific challenges facing Egyptian agricultural co-operatives, for instance).

As a result, the priority areas highlighted in Table 13 in the previous section are inherently regional in nature and, in many cases, global also. Significant regional patterns were observed during the study process. This partly reflects different regions experience of globalisation in contrasting places and also the influence of different intellectual and political traditions. Examples of this include:

- A stronger focus on deep-seated structural impediments to a successful engagement between the marginalised rural poor and global economic processes in Latin America and West Africa than elsewhere;
- An emphasis on human capabilities of the rural poor in Latin America that was not observed elsewhere; and
- Discussions about ethnicity are widespread in Asia and Latin America, but absent in Africa.

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#### Within the Scope of Study & Aims of RPE

All the priority research areas are within the scope of this study, because the Study methodology has sought to screen out all research areas that are not of direct relevance.

An important related issue, however, is managing the ‘fit’ between the research that this agenda will generate and the remainder of the RPE Programme. This is an important issue because the third output area planned for RPE in the CS+PF 2005-2010 does represent a move back into productive livelihoods issues. Some of these issues were addressed in previous programmes - but not as explicitly as this proposal.

Annex E summarises some of the research projects that are currently being managed by RPE. Getting an appreciation for RPE’s current project load provides the following insights:

- Abstracting from the diversity in the current portfolio, the ‘typical’ RPE research project in the current pipeline has a strong focus upon multi-stakeholder approaches to natural resource management in different geographical contexts;
- Some existing projects that do have clear relevance to this research agenda are the ‘Smallholder market integration in Africa’ and the ‘Social movements, environmental governance and territorial development’ project in the Americas;
- The ‘typical’ project has a duration of 24-36 months; and
- RPE is working with a rich mix of organisations, from NGOs to research organisations, academic organisations to bilateral development programmes and government departments.

This analysis of RPE’s existing portfolio of projects suggests that the research agenda emerging from this Scoping Study will complement the bulk of existing work by exploring a range of productive strategies available to the rural poor. Links between these strategies and environment and natural resource management will be strong for all categories of the rural poor, as described in Section 3.5.2.

The challenge for this Study is to expand the envelope of what RPE has been doing for some time into somewhat fresh terrain in a consistent and complementary manner. One way to achieve this would be to afford the ENRM ‘meta-theme’ the status of selection criteria in the assessment grid. This will signal to bidders that value chains should be selected that have important ENRM issues inherent to them - as a starting point.

This PI clearly represents a very significant capacity in the development sector with over 60% of staff having doctoral degrees and many years of intense ground-level research experience. In addition, about half RPE staff have some experience of the productive strategies that lie at the heart of this research agenda - in rural development, ecotourism, micro-credit, co-operative development, agricultural development, rural livelihoods and technology.

Whilst this research agenda is premised upon productive strategies, it is also clearly not a ‘Trojan Horse’ for an exclusive focus on economic investigation to the exclusion of

other disciplines. What is needed is a multi-disciplinary approach to the research agenda.

This does not imply that the research agenda should be built around the institutional strengths of the team that will implement it, rather that partners will need to be identified to complement the strengths of RPE in implementing the agenda that is most likely to result in a successful implementation of this outcome area. In this light, the close joint working arrangement between RPE and the GGP PI is an important strength that needs to continue.

### Existing Research Activities

Clearly a research agenda must be cognisant of existing research that is on-going in each of the research areas proposed. In Table 14 on the following page, a rather summarised scoring of the extent of existing research, as assessed by the Peer Review Panel, is presented. The extent of existing research for each of the priority research areas and meta-themes is assessed numerically from '0' (no research profile in the international research arena at all) to '5' (very extensive research in a broad range of geographical contexts).

What this analysis indicates is that there are a few research areas that are under-researched on aggregate, for instance the 'poor as consumers' and 'social protection from the adverse effects of global processes'. There are also research areas - like access to land and capital (falling under the 'factors of production' meta-theme) - that have a very extensive research pedigree.

The main finding from this analysis, however, was that the investigation was based on such a high level of generalisation that the results are of limited value. Even within very well researched broad areas of investigation there are critically important specific research issues that have the potential to transform the lives of many poor people and about which we know little. These under-researched issues are often on the cusp between different disciplines and these divisions are often reflected in government departments and policy documents.

As an example, economists have dominated the discourse on production and sociologists have 'captured' the emerging field of social protection – to the detriment of both research areas. In the research questions in Section 3 we have outline some of the more detailed issues underlying each of the

priority research areas. In Box 3, we outline some of the very specific issues that demand a focused and multi-disciplinary approach.

### Transformative Potential

This is an important eligibility criteria because it will require those administering this research agenda to exclude proposals that will not impact on the livelihoods of the rural poor.

#### Box 3: Some examples of multi-disciplinary research issues

- Use of ICT technology (mobile phones) by fishermen in Senegal to access market price information whilst at sea to determine at which market to land their catch;
- Use of ICT technology (mobile phones) in Uganda to develop a secondary market in mobile phone air-time which is allowing cash to be transferred from urban to rural areas without the delay and risk of traditional methods;
- What has prompted commercial financial institutions in India recently to have developed a clear interest in serving the poor rural market with financial products?
- How can public policy makers be persuaded that there is merit in de-regulating the very large Non-Timber Forest Products Market in India?
- Why is there such a large disparity in education and health provision in Latin America in rural and urban areas?

Assessing individual research proposals against this criteria will be challenging because, in addition to assessing the numbers of potential rural poor beneficiaries, assessments have to be made about how direct is the benefit and the likelihood of the benefit occurring.

When assessing transformative potential, therefore, there is a need to consider issues of risk and position on the scale of intervention curve as well as just the numbers of rural poor potentially impacted by a development intervention.

### Response to Market or Government Failure

This criterion is based upon the logic that public funds should only be applied to a development scenario created by clearly defined failure either of the market or government. Otherwise there is a danger that the public will end up financing the development of a solution for something where there really is no obvious problem - rarely an effective use of resources.

Obvious examples of market failure arise where producers lack the information to benefit from the market, or migrants face disproportionate transaction costs to remitting their saved income home.



**Table 14: Extent of Existing Research**

	<b>Within Study Scope</b> <b>Extent of Existing Research</b> (score of '1' indicates very little existing research, a score of '5' indicates highly researched)	
<b>Priority Research Areas</b>	Market facilitation	✓ '2' an emerging literature relating to the provision of market information and certification, but little work on the potential links between ICT and innovative forms of providing market-related information. A recent focus on sub-sector and value chain analyses is evident.
	Support to producers	✓ A huge amount of research '4' has taken place on 'old style' producer support structures (e.g. traditional co-operatives, government provided extension services, etc) but little on support mechanisms involving more commercial approaches, with the notable exception of contract farming and supply chain schemes, '1'.
	Strengthening pro-poor value chains	✓ '3' a lot of descriptive work on individual value chains. Has not yet produced generalised lessons for policy-makers.
	Enhancing economic infrastructure	✓ An established field for research, although the poverty impacts of infrastructure are less well understood '3'. Clear recognition of lack of attention to public provision of infrastructure over the past year (G8 established Infrastructure Commission in 2005). More complete: The hopes expressed in the 1990s that private investment in physical infrastructure would allow public investments to be scaled back proved, in most developing countries, to be over optimistic. Consequently the importance of public investment in infrastructure has again been recognised.
	Migration and remittances	✓ Areas of migration such as economic and social impact of migration and causes of migration are quite well-researched '4'. However, gaps in terms of skills impact, transaction costs for remittances and how public policy discriminates against migrants '2' The single major problem is the lack of data on migration within countries, especially temporary and seasonal movements. In most cases, we have only a rough idea of the magnitude of the flows, and thus of their impacts.
	Rural Non-Farm Economy	✓ Significant recent research of RNFE '3 or 4' however, research Although during the 1990s, as an increasing literature on the sector appeared, the importance of the rural non-farm economy came to be recognised, understanding is limited to rather general propositions that as yet have limited value to policy-makers. This is not surprising since the RNFE is an amalgam of diverse activities, with very different composition and character in different contexts.
	Discriminatory service provision and policy	✓ '2' under-researched area and one of increasing research attention
	Potential for 'lagging' regions	✓ Traditional 'regional studies' approaches have a long research history '3' in the economic geography literature. Economic geography has long been interested in regional differences in economic performance, an interest that has recently been supplemented by the 'new economic geography' of economists such as Krugman. These literatures have spawned several ideas - such as growth poles, agropolitan development, etc. - about how to stimulate lagging regions, but rarely has regional development policy been successful. Getting lagging regions to thrive has proved an enigma. However, moving from a paradigm seeking to explain past performance to identify the drivers of future development in fragile regions is an under-researched area '1'
	Poor as consumers	✓ '1' very under-researched area in all aspects except humanitarian relief. The importance of reducing the costs of living, and above all of food staples, to the poor is well established. While there are many studies that record and analyse the different elements of the costs of living to the poor, these insights have not generally been used to inform policy-making. On the other hand, politicians are sensitive to the costs of some items, often those consumed by the urban poor - such as staple food prices, the cost of public transport, and of utilities such as water and electricity.
	Social protection from adverse effects of global processes	✓ '2' in terms of government response to impacts of GEPs. Only '1' for emerging market-based solutions. An emerging field driven in large part by the interests of donors and other policy makers, anxious to find effective and economical ways to protect the poor from adverse impacts of global changes.
<b>Meta-themes</b>	Factors of production	✓ '5' for access to land and capital are hugely researched areas. Significant research exists on human capabilities '4' but less for the pressing public policy issue of how to increase the capabilities of largely excluded populations to the point that they can engage with global processes
	ENRM	✓ '3' significant literature regarding interaction between poor people and natural resources. This has had varied impact on policy-makers: in some cases, old prejudices about 'the tragedy of the commons' and about the poor being forced by poverty and ignorance to over-exploit their environment persist, despite much evidence to the contrary. Much less existing work on how the interests of rural poor are incorporated into international NR management issues - partly since we know so little about the precise impacts of global processes such as loss of biodiversity or climate change.
	Enabling environment	✓ Well researched '4' Some dimensions are very well researched indeed, as applies in the case of macro-economics. Other dimensions are far less well understood. For example the search for what is appropriate governance in developing countries, the well springs of innovation and entrepreneurship, and the institutions needed to encourage investment and innovation remain priority research themes.



Government failures are most obviously demonstrated in the clear ‘urban bias’ with which many social services are delivered in developing countries. The poorest and most vulnerable with the least livelihood options often receive the worst quality of services that are essential to break out of their cycle of cumulative deprivation.

#### Analytical Basis & Conceptual Coherence

The exhaustive process for scoping the research areas for the agenda in Section 3 was undertaken precisely to ensure that the agenda balances the need for a firm empirical base with the importance of reflecting the views of local researchers across the regions. The analytical basis of the agenda was developed with the Regional Scan and Country Report and subject to scrutiny in the Country Workshops and by the Peer Review Panel.

Sometimes research agendas can resemble a ‘shopping list’ of apparently interesting issues that, even if successfully implemented, never amount to much more than the sum of the individual research interventions. In this Scoping exercise we have generated our ideas within the framework of a robust conceptual framework. This is partly to allow RPE to understand the rationale for including, or excluding, research areas that may emerge in the future. Defining these boundaries is particularly important if there is a facility to respond to unsolicited Calls for Proposals, as we recommend.

Beyond the operational importance in establishing a clearly defined scope for the agenda and ensuring programming alignment between different elements of the agenda, the more important aim is that addressing disparate parts of the agenda will build into a process of cumulative and self-reinforcing impact for the agenda as a whole.

#### 4.3.2 Selection Criteria

Selection criteria express a preference for research in a particular area and are used to rank all the proposals that are eligible. Selection criteria are largely based on the CS+PF 2005-2010 strategic goals to ensure that research projects that support the goals of the financier are more likely to be approved than those that do not. These include:

- Demonstration of ENRM issues;
- Capacity building of poor rural households and Southern institutions;
- Encourage co-financed opportunities; and
- Demonstrate diversity.

#### ENRM

The option of including ENRM as a selection criterion and, particularly, the weighting to attach to this criterion is an important decision in the design of this research agenda.

On the one hand, there are important productive strategies by which the rural poor can successfully engage with global economic processes that have limited environmental impact (for instance, improving human capabilities in rural areas need not involve significant environmental management issues). However, on the other hand, there are productive strategies that have a clear ENRM aspect – particularly for small producers and the marginal. ENRM is at the core of what IDRC want to achieve over the next five years. In addition, RPE staff represents an important global resource with expertise and experience in ENRM that it would represent an unacceptable opportunity cost to not fully utilise.

Including environmental management as a selection criterion is justified. However, the critical decision as to whether ENRM should be weighted lightly (to encourage research proposals with an ENRM element) or heavily (to make an ENRM component almost mandatory) is a decision for RPE management.

#### Capacity Building of Southern Institutions

Table 15 below details some of the prominent research organisations with a focus upon issues in Africa, Asia and Latin America that are relevant to this emerging research agenda.

The first and most obvious point reinforces the experience of the Country Workshops, namely that there is a rich vein of local capacity throughout the South. This capacity is spread across research institutes, private sector organisations, donor programmes,

NGOs, universities, ‘think tanks’ and networks – but it is there. This provides the rationale for requiring Southern participation in research partnerships working on this agenda.

Second, a five-year research agenda does provide a reasonable time-frame to engage in a serious programme for capacity building of Southern organisations. This has been addressed in the proposed agenda on a number of different levels:

- Scholarships for post-graduate students, followed by the chance of work placements;
- Partnership Formation Grants to bring together disparate capacities in the South;
- Offering a monitoring, learning and research facility to receptive and relevant on-going donor programmes.

#### Encourage Co-finance Opportunities

The analysis of RPE’s current portfolio of projects suggests that, historically, the PI has not actively engaged with other financiers of development research. In the current portfolio of RPE research projects there is a limited amount, with some 10% from non-IDRC sources (co-finance is focused upon the Genetic Research Policy Institute project and Water Demand Initiative).

Informal discussions with a number of members of the development research community have suggested there is scope for a much higher level of co-finance for this agenda.

First, IDRC is committed to developing partnerships with other development research organisations. There is a qualitative difference in partnerships based on co-finance compared with those based upon the more traditional client – contractor or donor – recipient models. In other words there are significant non-financial benefits to co-finance arrangements and these benefits touch on the core business of IDRC.

Second, IDRC – and RPE within it – has a fairly modest budget and a very positive international reputation with researchers both in the South and also the North. The conditions would therefore seem to be in place for the PI to significantly scale up its impact by collaborating financially and technically with a broad range of multi-lateral, bilateral, private sector, non-governmental and governmental researchers.

Third, partnerships have the potential to bring a new skill mix to development problems. For instance, the RAPID (Research and Policy in Development) Programme in ODI has significant expertise as establishing networks and the research policy nexus. GGP have some economic analysis skills that would benefit the programme. Both organisations have expressed a clear intent in working with RPE in the implementation of it’s research agenda.

#### Demonstrate Diversity

The emerging research agenda mirrors the breadth of the overarching objective. The challenge of this Scoping exercise has been to respect the diversity of issues within the subject area whilst maintaining a coherent research agenda.

**Table 15: Illustrative Partners**

		Possible Research Partners		
		Africa	Asia	Latin America
Priority Research Areas	Market facilitation	International Institute for Communication and Development (IICD) in Mali. CARE Uganda. USAID (SCOPE Project) Uganda. DFID/ILO Business Services Project in Uganda. World Bank private sector competitiveness programme.	Agriculture and Processed Food Products Export Development Authority (APEDA), New Delhi. Strategy Technology & Delivery Consulting (STADD), New Delhi.	
	Support to producers	Institut de Technologie Alimentaire (ITA), Senegal. Natural Resources Institute, agricultural information programme in Uganda. Agricultural Extension & Rural Development Centre, Asiout University, Egypt.	National Centre for Agricultural Economics and Policy Research (NCAP) New Delhi. Rural Development Centre (RUDEC) in Hanoi. Asian Development Bank and DFID	

Priority Research Areas	Strengthening pro-poor value chains	Globalization, Growth and Poverty (GGP) Program Initiative in IDRC. World Bank (AgMARKETS) Program. Centre for Economic Studies, Faculty of Agriculture, Azhar University, Egypt	Winrock International New Delhi (offices in UP & Chatisgarh), The Energy Research Institute (TERI) New Delhi. Indian Council for Research on International Economic Relations (ICRIER). Institute of Strategy and Policy for Agriculture & Rural Development (ISPARD) in Hanoi. SNV	Andrew Dornward & Rodrigo Paz (Imperial College), Diego Munoz (IIED), Regional support programmes (PASACH, PRODISA) national support programmes (SIBTA)
	Enhancing economic infrastructure			
	Migration and remittances	Cooperazione Internazionale (COOPI) and Italian NGO established in Senegal.	GVT in Delhi, Bhopal and Ratlam. Dan Nguyen Anh (Asia-Pacific Economic Centre) Hanoi. Institute of Economic Research, Ho Chi Minh City. Oxfam, Action Aid, Ford Foundation and World Bank in Vietnam	University of Guelph & World Bank
	Rural Non-Farm Economy			
	Discriminatory service provision and policy	World Bank decentralised service delivery programme in Uganda. Advocate Coalition for Development and Environment (ACODE) independent policy analysis and 'think tank' in Uganda. RAPID / Civil Society Support Partnership Programme in ODI	MKSS, Rajasthan and Lok Satta, Hyderabad. RAPID / Civil Society Support Partnership Programme in ODI	IDRC project on I-O models for local government allocations in Bolivia. CIPICA, CONDESAN & FAO-PPLPI. DFID's INS Project and ODI's RAPID. RAPID / Civil Society Support Partnership Programme in ODI
	Potential for 'lagging' regions	Sahel and West Africa Club (SWAC) of OECD, Paris. World Bank Northern Uganda Social Action Fund.	Society for Prevention of Wasteland Development (SPWD) Delhi and Udaipur. Central Research Institute for Dryland Agriculture (CRIDA) Hyderabad. Centre for Environment & Community Assets Development (CECAD) Vietnam Union of Science & Technology.	
	Poor as consumers			
	Social protection from adverse effects of global processes	GGP of IDRC		
Meta-themes	Factors of production	CARE in Niger for women's rural credit schemes. IFAD Niger, Rural Financial Services Development Programme. Groupe de Recherche Action sur le Foncier (GRAF) in Ouagadougou in Burkina Faso. USAID Rural Savings Programme in Uganda. World Bank NR management programmes in Uganda		Land: Fundacion Tierra & Susana Hecht in University of California. IDRC Honduras office.
	ENRM	Environment Alert (AE) Ugandan-based local NGO. Environmental & Urban Studies Consulting, Eco-Plan, Egypt.	Indian Institute of Forest Management, Bhopal, Ashoka Trust for Research in Ecology & the Environment (ATREE), Bangalore. Centre for Natural Resources and Environmental Studies, Vietnam National University. Centre for Natural Resources and Environmental Science (CRES) Hanoi.	
	Enabling environment	The Hub for enhanced effectiveness of rural development-orientated actions in West and Central Africa (Dakar) a rural development network		

Responses to Calls for Proposals (CfPs) will obviously tend to reflect the existing research preoccupations of researchers. In the context of this agenda where some elements of the scope are fairly well-trodden paths (e.g. some areas under the ‘small producer’ title) and some are rather off the beaten path (e.g. poor as consumers) it will be important to ensure that the research commissioned demonstrates the diversity of the full agenda. This could be achieved through launching highly prescriptive CfPs, a programming strategy with which we have concerns.

#### 4.4 Research Approaches

The underlying methodological principle of research under the programme can best be described as ‘action research’. Action research can be described as a family of research methodologies which pursue action (or change) and research (or understanding) at the same time. It is thus an emergent process which takes shape as understanding increases; it is an iterative process which converges towards a better understanding of what happens. In most instances, it is also participative, as change is usually easier to achieve when those affected by the change are involved, and qualitative.

Below, four research approaches are highlighted which will guide the implementation of this research agenda – value chain analysis; environmental economics; bridging research and policy; and, strengthening research partnerships are discussed in detail.

##### 4.4.1 Value Chain Analysis

Value chain analysis (VCA) emphasises the ‘how’ and ‘where’ rural poor can integrate into global economic processes and how these processes can be understood in order to make them more ‘pro-poor’.

Value chain analysis will be prominent in the implementation of this research agenda. Value chain analysis can help structuring global economic processes from the production of primary goods through different stages of transformation to the final product. Along this chain, poor rural households can access GEPs in various ways – as direct producers, as workers, or as producers of domestically-traded goods which are influenced by GEPs. The concept of value chains draws on the disciplines of sociology and political

science as well as economics. It specifically deals with the notions of access to value and thus economic power. The distribution of value between actors in the chain introduces the idea of equity or inequality and points to directions where the position of poor rural people could be ‘upgraded’ in order to capture a bigger share of the value. Value chains also help identifying different sub-groups of the rural poor and the way with interact with global economic processes.

The justification for focusing this research application on the integration of poverty and environmental concerns into value chain analysis is firmly rooted in this analysis. There is now strong evidence that, under specific circumstances, accessing these value chains can have a very broad-based impact on poverty reduction. However, this is by no means inevitable and our research illustrated many examples where the rural poor have not been able to access global economic processes on advantageous terms. Independent of the impact on poverty, the empirical evidence suggests that even an integration with global economic processes that is successful in terms of poverty reduction can have seriously deleterious impacts upon the natural environment.

Beyond the technical justification, the case for moving forward quickly with this proposed research agenda is that it is an area of public debate in the development discourse. This is an area for which IDRC has an important role as an ‘honest broker’ in a field crowded with preconceived ideas and ideological positions. The priority research themes presented above were generated from an analysis that focused upon the needs of the South – derived from the empirical analysis of secondary statistical material as well as the views of informed stakeholders. They also, therefore, reflect the perceptions of the South.

Research revealed two different aspects of the nexus between value chain analysis and the twin imperatives of poverty reduction and ENRM that should feed into the RPE research agenda. The first is a research methods issue relating to how these concerns can be integrated into VCA. The second is a more action research issue relating to identifying and supporting pro-poor and environmentally sustainable value chain development in a diversity of locations.

First and in terms of research methods, value chain analysis is an important methodology relating to how, and on what terms, the rural

poor access the market. It can shed light on why small and marginal producers may be disadvantaged in global value chains and how the forms of incorporation could be improved. Value chain analysis can identify how market access can be improved for small producers; the governance within the chain and how small producers can be supported to cooperate horizontally (amongst producers) and vertically (between producers and traders and retailers). Value chain analysis can highlight what is necessary to improve access to market information and how pro-poor value chains can be strengthened. Value chains analysis will also help identifying potentials for supporting ‘lagging’ regions with regard to market development and integration.

This research agenda should stimulate innovations in value-chain analysis to allow an integration of wider poverty and environmental issues. The research question is ‘How can value-chain analysis best incorporate poverty and environmental issues in a conceptually and methodologically robust manner?’ Value chain analysis is increasingly used by policy makers and development programme designers in order to select value chains to promote and support, and to examine the effects of options for organising value chains on distributional outcomes.

This exercise rarely makes use of any degree of disaggregated poverty understanding, and almost never examines environmental impacts. The research agenda should seek to develop an approach and a method, or set of methods for doing this, and further for making the multi-layered connections between poverty impacts and environmental

resource management. A disaggregated analysis of poverty will not only examine the inclusion/exclusion of particular groups defined occupationally or socially; but also the implications for different well-being trajectories – entering, leaving and remaining in poverty.

In particular this new approach to value-chains should examine the links between the management of both private and common assets used by poor people, their resilience in the face of risk and vulnerability, and the effects on these key aspects of poor people’s livelihoods, which participation in different value chains bring about. The method will also need to examine the new (or modified) socio-economic relationships and structures which result from inclusion in value chains. These may determine whether poor or vulnerable people are able to take risks, save, invest in enterprise, in their children’s education, migrate for enhanced work and so on.

The objective of this part of the agenda will be to produce guidance for practitioners on how best to carry out such value chain analysis, together with some examples of good practice. The research output format will be determined in consultation with potential users, in particular governments, NGOs, and business CSR units. The geographical scope for this research methods analysis will necessarily be global.

The second part of the research agenda arising from this analysis should have an action research focus around the theme of ‘Value-chain analysis and the rural poor in the context of disadvantaged regions’ (here defined as relatively disadvantaged areas

#### **Box 4: Value chain analysis**

Value chain analysis emphasises the different ways in which activities along the chain are coordinated. It defines chain governance as the process of specifying, communicating and enforcing compliance with key product and process parameters along the chain.

At any point in a value chain, the three key parameters to be specified are:

- 1) What is to be produced: product design and specifications
- 2) How it is to be produced, process specifications
- 3) How much is to be produced, and when: production scheduling and logistics.

Basic tools in a value chain analysis include the following:

- 1) Value chain mapping. This enables the identification of stakeholders of key processes and agents within the chain, but also stakeholders outside, who can have, through influencing the environment, an impact on the chain’s performance. It also defines characteristics of different markets and marketing channels, through the identification of different needs of different types of buyers.
- 2) Identifying the challenges facing the agents (producers, intermediaries, processors, etc.) in the chain.
- 3) Consider explicitly the different ways in which the knowledge and skill gaps identified could be filled.

Source: Humphrey J. (2005) Shaping Value Chains for Development: Global Value Chains in Agribusiness. GtZ, Eschborn



that nonetheless retain some inherent and under-utilised economic potential to engage with global value chains. Such regions often span several international boundaries with fragile natural environments and the presence of concentrations of poor people and, often, ethnic minority populations). This should focus upon identifying appropriate pro-poor value chains and supporting them to generate tangible benefits for the poor and the environment.

The primary research questions are:

- How can producers in disadvantaged regions participate more effectively in mainstream domestic markets? and
- How can producers in disadvantaged regions participate more effectively in higher value specialist export markets?

Beneath these primary research questions are a cluster of sub-questions including:

- How the rural poor can be most effectively supported to access the viable value-chains identified?
- The debate whether value chains perceived as 'niche' or value chains perceived as 'conventional' are more effective mechanisms for reducing poverty (it is acknowledged that the distinction between 'niche' and 'conventional' value chains might simply reflect where geographically one is engaging with the value chain rather than the inherent characteristics of a commodity);
- Impact of green marketing and fair trade on disadvantaged regions will be explored. There are diverse views on the relevance of green certification in favouring disadvantaged regions – there are instances where green certification can work well where agro-chemical use is limited or non-existent because conversion rates will be low;
- What are the impact of different value chains on women and ethnic minority populations; and
- What are the ways to increase returns to commodities that currently have low returns?

#### 4.4.2 Environmental Economics

Traditionally value chain analysis has resulted in inadequate attention being paid to how productive strategies affect, and are being affected by, environmental and natural resource management issues. There is ample evidence that current production and consumption patterns – both in the North and the South – do not meet sustainability criteria<sup>14</sup>. Characteristically, reference is made to climate change and global warming, ozone layer depletion, water scarcity and pollution, land degradation and desertification, deforestation, or biodiversity loss. Environmental economics is a set of methods to help bridge the divide between consideration of productive strategies and their immediate or long-term consequences for the natural environment.

Environmental economics in its broadest sense is concerned with

*“[...] economic interrelationships between mankind and the environment [...]. It involves, amongst other things, study of the impact of economic activity on the environment as well as the influence of the environment on economic activity and human welfare.” (Tisdell, 1993, 3)<sup>15</sup>*

Economic valuation has been broadened to include natural resources, which are an input into the production system (direct use value, which is priced), as well as environmental functions such as waste and emission absorption capacities (indirect use values, which are usually not priced), or regulation of cycles (e.g. water, energy), and non-use values, such as option or existence values. A focus of the research agenda will be to seek synergy between research areas with economic and environmental concerns. Environmental economics will assist in providing a bridge between these hitherto separate areas of investigation.

#### 4.4.3 Bridging Research and Policy

Research agenda has been structured around responding to the two research questions, namely:

- Gaining a better understanding of how poor rural households can adapt their livelihood strategies to benefit from participation with global economic processes; and / or

- Research which is targeted more at higher level with the aim of influencing the enabling environment and policy making and policy change necessary to enable poor rural people to engage in GEP.

With regard to the first objective, approaches that would integrate economic, poverty and environmental considerations have been outlined. With regard to the second objective, insights from the RAPID programme at ODI on bridging research and policy in international development are available to help guide the process.

In order to enable researchers to better contribute to policy engagement, they need to, first, better understand the:

- Policy making process – what are the key influencing factors, and how do they relate to each other?
- Nature of the evidence they have, or hope to get – is it credible, practical and operational useful? and
- Other stakeholders involved in the policy arena – who else can help to get the message across.

Second, they need to develop an overall strategy for their work – identify political supporters and opponents, monitor and react to policy windows, ensure the evidence is credible and practically useful, and build coalitions with like-minded groups.

Third, they need to be entrepreneurial – get to know, and work with the policymakers, build long term programmes of credible research, communicate effectively, use participatory approaches, identify key networkers and sales people and use shadow networks.

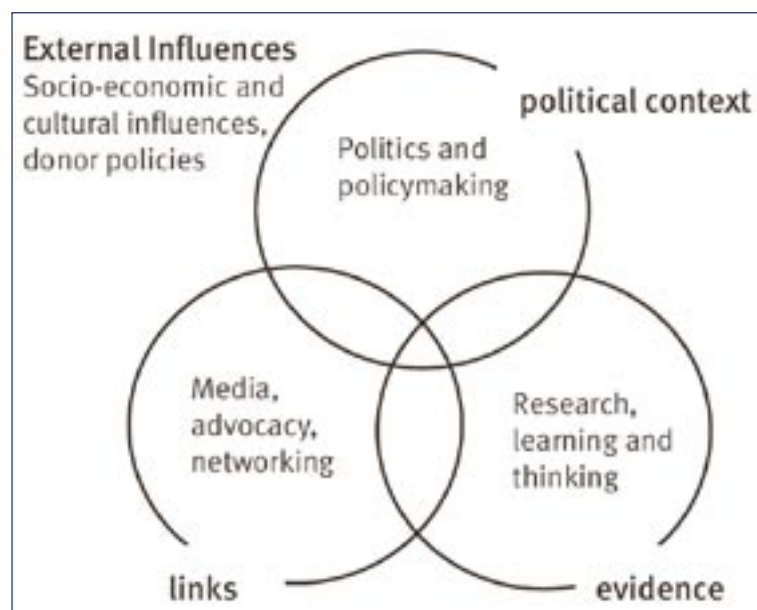
The following framework has been developed at ODI based on several years of practical and theoretical research and can help guide this policy engagement process. This area of research in ODI has been subject to a thorough recent review that is likely to prompt some changes in this rapidly evolving research field.

Often, the link between research and policy - or evidence and practice - is viewed as a linear process, whereby a set of research findings or lessons shift from the 'research sphere' over to the 'policy sphere', and then

has some impact on policymakers' decisions and practical programmes. Reality tends to be much more dynamic and complex, with two-way processes between research, policy and practice, shaped by multiple relations and reservoirs of knowledge.

ODI's theoretical, case study and practical work has identified a wide range of inter-related factors, which determine whether research-based and other forms of evidence are likely to be adopted by policymakers and practitioners. These factors can broadly be divided into three overlapping areas: the political context; the evidence; and the links between policy and research communities, within a fourth set of factors - the external context. The interplay of these four areas is laid out in Figure 7. The framework should be seen as a generic, perhaps ideal, model. In some cases there will not be much overlap between the different spheres; in others the overlap may vary considerably.

**Figure 7: The RAPID Framework**



Source: *Research and Policy in Development Programme, Briefing Paper No 1, Oct. 2004*

Emerging results indicate that research-based and other forms of evidence is more likely to contribute to policy if:

- It fits within the political and institutional limits and pressures of policymakers, and resonates with their assumptions, or sufficient pressure is exerted to challenge them;
- The evidence is credible and convincing, provides practical solutions to pressing policy problems, and is packaged to attract policymakers' interest; and

- Researchers and policymakers share common networks, trust each other, and communicate effectively.

These three conditions are rarely met in reality. Although researchers and practitioners can control the credibility of their evidence and ensure they interact with and communicate well with policymakers, they often have limited capacity to influence the political context within which they work. Resources are also limited, and researchers and practitioners need to make choices about what they do. By making more informed, strategic choices, researchers can maximise their chances of policy influence.

Experience suggests that establishing meaningful interaction between researchers and policy-makers takes time and there is significant benefit to RPE if this agenda can work with established research-policy processes.

Table 16 presents a synopsis of questions researchers should consider if they intend to influence policy and practice. It will be important that research projects in this programme take these issues and lessons learned into account when developing proposals and research outputs:

**Table 16: How to influence policy and practice**

What researchers need to know	What researchers need to do	How to do it
<b>Political Context:</b> <ul style="list-style-type: none"> <li>• Who are the policymakers?</li> <li>• Is there policymaker demand for new ideas?</li> <li>• What are the sources / strengths of resistance?</li> <li>• What is the policymaking process?</li> <li>• What are the opportunities and timing for input into formal processes?</li> </ul>	<ul style="list-style-type: none"> <li>• Get to know the policymakers, their agendas and their constraints.</li> <li>• Identify potential supporters and opponents.</li> <li>• Keep an eye on the horizon and prepare for opportunities in regular policy processes.</li> <li>• Look out for – and react to – unexpected policy windows.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with the policymakers.</li> <li>• Seek commissions.</li> <li>• Line up research programmes with high-profile policy events.</li> <li>• Reserve resources to be able to move quickly to respond to policy windows.</li> <li>• Allow sufficient time and resources</li> </ul>
<b>Evidence:</b> <ul style="list-style-type: none"> <li>• What is the current theory?</li> <li>• What are the prevailing narratives?</li> <li>• How divergent is the new evidence?</li> <li>• What sort of evidence will convince policymakers?</li> </ul>	<ul style="list-style-type: none"> <li>• Establish credibility over the long term.</li> <li>• Provide practical solutions to problems.</li> <li>• Establish legitimacy.</li> <li>• Build a convincing case and present clear policy options.</li> <li>• Package new ideas in familiar theory or narratives.</li> <li>• Communicate effectively.</li> </ul>	<ul style="list-style-type: none"> <li>• Build up programmes of high quality work.</li> <li>• Action-research and Pilot projects to demonstrate benefits of new approaches.</li> <li>• Use participatory approaches to help with legitimacy and implementation.</li> <li>• Clear strategy for communication from the start.</li> <li>• Face-to-face communication.</li> </ul>
<b>Links:</b> <ul style="list-style-type: none"> <li>• Who are the key stakeholders?</li> <li>• What links and networks exist between them?</li> <li>• Who are the intermediaries, and do they have influence?</li> <li>• Whose side are they on?</li> </ul>	<ul style="list-style-type: none"> <li>• Get to know the other stakeholders.</li> <li>• Establish a presence in existing networks.</li> <li>• Build coalitions with like-minded stakeholders.</li> <li>• Build new policy networks.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships between researchers, policymakers and policy end users.</li> <li>• Identify key networkers and salesmen.</li> <li>• Use informal contacts.</li> </ul>
<b>External Influences:</b> <ul style="list-style-type: none"> <li>• Who are main international actors in the policy process?</li> <li>• What influence do they have?</li> <li>• What are their aid priorities?</li> <li>• What are their research priorities and mechanisms?</li> <li>• What are the policies of the donors funding the research?</li> </ul>	<ul style="list-style-type: none"> <li>• Get to know the donors, their priorities and constraints.</li> <li>• Identify potential supporters, key individuals and networks.</li> <li>• Establish credibility.</li> <li>• Keep an eye on donor policy and look out for policy windows.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop extensive background on donor policies.</li> <li>• Orient communications to suit donor priorities and language.</li> <li>• Cooperate with donors and seek commissions.</li> <li>• Contact (regularly) key individuals.</li> </ul>

#### 4.4.4 Identifying, Initiating and Strengthening Research Partnerships

A paradigm shift has been taking place in development-oriented research that focuses on the nature of knowledge production and the social validation, diffusion and utilisation of knowledge. Linear models of scientific innovation have been replaced by models insisting on continual interaction between science and society, on learning processes, and on networks.

Partnerships between researchers, civil society organisations (CSOs), actors from the private sector (farmers, entrepreneurs, etc.) and government agencies are becoming more important. This is so during the agenda-setting process, when research projects are designed as well as for implementation and management – and it was for this reason that the Country Workshops were regarded as such a central plank of this Scoping Study. Research partnerships should be designed in order to enable mutual learning and exchange on the basis of complementary skills and knowledge and lead to increased quality of the research and to building research capacity. By including relevant stakeholders in the research process, relevance and recognition of research findings can be increased<sup>16</sup>.

This research agenda calls for a multidisciplinary approach and active engagement with communities in order to strengthen their capacities to respond to and benefit from engagement with global economic processes, as well as contributing to the enhancement of the enabling environment to support the rural poor in successfully engaging in GEPs, which makes engagement in policy processes necessary. Thus, establishing partnerships between these different stakeholders will constitute an important part of the research programme.

During the study process leading to this report a number of potential partners have been identified that could carry forward the research agenda. An illustrative list of potential partner organisations is arranged by priority research area in Table 14. It is interesting to note the research areas in which there is a plethora of Southern research capacity - and other research areas where the Study revealed less apparent research capacity.

However, these organisations only represent one part of the picture. Other actors such as

farmers and their organisations, enterprises, or government agencies who must be partners in undertaking the research must be identified, and viable partnerships developed.

Very often, however, civil society organisations in the South lack the necessary capacities to form multi-stakeholder partnerships and specifically also to engage in policy-oriented research and dissemination to promote pro-poor national and international development policies and practice.

Ways of contributing to strengthening CSOs include the following<sup>17</sup>:

- Practical workshops on policy advocacy skills including research methodology, strategy development, policy analysis, advocacy, and communication;
- Other approaches to training including staff exchanges or secondments, collaborative training with local Think Tanks and looking for opportunities to work with existing projects to avoid replication of efforts;
- Establishing a network of organizations where regular debates on evidence-policy issue will take place;
- Supporting with institutional development including human resources, financial management, partnership, negotiation skills and fundraising;
- Efforts to build the capacity of existing national and regional networks in the South to share information and analysis; and
- Translation of relevant materials is considered to be crucial for its wider dissemination, and specifically to facilitate partnerships with actors with less formal education.

RPE should contribute to strengthening CSOs in acquiring the necessary capacities to successfully participate in research partnerships, engage with policy makers and processes and contribute through this to the development process. This research agenda advocates that activities are undertaken to improve the skills and capacities of research organisations and other CSOs in the South. Specifically with regard to research capacities, and policy advocacy skills including research

methodology, strategy development, policy analysis, advocacy, and communication and provide support with institutional development including human resources, financial management, partnership, negotiation skills and fundraising. In addition, a specific programme component supporting partnership formation and grants to newly established or existing networks is proposed.

#### 4.5 Programming Approach and Modalities

This research agenda will respond to proposals from research institutes, universities, policy research institutes, ‘think-tanks’, private sector, CSO and governmental organisations and South-South, South-North and North-South networks and partnerships.

A multi-disciplinary approach will be encouraged, encompassing specialists in economics, business development, political science, law, anthropology, sociology, geography, agriculture / forestry / fisheries, and natural resource management. Besides a multi-disciplinary focus, the research should combine qualitative and quantitative methods with a particular focus on value chain analysis. Specific attention will be paid to social and gender analyses and integrating environmental and natural resource management aspects in its projects.

#### Elements of the Research Agenda

Several elements constitute the research agenda:

##### Partnership Formation Grants

Strengthening partnership formation contributes to the development of networks, partnerships and communities of practice, in order to strengthen institutions, policies and practices that enhance the livelihoods of the rural poor. Often, though, innovative partnerships need first to be established by bringing new partners into established groupings through ‘seed corn’ funding. Research or other civil society organisations seeking grants for carrying out specific research might wish to establish partnerships with other stakeholders before submitting formal proposals.

These Partnership Formation Grants will enable organisations to

- formally establish relationships with other stakeholders;
- jointly identify goals and objectives of the research to be undertaken;
- jointly develop and submit proposal for full-blown research grants;
- decide on how research results and action will be monitored and evaluated;
- decide how, by whom, where and when results are disseminated and implemented; and
- how benefits are shared.

It is proposed that these Partnership Formation Grants are procured through an open CfP procedure and any partnership that includes a private sector partner is eligible.

##### Research Grants

Full-blown Research Grants lie at the heart of this research agenda. It is proposed that significantly over half the total research funding is allocated for long-term research projects (typically, three years and RPE resources of CAD\$300 000 per project per year) that focus on priority research areas identified in this Scoping Study.

To assist RPE to locate their CfPs at an appropriate point in the spectrum between the highly prescriptive and more open ends of the continuum, the following perspective is offered.

Highly prescriptive CfPs have the advantage of ease of screening proposals and ensuring that Proposals focus on areas that previous research has identified as offering potential. However the cost of highly prescriptive CfPs is to reduce participation and competition in the response, which can lead to lower quality proposals receiving grant funding if the research financier is under pressure to meet a disbursement target for the Call. In addition, prescriptive Calls constrain the pursuit of creativity by researchers. Whilst appearing the ‘safe’ option, prescriptive Calls often stifle the innovation that is such a core value of IDRC. Prescriptive Calls can impact negatively on the research community by forcing a particular perspective on a particular issue and encouraging researchers to adopt a specific ‘mantra’.



As a result of this, many development research organisations have in recent years been moving towards less prescriptive Calls. This makes the selection of proposals more burdensome because a generally larger response has to be assessed by people with a keen technical knowledge of the subject area – rather than administrators with a check-list. However, the advantage is that the creativity of researchers is not stifled and the assessment can focus on the inherent quality of the proposal rather than the grant seeking skills of the applicant.

We propose a repetitive bidding regime for Research Grants – comprising three Calls in all. Making the dates of all three calls known at the launch of the agenda will encourage applicants to submit proposals when they are ready – rather than submitting hastily-conceived proposals to take advantage of a one-off opportunity. Repeat Grant cycles also allow the grant awarding body to learn from the experiences of previous CFPs in designing subsequent Calls.

A Mid-Term Review (MTR) is proposed for this Agenda. The aim of the MTR is to independently assess the efficiency, effectiveness and impact of the implementation of this agenda and recommend actions to increase this in the second half of the implementation period. The findings of the MTR will feed into the formulation of subsequent CFPs.

The first Call will be global and no region will have a reserved research allocation. The best proposals will receive finance, which may well result in a geographical imbalance of Research Grant allocations initially with regions with a stronger research tradition benefiting in the first Call. However, through the Partnership Grants, it will be possible to offer support to research organisations from weaker regions to allow them to bid against other regions with a better prospect of success. This multi-mode path to a Research Grant is specifically designed to allow initial support for weaker applicants to submit strong proposals. There is obviously no requirement on applicants for Research Grants to be prior beneficiaries of Partnership Grants. If applicants can submit quality proposals without needing this initial support, this should not be discouraged.

A two-step submission process is envisaged with the submission of a Concept Note to be subject to a short-listing process before full proposals are requested from preferred recipients. The aim of this modality is to reduce

the transaction cost on applicants. Applications can be submitted by any research team with a Southern partner. Capacity building will be ancillary to research activities under Research Grants, but a significant emphasis on capacity building is expected none-the-less.

### Unsolicited Proposals and Pilot Actions

A small grant window will be maintained to be able to respond to unsolicited proposals that can be submitted at any stage of the implementation of the research agenda and pilot implementation projects identified by the Research Grants. This grant window will also allow RPE to finance ‘bolt on’ monitoring, learning and research facilities (MLRF) to on-going donor programmes that are generating useful, practical and relevant learning.

### Scholarships

Scholarships for promising southern researchers at MA/MSc and PhD level will be made available under this agenda. Requests for scholarships will have to be made in connection with requests for research grants. The research organisation submitting the proposal for a research grant must demonstrate its capacity to supervise the students.

Whenever possible, students supported through these scholarships should pursue their degree in the South. ‘Sandwich programmes’ or co-location arrangements, where part of the studies are conducted in the North and part in the South, however, are encouraged.

### Financing of programme components

Assuming an annual budget of CAD \$ 3.5m, the different programme components could be funded over the whole 5-year period with the following amounts shown in Table 17.

**Table 17: Illustrative examples of different grant windows**

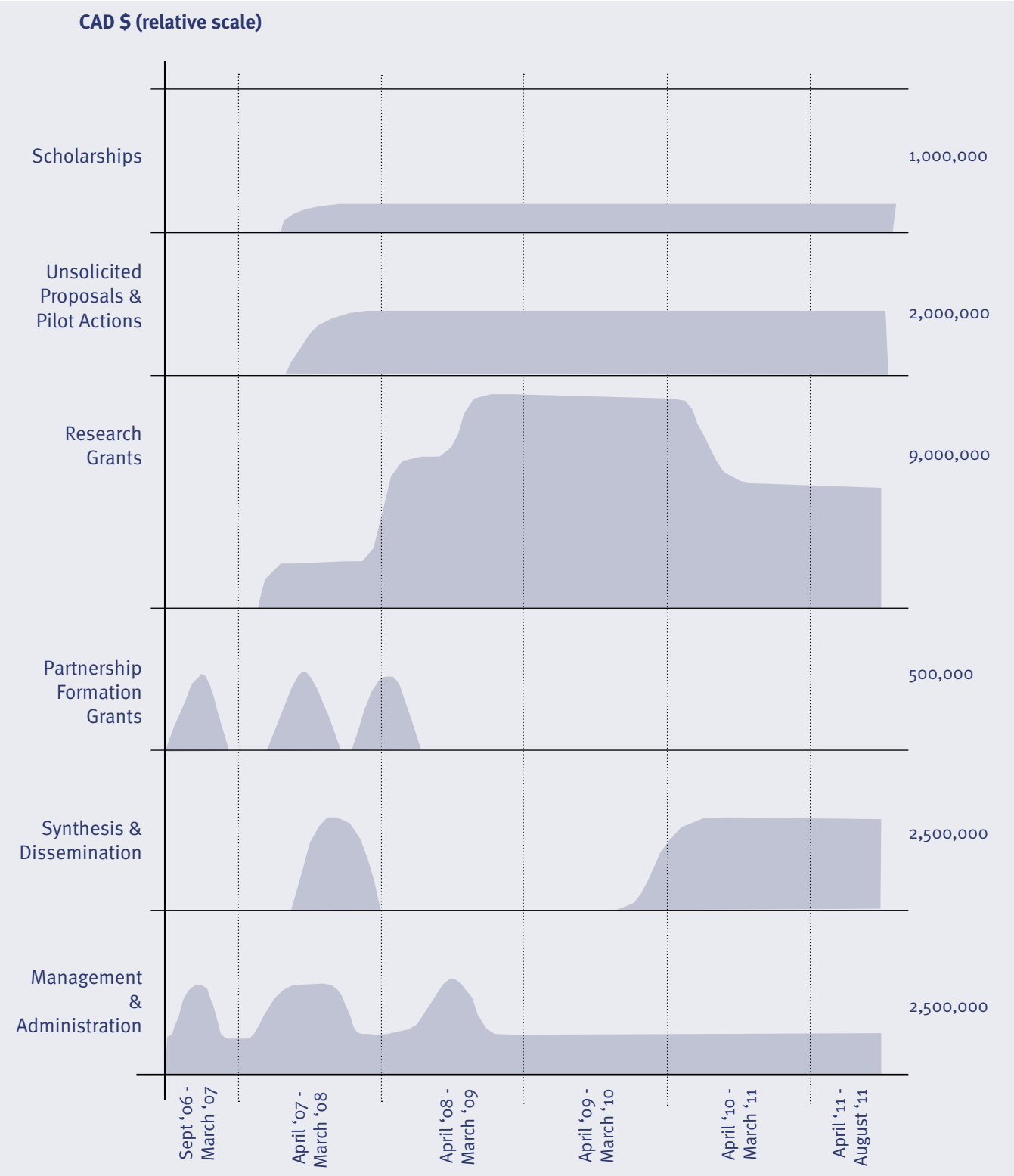
	No	Unit Cost per year (CAD\$)	Years	Total (CAD\$)
<b>Partnership Formation Grants (2 per Region)</b>	10	50,000		500 000
<b>Research Grants following a call for proposals</b>	6	500,000	3	9 000 000
<b>Unsolicited Proposals</b>				2 000 000
<b>Scholarships</b>	20	25,000	2	1 000 000
<b>Synthesising research findings, including dissemination (workshops, seminars, briefing papers, toolkits, on-line resources, etc.)</b>				2 500 000
<b>Administration &amp; management*</b>		200,000	5	2 500 000
<b>Total</b>				17,500,000

\* Assuming that the majority of administering and managing calls and projects is done by IDRC.

## Chapter 4: Endnotes

- 14 “Economic: An economically sustainable system must be able to produce goods and services on a continuing basis, to maintain manageable levels of government and external debt, and to avoid sectoral imbalances, which damage agricultural or industrial production.  
Environmental: An environmentally sustainable system must maintain a stable resource base, avoiding over-exploitation of renewable resource systems or environmental sink functions, and depleting non-renewable resources only to the extent that investment is made in adequate substitutes. This includes maintenance of biodiversity, atmospheric stability, and other ecosystem functions not ordinarily classed as economic resources.  
Social: A socially sustainable system must achieve distributional equity, adequate provision of social services including health and education, gender equity, and political accountability and participation.”  
Harris J.M. (2000) Basic Principles of Sustainable Development. Working Paper 00-04. Tufts: Global Development and Environment Institute.
- 15 Tisdell C.A. (1993) Environmental Economics: Policies for Environmental Management and Sustainable Development. Cheltenham: E. Elgar Publishing.
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- 17 Chowdhury, N. (n.a) Civil Society Partnership Programme. CSOs, Evidence and Policy Influence: Lessons Learnt from the Africa, Asia and Latin America Consultations February – September 2005. Unpublished paper. ODI, London.

Figure 8: Illustrative Pattern of Disbursement Profiles for Different Grant Windows





# Annex A: Regional Scans

## 1. Regional Scan for the Central Andes

### a. Context

The Central Andes Region comprises Bolivia, Ecuador and Peru. These countries have similar government structures based on being republics. The countries have strong similarities in terms of the cultural composition of their population. The Region has high levels of poverty, but Bolivia has the most adverse of all measures and is reported to have two-thirds of its population in poverty and one-third in extreme poverty. Inequality in the region is high, and there are huge inequities in the distribution of assets, including education, land and credit, between men and women, indigenous and other groups and urban and rural dwellers.

There is a general lack of political stability in the region; the area suffers from a lack of confidence in government and a general distrust of the private sector and big business. The former is related to corruption and the ineffectual nature of state intervention, and the latter is related to either being exploited or feeling that the private sector is exploitative.

The proportion of the GDP from agriculture and the number of people employed in this sector is low for all countries. This relates to a large proportion of the Regional economy being in non-renewable resources such as gas, oil and minerals. The most important group of crops are food grains in terms of land area cultivated. Bolivia has seen a rapid expansion in oil crops. Coffee is important in Ecuador and Peru and cocoa is important in Ecuador. The main export products from the region are gas, oil and minerals with agricultural products being of relatively low importance, although there are some agricultural export successes.

All countries are part of the trading pact of Andean countries (Comunidad Andina, CAN) and Bolivia has agreements with MERCOSUR. There are differences between the countries in terms of the main trading partners. In all countries the influence of the Andean Community countries varies. Recent bilateral free trade agreements with the USA are further undermining this already weak trading group.

All countries report medium to low levels of debt, but Bolivia has benefited recently from being a part of the Highly Indebted Poor Countries Initiative (HIPC). This country is also heavily dependent on aid and is the only country to have seen a reduction in GNI per capita between 2000 and 2004. Bolivia saw a heavy reduction in foreign direct investment in the early part of this decade, whereas Ecuador and Peru have had a slow increase in FDI. There is also international migration from the study countries and remittances to the Region have increased in recent times.

The challenges facing the countries are about using the improved economic climate to put in place measures that can resolve the serious social problems in the Region. The benefits of reducing poverty are not just about having a healthier and happier society, according to Perry et al (2006) it will help to strengthen economic growth and allow the Region to compete more strongly with the Asian economies.

### b. Livelihood strategies and options for the rural poor

Being a poor rural person in the region is related to poor access to basic services, input and output markets, having limited access to good quality land, being reliant on agricultural as a source of income and having poor education and poor access to basic health services. These factors are made worse if the person is from an indigenous group and if they are women.

With regards to participation and sequencing events two issues are of importance. On an inter-generational sequence the racial and educational background and asset levels of the parents has an impact on the quality of education received by the children. Indigenous, poorly educated families are unlikely to be able to give a good education to their children. In terms of intra-generational change, the most positive experiences have been where poor people have moved to new areas and colonised new lands in the tropical areas of the country. Initial forest clearing for cropping activities is followed by investment in livestock. When sufficient capital has been raised investments are made in mechanisation to clear additional land and stop re-growth on the original cleared land (Thiele personal communication). Where this process has gone hand-in-hand with the opening of markets for beef and soya export, poor farmers have benefited from global economic processes. Entering national markets may be a stepping stone to accessing global economic processes.



Obstacles to accessing value chains with distant customers (be they tourist or in another country) relate to having sufficient individuals who have the capability in terms of negotiation, training and skill and determination to develop a chain and the links. These skills can be provided for short periods of time by development projects, either state or NGO, but the private sector is better suited to medium to long-term change. In countries such as Bolivia, the aid sector may be swamping the private sector in this role, by providing too much subsidised competition on the one hand and on the other employing the people who would otherwise be entrepreneurs.

A difficult question here is should we be looking at ways in which the rural poor participate in global economic processes as producers, traders, workers, migrants or consumers? Work carried out recently on the socio-economic structures of rural communities would indicate that of particular relevance is the need for a relatively large “middle” class in the communities to ensure that there is dynamism in the rural economy (personal communication Rodrigo Paz). So perhaps the answer to the question is the need to develop and maintain a “middle” class in the rural communities, people who have the capacity and assets to search and implement new ideas. The dynamism from their activity should help to create opportunities for the poorest groups.

In some regions rural people have formed cooperatives and farmer associations, which have entered products into international markets. These farmer groups have been successful in using international aid agency support in these processes. The best examples would be quinoa and dried broad bean in Bolivia. However, these examples are not of rural people being directly involved in global economic processes, within their livelihood strategy they are workers within global value chains or local value chains that feed into global value chains.

In the Region there are good examples of local craftwork knowledge and skills being used to access tourist markets for woollen, camelid fibre and NTFP craftwork products. These are likely to become more important if the area can continue to attract greater numbers of tourists. Political stability is key to such tourist developments.

At a household and individual level migration is another strategy employed by poor rural people which not only provides financial benefits, but can give opportunities to assimilate new technology and skills, as well as to reduce the costs of bringing the technology back to communities. Seasonal migration is related to harvesting of crops, particularly sugar cane and fruit. Medium to long-term migration are more related to construction and manufacturing. The impact of this migration is a greater stability of the general household livelihood.

The education system needs to offer equal opportunities to every person in society to maximise the likelihood that the potential winners will be found and nurtured. Educating just a section of society - selected on the basis of racial and gender discrimination - limits the pool of entrepreneurial talent available. In addition the business environment needs to be sufficiently supportive to encourage new entrepreneurs and sufficiently well regulated to ensure that the products they produce and market have international credibility in terms of quality. Access to capital and insurance and assistance in innovation and entrepreneurship in order to help people enter into new ventures with confidence are further requirements.

### **c. Current constraints on participation and how to overcome them**

Critical elements of the enabling environment in the Region to support participation in the global economic processes are; access to communication both in terms of high technology and basic and reliable postal services; and in the case of export oriented products infrastructure and government institutional credibility. Added to this list should be mechanisms to provide capital and help producers bear some degree of risk. The balance however needs to be made between giving away free money and ensuring that people taking loans use the money for realistic, productive processes. These elements are set in the context of many other contributing factors including (but by no means limited to) international trading agreements, education, health, and state action to reduce gender and ethnic discrimination.

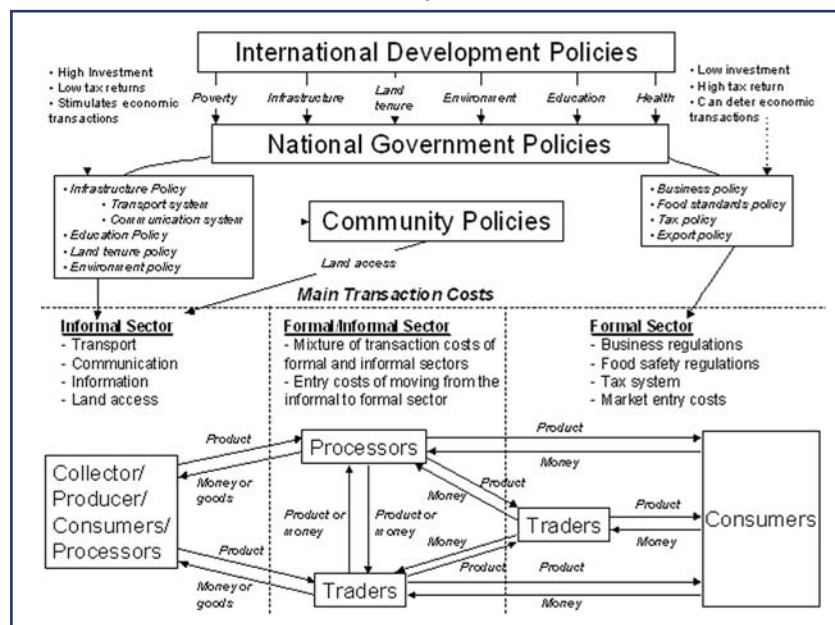
Market failures often relate to not passing on market demand information from consumers to producers. This creates a shortage of supply and no modification in production practices; examples of such situations are the value chains of camelid products and cocoa. There are also high transaction costs in terms of physical access to both input and output markets and information on prices. There is a combination of barriers to access: in many areas there is poor road access; in all areas there is social discrimination which is ethnic,

and gender related; and in terms of reaching global markets, the scale of production of poor people creates higher transaction costs for buyers.

All three countries have had land settlement schemes where people have moved from highland regions to the tropical zones. However, access to land title is still not certain and is an important part of being able to apply for a formal loan. No country in the Region has applied a land redistribution that has reduced the level of land distribution inequality, and even where land has been distributed little has been given to women.

Informal markets, that reach global markets via several intermediaries, have high transaction costs relating to transport and information. These costs can be influenced by government policies on infrastructure and education. In all countries the institutional situation for the formal sector is not favourable to starting businesses, registering land or trading across borders. Weaknesses or difficulties at any point in the value chain will affect how poor rural households access global economic processes. Here an unnecessary bureaucratic procedure for exporting goods implemented by corrupt officials may be enough to discourage a budding entrepreneur and ensure that a value chain that could reach the rural poor does not exist.

#### How transaction costs are related to policies (from Rushton et al. 2004)



The rural poor are heavily disadvantaged in that even entering the informal sector requires investment in time and money because of poor infrastructure, the lack of communication and information and the poor quality of organisations to improve levels of education and health. If they manage to overcome these numerous barriers within the informal sector, passing into the formal sector also requires significant investments in money and time as indicated by barriers in the Region to starting a business.

The advantages of joining the formal sector are minimal for small scale producers or traders as the taxes paid for being part of the formal sector are given to a State that has proven to be inept and corrupt in delivering services. The major advantages of being part of the formal sector can only be reaped when a producer or trader is sufficiently large or is part of a group of producer or traders who are sufficiently large to lobby for and receive political favours. Given this, it is hardly a surprise that there is so little dynamism in the private sector economy.

No	Theme	Potential partner(s)
<b>Human Capital</b>		
1	How can rural education systems be improved in terms of the quality of teaching and their ability to ensure that all rural children regardless of gender or race complete at least primary levels?	Chile and Mexico have significant experience in “conditional transfer programmes” where financial incentives are given to women when children attend school.
2	How can rural health services be improved in order to have a positive impact on maternal, child and adult health levels?	Chile and Mexico have significant experience in “conditional transfer programmes” where financial incentives are given for attending rural health clinics
3	How can land rights be resolved to ensure fairness for indigenous people, economic returns for commercial producers through export markets and have least impact on the environment?	GGP particularly with relation to how changes in export taxes regimes and animal health status have created strong demands for crop and livestock products, how this impacts on rural poverty and the environment. CIARA
<b>Organisations and Organisational Support</b>		
4	What is best in small, poor countries with low abilities to finance research: imitation of technologies, research coordination with neighbouring countries or investments in new research units?	DFID as part of its change in research focus to regional centres. CG centres on technical research. IAF FONTAGRO
5	Is there a gap in technology provision for poor rural people? Would such a gap prevent successful participation in global economic processes? How could such a gap be filled?	PROCIANDINO (Regional cooperative specialising in agricultural technology and innovation)
6	How can local organisations be strengthened in supporting participatory research methodologies and market research in order to identify and support the development of value chains for niche markets?	ICT in creating links with local technical staff to information networks. Some work is being carried out by ITDG in Peru and has been carried out by SNV. IFAD through its The Rural Micro enterprise Support Programme in Latin America and the Caribbean PROMER
7	How can credit and risk sharing organisations be encouraged to participate in the rural economies and offer their services to the rural poor?	IFAD through its partners and programmes such as Foundation for International Community Assistance (FINCA International) and the Rural Financial Services Support Programme (SERFIRURAL).
<b>Overall Institutional Environment</b>		
8	How can the business environment be improved to reduce transaction costs in establishing and maintaining a formal sector business?	World Bank business study project.
9	General lessons to be learnt from this example from linkages between rural and urban areas; reducing urban poverty & positively impacting upon rural poverty?	UPE and GTZ. Potential link with the IDRC funded project on productive Municipalities, which is understood to be using input-output models to assist in developing Municipality investment plans.
<b>Structure of the Rural Economy</b>		
10	How can the rural “middle” classes be stimulated to make rural investments and strengthen the rural economy in general?	Imperial College who are studying rural socio-economic dynamics with financing from DFID’s FIT programme.

## 2. Regional Scan for the Western Caribbean and Central America

### a. Context

The Western Caribbean and Central American Region covers the Central American countries of Belize, Guatemala, Honduras and Nicaragua, the Caribbean country of Cuba and the Mexican states of Yucatan, Campeche and Quintana Roo that make up the Yucatan Peninsula of Mexico.

There is great diversity in this Region in terms of government structure, trade focus and agreements, and agricultural strengths. However, there are similarities in terms of the vulnerability to natural disasters, poverty levels, and (with the exception of Cuba) democratic governments and economies with strong trade links to the USA.

Around half of the population in Guatemala, Honduras and Nicaragua are reported to be in poverty and between 15 and 20% in extreme poverty. In Belize and the Yucatan Peninsula, around one-third of the population are reported to be in poverty. Yet, social indicators in the Region are improving, including poverty. The gradual decrease in poverty is partly due to out-migration of the poor and not to expanded economic opportunity in rural areas. Agricultural growth has not been a strong engine of poverty reduction, and absolute numbers of rural poor continue to increase in several Central American countries.

In all countries a high proportion of the work force are employed in the agricultural sector, but the importance of this contribution is not reflected in the economy. A large percentage of land area is covered by forests, with only around 10% of area cultivated, although regionally there is an upward trend in cultivated land. The most important crop grown on cultivated land is grain, but other important cash crops include sugar cane, pulses fruit, coffee, oil crops and vegetables. Indicators show that there is a lowering dependency on food crop production, and production for household consumption in these countries. This could be related to improved and more stable access to markets for cash crops and for other food products in the rural areas. It may also be related to a greater reliance on remittances and food security projects.

With the exception of Mexico, all the countries in the region have severe trade deficits; Belize and Nicaragua have high debt burdens and Honduras and Nicaragua high aid dependency. Between 2000 and 2003 Foreign Direct Investment (FDI) was less than 5% of GDP, and the countries of the region have in general experienced reasonably strong growth based on strong demand for primary products and international labour. In addition, social policies in all countries have had a positive, but slow impact on poverty reduction over the last 5 years.



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Attempts to diversify the economies of the study region to primary products with less volatile markets such as horticultural crops is taking place, but the social impact has been largely neutral as these opportunities are captured by the better off sections of the society. There have also been attempts to diversify the general economy to tourism and to a lesser extent manufacturing. Tourism has been successful in Belize, Cuba and the Yucatan Peninsula where there is better personal security than in the other Central American economies. The largest change in the last 10 to 15 years has been the growth in international migration, particularly to Mexico and the USA. There has been a large increase in the proportion of households with residents overseas and also a large increase in the total remittances received from overseas.

### b. Livelihood Strategies and Options for the Rural Poor

The rural poor are generally indigenous people, people with little or no education, a relatively poor asset base, poor official language skills and a dependency on agricultural activities, either in terms of home production or agricultural labour. It is noted that the majority of poor households have few livestock and little land, and most focus upon growing subsistence crops rather than non-traditional crops.



There appear to be two main ways that poor rural families are currently participating in the global economic processes: migration to neighbouring countries and employment in export crops. There may also be a third in limited areas, which is working in tourist resorts, particularly in areas around the more important resorts of Cancun in the Yucatan Peninsula, Baradero in Cuba and the coastal region of Belize. In other countries in the region, tourism generated by migrants returning for holidays is also reported to be important .

It is reported that remittances from abroad are received by 13% of all Mexican rural households and less than 4% of urban households. However, for the poorest rural households this proportion rises to over 20%. Average amounts received are much larger than other sources of income for these households. The main barriers for the participation through migration are the difficulties of crossing international borders, especially with little legal documentation and in some cases limited education of poor rural people. Resolving the education and documentation is still not sufficient as the USA is applying stricter legal requirements, spending more money on policing its border and even proposing building a border fence. Given these difficulties in getting into the USA it is likely that people who migrate will stay illegally and also have difficulty in taking their families. Whilst they may send home money, the social structure of the family is changed and in some communities there may be a loss of many dynamic and economically active individuals. Gaps in the rural “middle” classes may in the end create weakness in rural communities in their ability to change and adapt to new market opportunities and challenges for agricultural products.

The poor are increasingly engaging in work in the Non-farm Rural Economy (NFRE). NFRE employment consists of a mixture of salaried work, both formal and informal, including migration. Isgut (2002) found that 31% of rural income for Honduran households came from NFRE, with the main sources of work in trade, hotels and restaurants, manufacturing and general service work. However, the large majority of rural income still comes from agricultural activities, for example in rural Mexican and Nicaraguan households more than 60% of their income comes from such activity and in Honduras as much as between 75 and 85% does . It is wealthier households who generally have a higher proportion of income coming from NFRE, an indication that this is a route out of poverty.

### c. Current constraints on participation and how to overcome them?

The rural poor in the Region lack access to basic services, input and output markets, have limited access to good quality land, receive poor education and access to basic health services, and are mostly reliant on agricultural as a source of income. These factors are made worse if the person is from an indigenous group and / or if they are women, and prove to be a major constraint to the poor in participating in global economic processes.

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**Lack of Human Capital:** Whilst education is available to the poor, the quality is inadequate, and often the need to secure an adequate income for basic poor household requires that children work at home in the fields, which constrains school attendance. Without education the poor cannot participate in non-agricultural employment and therefore cannot hope to make the move out of poverty. There is a close correlation between level of educational attainment and future income level. In general in this Region, people with a secondary education are rarely poor.

Indigenous children are more likely to be given education of poor quality and receive limited and poor quality health services. There is vicious circle with these problems in that poor indigenous children are also commonly reported to be malnourished, and this in turn affects their ability to learn and pay attention in a school environment.



**Lack of Natural capital:** In terms of natural capital, many of the poor have land, but it is only sufficient to grow food crops for subsistence and it is reported the land is of poor quality and in remote areas. A particular



problem in the Region is that often whilst the poor have access to land they have no official land title. This is a problem to the rural poor when trying to access credit provision, government extension and support services because they are required to have a land title to be able to benefit from these services.

**Lack of Physical Capital:** Most poor communities lack the infrastructure required to help them participate in global economic processes. The level of access to physical capital in terms of access to safe drinking water and sanitation is generally far less in rural areas, although there have been improvements in the past decade. For example, the rural populations in Guatemala have poor access to sanitation and electricity; around a half have access to drinking water, and; a quarter to housing of reasonable quality.

**Lack of Financial Capital:** Whilst credit markets exist for the rural poor, it is more common that credit provision has been successful for the better off households with little, and in some cases negative, impact on poor households.

The socio-economic and political environment in the Region has had implications for the poor. Traditional policies in the majority of the countries in the Region have led to a deformed version of market economies. In these economies the rich and powerful have political power and most leverage, but the poor have little or no political power and come low in the list of government priorities. Such a structure leads to low levels of innovation and little or no risk taking in the use of national capital, with national investors preferring to sure-fire investments in protected markets, real estates, government bonds, etc. This bleak picture needs to be balanced with the observation that old oligarchies are increasingly being called to account, and that the new macro-economic orthodoxies are slowly beginning to reform institutions and policy-making to make for a more predictable and neutral business environment. In this way Central America differs from the Andes. In the former it seems that the state is delivering some public goods to the poor / ethnic minorities / and remote – in the latter this is much less so, with the state being prone to patronage.

**Access to factor markets:** Obtaining credit requires collateral assets to provide surety for loans. In a World Bank study it was found that although poor people were owners of the land in the eyes of the local community they did not possess a land title. If poor people have land title, their ability to obtaining financing would increase.

Central America has very inequitable land distribution. The potential benefits of poor people having more land must be weighed against the social and political upheavals of land redistribution. The latter needs to recognise that the Region has had recent civil wars and there are still high levels of personal insecurity. In addition it should be recognised that migration and non-farm employment have become a key aspect of livelihood strategies and these are not dependent on land.

In some of the countries there are barriers to the poor participating in markets that relate to language, racial and gender discrimination and geographical isolation. In addition, it is possible that input and service markets for agricultural production are not as well developed or organised as the output markets. Finally, markets for basic inputs such as land suffer from issues relating to land rights.

An IFAD project that worked with poor communities in adding value to traditional crops in Guatemala found that poverty alleviation required the strengthening of local social capital. These strengthening activities helped to reduce the transaction costs to the rural poor population for inputs, services, and markets for products.

Institutional factors play a very important role in the successful participation of poor rural households in global economic processes in that discrimination is still a strong issue in providing education and hence economic opportunities in parts of the study region.

**Access to Markets:** Many poor communities lack access to economic infrastructure, which limits the scale of production. Transaction costs may also be very high. With respect to NTFP commercialisation, the greatest single barrier to entry is market information .

It is noted that an underlying issue with agricultural and forestry products is the need for processes of certification be it of origin, production processes, for example organically produced goods, or food safety that take into account hazard analysis and critical control point (HACCP) systems. Organisations with international credibility need to be available to monitor and evaluate these processes. To lower transaction costs to small scale rural producers ideally these organisations would be local and supported by government organisations. Credibility of such organisations in the region is generally inadequate and below an example is presented from Guatemala.

Future changes are likely to be shaped by CAFTA for Guatemala, Honduras and Nicaragua. It is currently predicted that the implementation of this Agreement will have a negative impact on the local agriculture as cheap grains come in from the USA. Some have called for the Agreement to include the removal of agricultural subsidies in the USA and a free market for labour. The Central American countries probably have a comparative advantage in horticultural products, but these need to be supported by government animal and plant organisations that have international credibility and expertise at farm-level in maintaining food safety as well as quality. Experiences with the introduction of Mexico into NAFTA could provide important lessons on the general impact on rural areas and poor rural people.

No	Theme	Potential partner(s)
1	What knowledge and skills would improve migrant's entry into the national and international job markets?	World Bank, IDB, GGP
2	On the identification of knowledge and skills for national and international job markets from research theme 1 "What are the best methods of improving such knowledge and skills and which would be the best organisations to carry out such training	World Bank, IDB, GGP
3	Given the importance of migration in the region, its unknowns with regards to its medium and long term impacts and its potential to create a Dutch disease impact : What is the negative medium to long-term social and environmental implications of international migration on families and rural communities affected? How can these impacts be resolved or alleviated by policy measures?	World Bank, IDB, GGP
4	Given the importance of transport, telecommunications, tourism and nostalgic trade resulting from migration Are there links between poor rural people and poverty reduction and transport, telecommunications, tourism and nostalgic trade resulting from migration? How can the potentially positive aspects be improved through policy measures?	DFID as part of its change in research focus to regional centres. CG centres on technical research. IAF FONTAGRO
5	Given that the existence of NAFTA and the creation of CAFTA: How can value chain analysis be used to identify: where a country has comparative advantage such as high value products; which products have the greatest potential for rural poverty reduction; and where there are bottlenecks in terms of research, commercialisation and general institutional environment?	IDRC's GGP and ICT. World Bank's Doing Business project.
6	Given that the understanding of the development of small informal enterprises and clusters is relatively weak What are critical human (education, health, nutrition, and skills), financial, social and institutional factors that have favoured development of small informal enterprises and can these be replicated in supporting opportunities from nostalgic trade, CAFTA and NAFTA?	ICT in creating links with local technical staff to information networks. Some work is being carried out by ITDG in Peru and has been carried out by SNV. IFAD through its The Rural Micro enterprise Support Programme in Latin America and the Caribbean PROMER
7	Given the weakness of government organisations in the coordination of NGOs and the importance of these organisations in rural areas: How can processes be developed to monitor, evaluate and provide leadership of NGO actions in order to have the greatest impact on poor rural people's ability to benefit from global economic processes?	NGO coordination groups and donors. Governments of Guatemala, Honduras and Nicaragua
8	Given the weakness of government actions in prioritising and supporting actions to reduce poverty in rural areas: How could research produced from themes 5, 6 and 7 be used to influence policy and the use of government resources?	GTZ working on decentralisation and the different layers of govt. ODI RAPID project
9	Given the uncertainty of land tenure in many parts of the region, and the unknown impact of global economic processes on natural resource use What is the impact of current land tenure and environmental policies on how global economic processes influence rural poverty reduction and environmental conservation?	ODI with its experience in NTFPs and forestry
10	Given strong global demand for fish and marine products and the development of the fishing industry in the region to satisfy this demand: Are there links between rural poverty reduction and the fishing industry? What are the environmental impacts of the growth in the fishing industry?	Imperial College who are studying rural socio-economic dynamics with financing from DFID's FIT programme.

### **3. Regional Scan for the Mekong Delta and the Philippines**

#### **a. Context**

All of the countries in this Region have adopted market economies with outward oriented policies for economic development. Poverty reduction rates in all three countries under consideration (Vietnam, Cambodia and to a lesser extent, the Philippines) have been impressive but have tended to bypass remote areas and those living in them, especially ethnic minorities and indigenous people. Malnutrition and illiteracy are still widespread. Rural livelihoods are closely linked to agricultural and natural resources; paddy, forestry and coastal fisheries are core sectors. But the pressure on resources is intense due to population increases and unsustainable resource use patterns. Diversification into non-farm activities is important but limited in the countryside. Accessing non-farm opportunities in urban areas and other high-productivity zones through circular migration has become an important form of livelihood diversification. As in many Asian societies (and indeed the rest of the world), women face a number of barriers to effective participation in economic and political activities. Although export-oriented industries have provided many women with remunerative jobs compared to village-based work, their overall control over resources is still less than men.

All three countries have shown varying rates of poverty reduction in the recent past. In Vietnam, over one-third of the total population escaped poverty in less than 10 years. While 58% of the population was poor in 1993, this proportion decreased to 37%, 29% and 24.1% in 1998, 2002 and 2004 respectively (Socialist Republic of Vietnam, 2005). However, Vietnam is still one of the poorest countries in the world. About 90% of total poor live in rural areas.

In Cambodia, poverty fell by around one percentage point each year over the last decade (UNDP). According to the 1997 poverty estimates of the UNDP, an estimated 36% of the population was below the basic needs poverty line. Poverty rates are much higher in rural areas (40%), compared to Phnom Penh (10%), whereas today the figure is around 25%.

The Philippines has made slower progress in reducing poverty. According to the World Resource Institute poverty incidence fell from 36.8% of total population in 1997 (21.5% urban, 50.7% rural) to 14.6% living on less than \$1 per day and 46.4% on less than \$2 per day in the year 2000.

The most vulnerable communities are invariably the poorest and most marginalised, for whom local alternatives are not available. Location is also a critical determinant of economic potential and therefore also the ability of the poor within certain areas to diversify and adapt to new market contexts. Remote rural areas (variously known as low potential areas, weakly integrated areas etc) tend to have poor infrastructure, low levels of human development as well as weak governance and institutions all of which interact to create “logjams of disadvantage” and seriously limit the ability of the poor to engage with global processes.

Women’s access to resources and lucrative jobs is limited by traditional patriarchal systems that limit their lives to the domestic sphere and constrain their participation in public decision making processes. For example, the “red books”, which give rural families access to forest land in Vietnam, are normally signed by the head of the household who is usually male. Women do not have individual rights to land and there is a lack of strictly legalized policies regarding the ownership of resources, such as land. Any planned work on labour markets should address such dimensions of gender discrimination.

Poverty is multidimensional: the poor have fewer assets e.g. land which severely constrains their ability to engage in the cash crop economy. They also lack access to capital for production. The poor lack access to basic services, such as medical care, education, information, and entertainment, and low level of education. In Vietnam, the government estimates that, by 2010, 90% of the poverty in the country will be among ethnic minorities (DFID policy paper on social exclusion).

#### **b. Livelihood Strategies and Options for the Rural Poor**

There appear to be two broad areas through which the poor can participate in global processes: (i) agriculture and natural resources because people living in rural areas are heavily dependent on them for a living, and; (ii) livelihood diversification into non-farm activities, both in situ and through migration to access markets elsewhere. We discuss both broad areas below.

##### **(i) Agriculture and Natural Resources**

The poor are predominantly dependent on subsistence agriculture for their livelihoods, with upland agricul-

ture of critical importance to the poor in the Philippines, where roughly a third of the total population lives.

#### Participation of the poor in value chains:

While some countries in the Region have done well in the large-scale production and export of many primary commodities, they have not diversified effectively into high-value products. The overall challenge is to make global markets and processes work for the poor. A number of sectors are promising e.g. horticulture, aquaculture, coastal fisheries, silk, handicrafts, tea and non-timber forest products (NTFPs). Many of these sectors are currently performing below their potential: yields and (labour, land, capital??) productivity is low, transactions costs in distribution are high, and product quality is poor. It is important to assess how and whether the poor can gain from improvements in the sector.

An overwhelming majority of the poor in the Region grow Rice. Rice accounts for 64 percent of the cultivated area in Vietnam and 84 percent in Cambodia. It contributes 35 percent of the agricultural GDP in Vietnam and 22 percent in Cambodia. Poor households contribute 15-25 percent of total rice production, cultivating very small holdings. The average poor household has a rice landholding of less than a hectare in Cambodia and less than half a hectare in Vietnam: most grow traditional rice varieties

- **Tea in Vietnam**

The Asian Development Bank (ADB) project on ‘making markets work for the poor’ revealed two main channels of exchange for tea. The first channel includes farmers linked through contracts and other formal and informal arrangements to state and private companies engaged in processing and export. The second channel includes “unlinked” farmers that are not vertically integrated with processing and exporting companies. Around 70% of the farmers are unlinked and are worse off than linked ones in terms of gaining access to technology and good prices. The unlinked farmers are usually poorer farmers. The study suggests two strategic orientations for the tea value chain that will promote higher quality in the sector and improve the benefits of participation by the poor: (i) Strengthened partnerships for improved quality and (ii) Increased diversification of markets and products. Other suggestions are for more private sector involvement and FDI, cooperatives and associations, diversification into new markets, and diversification into new products both for domestic and international markets. The main conclusion is that by strengthening value chain linkages, the tea sector could make a higher contribution to overall income. Current tea sector income (\$100 m) is far below potential. It is not entirely clear whether the study examined the socio-political aspects of why poor farmers have found



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it difficult to link to the value chain and this is a potentially important area for research.

- **NTFPs in Cambodia**

Despite high levels of deforestation in the Mekong, the forest still has considerable potential to contribute to rural livelihoods that are linked with global processes. At present there are farmers and craftspeople, growing cocoa and making products out of a wide variety of NTFPs including bamboo, medicinal and dye plants, silk and other botanical resources. Women in particular play a central role in rural agriculture and trade, especially with specialty products. There is increasing potential to gain income and employment from NTFPs commercialisation. However, current policy, regulatory and management arrangements are weak, with local communities not being able to transport process and sell NTFPs to their own advantage and value chains being controlled by intermediaries and retailers. The illegal trade in NTFPs is increasing because of market demand, widening income disparities between rural and urban areas, and inefficient law enforcement. All of these negative processes have been exacerbated by uncoordinated policies and regulations, and more recently, an economic downturn in

Cambodia that has drained government coffers and decreased family livelihood options

- **Shrimp farming: coastal wetlands in Vietnam**

There has been a both a rapid expansion of shrimp farming and the removal of mangroves for their timber, but both these strategies have adversely impacted on local livelihoods and degraded the environment. More research in this area is needed to find ways of making both activities more sustainable and pro-poor.

- **Fisheries**

In the Philippines coastal fisheries are potentially an important source of income, nutrition to the poor and are linked to global markets in many locations. But they are beset with a number of problems in the region. In



Cambodia coastal fisheries remain productive but suffer from governance-related issues such as: corruption; poor cooperation among different government agencies and local authorities; and no clear penalties or sanctions against illegal fishing. The recent distribution of fishing lots to local communities is not benefiting the poorest rural communities. The very fast pace in which the reforms were implemented has left a gap in terms of capacity to manage the new community fisheries. Local authorities, military and police elements continue to protect illegal fishing operations, bringing them in conflict with local communities. The governance of coastal fisheries, as well as problems related to population pressure and degradation of aquatic ecosystems is an important area for future research.



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Freshwater fisheries are also critical to the livelihoods of the poor and have export potential. The Mekong / Tonle Sap flood plain represents one of the largest freshwater fisheries in the World. It is estimated that the marine and freshwater fisheries can generate a maximum sustainable harvest of some 500,000 mt/year. Much of the product moves to Thailand and Vietnam and trading links have been established, amongst others, with the US, Japan and Australia, for many rural and urban people.

Many rice farmers and upland people in forest areas depend on fishing as an important subsistence activity, and it provides a livelihood for some of the poorest people in the country especially female household heads. Co-management processes, giving fishing communities a greater role in the management process could lead to more sustainable fishing practices, but there is a need for appropriate policies and institutions.

**Community Forest Management:** As such there are already several community management projects across the Region. There may be some scope for additional work on this in relation to the changing international market for timber with the rapid rise of China as a major importer and the impact that this is having on international timber agreements. Forest degradation and illegal logging are continuing to adversely affect local livelihoods and the environment. The Philippines are especially prone to environmental degradation due to the mountainous terrain and fragile soils. It is important to understand how changing global markets for timber are impacting on the poor and how they can manage their resources effectively in such a context and also gain from new opportunities that arise.

## (II) Livelihood Diversification

As natural resource based livelihood systems are under pressure and become more and more unsustainable there is a need to diversify away from them. There are many interventions that aim to help the poor diversify.

**Rural Enterprise Development:** For example the UNDP has been supporting the poor in linking small and medium agri-business and handicrafts sector enterprises in Vietnam to markets. This is being done through the establishment of producer groups such as the Silk Forum, and a planned National Spice Forum. Research is needed on understanding how such institutions work in practice and where there is scope for improvement.

**Credit:** An essential prerequisite for diversification is credit. But access to credit is a constraint for the poor throughout the Region preventing them from investing in options that are more remunerative than subsistence agriculture and wage labouring. There have been a number of state and donor microfinance initiatives. For example the UNDP in the Philippines has launched an ambitious microfinance programme for what it calls the “entrepreneurial poor” who number around 3 million. The focus is on the very poor and under-served, including women and remote areas. In general the uptake of credit programmes remains poor and there is certainly scope for more work in this critical area especially in understanding what prevents people from accessing existing services. In Vietnam for instance, despite it being a country with one of the highest growth rates in the world, many poor households return cash or refuse to accept the loans since they believe they are too poor and too vulnerable to return the loans to lenders. Yet loans are provided within families, so providing government or donor-financed micro-finance might have limited impact.

**Migration and labour markets:** Economic activity and market development have been very uneven. While diversification into non-farm activities has been limited in the countryside, a growing number of poor people are travelling to cities and other areas of economic activity to access more remunerative options that are often linked to global markets (manufacturing and processing units). There has been an explosion of



circular migration (migrants who eventual return home) within and between countries in the Mekong region. Out-migration is especially marked from upland areas. Many of these people are now able to earn much more than they did in their villages and the money that they earn through migration can have a positive impact on household poverty levels and also a knock-on effect on the wider economy in their home villages. But the policy environment is hostile or at best indifferent to migrants in most countries in the Region. Vietnam still continues to impose strict controls on settling down and accessing services through the KT system which causes unnecessary hardship to migrants. Yet the government has current plans to relocated one-third of the rural poor to urban areas in the next ten years in order to allow the consolidation of viable farming units in the countryside. Cambodia which also has a large number of internal migrants has no clear policy in place to support them.

**Tourism:** Tourism is bringing in much-needed foreign exchange, creating jobs, and contributing to economic growth, but it needs to be used more effectively as an instrument for poverty reduction, and broad-based economic growth. The poor in rural areas could benefit from community-based ecotourism and village-based tourism projects. Ecotourism development could reduce rural poverty by increasing rural employment and incomes; encouraging the conservation of nature and culture; expanding employment opportunities; and enabling the poor, especially women, and indigenous people to participate in and influence development projects that directly bear on their own futures.



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### c. Current constraints on participation and how to overcome them

Although the poor in Southeast Asia have probably been able to engage more directly with global economic processes compared with South Asia, the terms of engagement are still such that the benefits of globalisation to the poor may be further maximised. By and large the poor tend to be adversely incorporated into markets i.e. the terms of trade are against them and usually in favour of those who control factor markets. The constraints faced by the poor are illustrated through the discussion on specific sectors below. In very broad terms, the poor engage with global markets as producers of commodities or labourers. We therefore cover some important value chains and labour migration examining the constraints and opportunities under each.

Broadly speaking there are four ways in which the poor can be helped in gaining from value chains:

1. **Collective bargaining:** Farmers collectives/ cooperatives/associations/clubs can, in theory improve the bargaining power of small producers, but there are very few examples of successful farmers' associations in the Region. Although in Vietnam agricultural co-ops have supported the development of supermarket supply chains linked to small farmers.
2. **Contract farming:** Contract farming has also been viewed as a potentially effective way to draw the poor into value chains, but the experience has been mixed and contract farming has tended to work better for rich farmers with access to land, irrigation and social networks.
3. **Supporting an infrastructure for certification and product branding:** Value can be added through product differentiation using trademarks, branding and marketing. This is as yet very underdeveloped and moving from primary commodities to branded products is still several stages away. There is a need for marketing and business skills to build brand awareness, to locate suitable retail outlets, and to maintain regular supplies to meet demand in a timely way.
4. **Encouraging Foreign Direct Investment in Agriculture and Agro-industries.** FDI in the agricultural sector is still very minimal, but large multinational and agri-business firms could play an important role especially in the development of cross border agro-industries in the Greater Mekong Sub-region.
5. **Natural resources access and use:** Access to land may be an important precondition to participating in global markets especially crop value chains. Yet in Cambodia and the Philippines access to land appears to be worsening for the poor. In the case of Cambodia recent changes in land policies especially land concessions, appear to have increased the vulnerability of the poor to being dispossessed of their land. This state of affairs has resulted from a combination of weak governance, poor implementation and extensive land grabbing by the rich and powerful. The poor appear to be most vulnerable to being dispossessed in areas that were fought over during the 1990s; areas where the local economy is booming; areas with high land values

and potential for commercial exploitation (e.g. as plantation land); areas near national borders and along national roads. There is an urgent need to understand these processes better and devise a more pro-poor system of land administration.

Where the poor do have some access to land, they often lack the capital, technology, skills and even labour to manage their land effectively. This results in them selling or leasing their land to the rich and working for them as waged labourers as in the case of Vietnam. Although agricultural extension and technology transfer have long been on the research agenda this is clearly an area that still requires work and an emphasis on social and institutional dimensions is needed.

Natural resources access and use patterns are undergoing profound changes due to changes in markets, the policy and institutional environment as well as population pressure. There is a need to improve our understanding of these changes and how people can be helped to make the best use of them whether it is through improving the productivity and profitability of their assets, improving their bargaining position in the market or improving governance of land, water and fisheries so that the poor are not marginalised in new resource management arrangements.

No	Theme
1	Improving market access through Value chain analysis
2	Migration: Developing models of migrant-friendly service; improving the data on migration; protecting migrants against economic shocks in vulnerable sectors, and; South-south circular migration.
3	Community Based Natural Resource Management
4	Livelihood Diversification and the rural non-farm economy
5	Pro-poor tourism
6	Remote rural areas
7	Including ethnic minorities and indigenous people
8	Credit
9	Pro-poor land administration reform
10	Women's access to resources

## 4. Regional Scan for the Nile Basin

### a. Context

Six countries constitute the IDRC Nile Basin Region: Egypt, Ethiopia, Kenya, Sudan, Tanzania, and Uganda. The region is historically and culturally diverse, yet the countries face some common development challenges and economic opportunities, they are: either in the low income or least developed category (apart from Egypt who is in the lower to middle income category); have high population growth; over 60% of their populations are living in rural areas with significant rural poverty, and; most rural households have access to some land for cultivation and grazing but production is mainly for consumption.

Table 1: Socio-Economic Indicators (2003)

	Population (mm)	Annual Population Growth (%)	GNI per capita (US\$)	Growth Rate in GNI per capita 1999-2003
Ethiopia	68	2.8	90	1.6
Egypt	67	1.9	1,300	2.7
Kenya	32	2.3	400	(0.2)
Sudan	33	2.3	460	0.3
Tanzania	36	2.5	310	1.2
Uganda	25	2.8	250	3.7

Source: World Development Indicators 2005, World Bank

Most poor rural households in the region are affected by a trio of factors – physical, economic and political:



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**The Physical Environment:** Increasingly human and animal populations are leading to environmental stress of land and water resources. Environmental degradation has implications for the rural poor, effecting wider social and economic forces, for example migration patterns and diversification of livelihood options. Of specific concern to the Region is the issue of the Nile watercourse, on which 130 million people of riparian countries depend for their livelihood. The inter-governmental and donor-supported Nile Basin Initiative is a response to concerns about the over-exploitation of the Nile. It aims to regulate water demand amongst all stakeholders. The issue of the rural poor is whether their water needs will be given adequate weight amongst more powerful water users in industry and large-scale agriculture.

**Economic Development:** Resulting from both domestic and international pressure, the trend in the region has been to open up economies to international competition and to encourage private sector engagement in the provision of goods and services. Liberalization efforts have focused on a shift in exchange rate policies to encourage more FDI, although this has not resulted in the expected surge in investment. Macro-economic instability, unreliable infrastructure (especially electricity), corruption, and regulatory maladministration have constrained investment. The aggregate effect of global economic changes on the rural poor (as consumers and producers) is contentious, but there is general recognition that the private sector response to the opportunities presented by liberalization has been particularly weak in the agricultural and agri-business sectors and the main income opportunities have been in construction and services, including tourism. This has concentrated attention on supply-side measures to complement liberalization, particularly incentives to small business development in rural area and to diversification of farming. Standing trade agreements in the region include the Cotonou Agreement (the five African countries are covered by the EU trade preferences for ACP countries, and Egypt has preference under the Euro-Med association), AGOA and COMESA. Whilst intra-COMESA trade is generally increasing, informal trade is still as important as formal trade for many.

**Political tradition in the Nile Basin:** The political rhetoric in the Region has shifted from an authoritarian and hierarchical tone – emanating from military or single party models of government - to one that is somewhat

more decentralised. In practice, the importance of centralised government patronage remains a factor in the Region, which can be a problem to rural poor communities not as well connected to such networks.

## **b. Livelihood Strategies and Options for the Rural Poor**

**Small-scale family farming:** In the Region the general pattern is for households with some access to land for grazing and cultivation (although in Egypt the plots are often so small that households are often effectively ‘landless’). Much of the production is for domestic consumption with occasional income from local market sales. Largely because production surplus are low and erratic, such households have few market intermediaries available and confront highly variable prices. Many are also vulnerable to climatic variability, production input shortfalls and stock theft.

**Migration:** Both long-term and seasonal migration is common. In Egypt particularly this has involved long term migration by able-bodied males (often to construction work overseas), but short term seasonal migration and spells in towns (often in domestic service) are also an increasingly common feature of rural households throughout the region.

**Non-Farm Rural Economy (NFRE) activities:** Whilst such a growth is difficult to measure, in East Africa there are estimates that between 40% and 60% of farm incomes derive from non-farm sources. The DARE (De-Agrarianisation and Rural Employment) surveys of 1996–98 in Ethiopia and Tanzania show non-agricultural Shares of incomes in the range 60–80%, with younger persons more likely to be engaged in non-farm jobs. There has been an expansion of products into mainstream domestic and international markets through the enterprise development of cooperatives and farmers organisations. There has also been a growth in the number of people engaged in handicraft production for tourist markets using local skills and knowledge. Whilst a range of different livelihood strategies have been adopted by individuals in poor rural households, other exogenous processes have been encouraged to provide the rural poor with options to engage in global economic processes.

**Economic liberalisation:** The most important aspect of such processes for the rural poor is the growing role of competitive markets. The immediate impact is seen most sharply in the (at least partial) removal of state monopolies. The importance of competitive markets extends to policies towards external trade and inward investment. The negotiated lowering of barriers to trade aims to both stimulate export opportunities and to allow more competition in domestic markets. Similarly the relaxation of controls on direct foreign investment is to encourage higher productivity and competitiveness of local industry. These are seen as ‘pro-growth’ strategies and growth itself is seen as a necessary, if not sufficient, component of poverty reduction. For the rural poor, participation in such growth is a major challenge because they are already confronted with a range of barriers to successfully participating in even the relatively closed (and internationally uncompetitive) economies that characterised much of the region until the 1990s. To meet the ‘new’ challenges of competitive markets, the rural poor must either substantially raise the productivity of their existing enterprises, or diversify into new forms of income generation, or look for opportunities to move into areas where demand for their labour or opportunities for self-employment are greater. Whatever the response, new skills, technical change, improved understanding of markets and better access to services are all necessary.

**The provision of micro-credit:** The provision of micro-credit is a key component of the rural poverty eradication strategy in the Region, but it is coming under increasing scrutiny. The UNDP provides micro credit assistance in Africa and the long-established FINCA International village banking in both Tanzania and Uganda. However, there is concern that micro-credit assistance doesn’t actually address the issue of productive capacity of the poor. The issue is not that loans are not provided, but that micro-credit assistance isn’t as dynamic a factor in rural development as it is claimed as it does not help economically advance the poor. More recent attitudes towards credit stress the importance of larger loans in poor areas that have the effect of expanding farm and other enterprises thereby creating demand for other services, more competition for labour and more lasting economic progress from which the poor can benefit. The Development Finance Forum (and network) is one proponent of this shift in thinking, with the Kenya Rural Enterprise Programme a leading network member in the region.

**Micro and Small Enterprise Development:** In the realm of pro-poor business development, a main policy thrust throughout the region has been the promotion of ‘micro-enterprise’. There are two aspects to this. The first type of micro enterprise development is mostly happening in the informal sector, regardless of any government policies. This is happening throughout the region, where there are various types of stalls selling goods of all kinds. The problem is that this sector has little capacity for ‘vertical’ growth for enterprises — if anything the rewards of such self-employment remain stubbornly low as new entrants from the ranks of the poor compete for limited business (that is, ‘horizontal’ growth).



The second type of micro-enterprise development is the set-up of an enterprise that has the capacity to grow and create employment. Here the record throughout the region has been generally poor. In Kenya, for example, a series of surveys of MSEs showed that between 65% and 80% remained the same size through time and gave credence to the notion that MSEs are largely survivalist in nature and a more a response to unemployment and poverty rather than an engine for growth. Yet, another finding showed that MSEs are in fact a major source of employment or self-employment (accounting for 92% of new jobs in one year). This is in spite of the fact that almost half of all MSEs close down within three years and wages and working conditions are far behind formal sector employment.

The challenge, therefore, appears to be in understanding the conditions under which 'survivalist' enterprises among the poor can benefit from incorporation into the formal economy. Otherwise it seems likely that most MSEs, as with informal cross border traders, remain a symptom of poverty rather than a potential source of advancement away from poverty.

**Government support:** The capacity of the rural poor to adapt their livelihood strategies is also assisted by certain government policies that have been created to assist in rural poor development. Although very different policy legislation covers land settlement, land redistribution and tenure reform, they share the same objective, which is to provide the rural poor with more secure access to land, sufficient to support farming enterprises. Policy legislation on agricultural technology is designed to introduce more diversified production systems and to improve levels of both land and labour productivity. Natural resource conservation policy promotes community development. The government also encourages skills development, particularly in non-farm activities and often gives grants for small scale craft industries and business start-ups; and Commodity and service market development via mainly the promotion of (normally subsidised) financial services, but there is also a focus on commodity market development (for example, the attempt to improve animal husbandry and range management by introducing more sales points in agro-pastoral communities).

### **c. Current constraints on participation and how to overcome them**

**Lack of Assets:** The main general barriers to greater impact of wider economic processes at the rural level relate to lack of assets and capital, education and skills. More country specific barriers include health and nutrition, lack of social organisation on which to build enterprises, poor natural resource endowments, rural insecurity, remoteness from markets and lack of business infrastructure.

**Social Structure:** There is some evidence that rural development requires a relatively large 'middle' class in the communities may contribute to dynamism in the local economy (although this is not inevitable as Egypt and Sudan shows). When this 'middle' class is small, there tends to be stagnation in the local economy and limited opportunities for the poorest groups. Whilst the rural middle class in Egypt and Sudan has had a long history of petty trading and land owning, it has not demonstrated much business dynamism. It has retained close links to elites, but largely excluded the poor from opportunities of growth. In east Africa, much of the dynamism of a rural middle class was evident during the period after independence but these centres have lost what little business vitality they once had, and it is often only in (relatively distant) larger rural market towns that the poor are able to sell their products or acquire production inputs and loan facilities.

**Tenure Arrangements:** Existing arrangements may constrain development. Aside from state lands, the majority of rural poor in the region live under customary tenure arrangements where land is allocated by traditional authority or communally-grazed. The limitations of this system are that it may not allow for innovation or on-farm investment and inhibits the development of land markets and the use of land as collateral. Such a system may also enforce the power of local leaders, who are often unwilling to countenance socio-economic changes (in relation to female entrepreneurship for example) that could undermine their authority.

**Technical Capabilities:** Lack of technical capability amongst poor farmers limits the possibilities available for producers to participate in global economic processes. For many of the rural poor engaged in farming in this region, there has been little change in technical prescriptions over the last 30-40 years. Efforts to bring technical solutions to small farmers in the region have largely failed due to technocratic public extension workers failing to understand farmer's unwillingness to adopt technology solutions. There is now more attention, especially in East Africa and the Horn, in alternatives approaches to extension, with the use of farmer groups themselves seen as the best means of removing perceptions of risks in technical change and more effectively demonstrating the higher returns from improved practices.

**Challenging market:** Numerous constraints exist for small farmers in the region trying to participate in commercial agriculture. To be successful they have to be able to link to the agents, processors and retailers that dominate the domestic (through supermarkets especially) and overseas markets. The latter market is increasingly a more challenging market to enter as it requires not only evidence of standards compliance,



traceability etc, but also a reliable supply of large quantities.

**Inefficient market development:** One goal of economic liberalization was to encourage private sector investment in the agricultural sector, in both farm input supply and output marketing. This move is particularly aimed at helping poorer households who have in the past had difficulties in securing satisfactory incomes from commodity markets. However, in practice there has been a weak supply response to such liberalizing policies. In some countries, such as Kenya and Ethiopia, the continuation of government market intervention is held to have depressed incentives to private sector engagement. There has also been a pattern of inefficient state monopolies being replaced not by competition but by single traders offering only erratic local monopolies.

**Access to commodity markets:** The problems for poorer farmers are further compounded by changes in demand for farm products. In Kenya, for example, some 70% of food sales are via supermarket chains. Buyers for such chains tend to favour high volume contract suppliers and only 10% of produce is sourced from small family farms. These changes in demand, and the associated growth in importance of standards compliance, have served to increase the transaction costs of farming (in relation to business information, contracting, record keeping etc). For small farmers, therefore, there are increasing needs to organize themselves to both acquire business services and reduce transaction costs. Such an approach to small farmer development has long been a feature of some export crops where business services are embedded in the value chain. Transferring such experience to other commodities is more challenging but this commodity market development approach is now being adopted by several donors in the region.

#### **d. Summary: Possible research themes**

- The socio-economic consequences of water demand management options within the Nile Basin Initiative upon the productive capacity of the rural poor.
- The impact of socio-economic change induced by rural poverty (migration, urbanisation, and sedentarization especially) on the role of women within households and the policy instruments to assist women's status and economic roles.
- The nature of different forms of migration, the different participants in migration, and the income effects on rural households.
- The nature of the non farm rural economy and the policy measures to promote its contribution to rural household income.
- The nature and management of facilities and organizations to promote standards information and compliance on products of the rural poor -including lower cost testing
- Development options for financial market development to serve the needs of the rural poor.
- The role of cross border trade in goods emanating from rural producers (rather than smuggled consumer goods) and mechanisms to facilitate such trade.
- Market information systems that convey standards requirements to rural producers whether statutory (SPS), industry-wide voluntary (EuropGAP etc) or specific retail outlet- based.

## 5. Regional Scan of the Sahel Region

### a. Context

The scan focuses on 5 of the 9 West Africa Sahel countries: Burkina Faso, Mali, Mauritania, Niger and Senegal. The countries face quite different situations resulting from differences in natural environments as well as economic policies. Agriculture is a strategic sector for most of these countries, but the performance of the agricultural sector varies considerably according to agricultural products and country.

The Sahel has severe levels of poverty. In the 2005 Human Development Report Niger, Mali, and Burkina Faso ranked amongst the five countries with the lowest HDI in the world and poverty generally is more severe in rural areas. Debt also contributes to the poverty of rural households, in spite of the recent adoption of the HIPC initiative in all five countries. The resources allocated to the payment of the debt constitute a loss of earnings, which is important for the social sectors and especially for the investment in favour of agriculture.

Poverty is a multidimensional phenomenon, resulting from a combination of socio-cultural, economic and political factors. Beyond the impacts on income from agricultural production, gender issues, environmental protection, rights and working conditions are also affected.

In many areas in the Sahel Region, agriculture is ceasing to be the principal monetary source of income because of the development of non farm revenues, mainly from migration. In other areas where agriculture is still important, cereals tend to become cash crops because of the difficulties faced by the traditional cash crops in the global market. However, it is not clear what will be the potential for these crops to enter the global market in the future.

This situation accentuates the weak insertion of Sahelian producers in the export market of these products. If trade between West African countries and between Africans in general does not vastly improve, the marginalization of West Africa will take the form of relegation and consumption will be permeated with Asian manufactured products. This dependence and the economic extraversion should push the State to support the initiatives of rural entrepreneurship aimed at creating added value to the local products in order to increase their competitiveness. Yet this will depend mainly upon the possibilities of realization of economies of scale.

### b. Livelihood strategies and options for the rural poor

At the micro level, strategies to cope with risk and vulnerability rely heavily on solidarity both at the extended family and the community level. Thus, factors such as power relations, access to education, and the quality of infrastructures, are critical in influencing the distribution of costs and benefits from different livelihoods. In spite of the complexity of the problems, the poor rural households demonstrate solid capacities of resilience and innovation which have allowed them, in several places, to develop successful responses to poverty. Yet there are many constraints on current responses, as well as potential strategies to be explored:

**Access to land:** Land constitutes the principal resource of the poor rural household. Yet, obtaining a title is not a sufficient condition to guarantee investment. There are several problems that must be addressed by good land policies in order to secure the livelihoods of the poor households. For example the growth of African towns and demand for agricultural products contribute to the development of highly dynamic peri-urban agriculture which is accompanied by heavy pressure on tenure due to multiple uses and users. Recent studies in Burkina Faso, Senegal and Niger (Ouedraogo M, 2001; Touré O, 2004 and Démocratie 2000, 2004) have shown a low level of utilisation of this land of around 30%, low economic performance of the newly set enterprises and adverse impact of cropping practices on the environment. However, with appropriate land policies that secure the right of the small farmers, the potential for the development of peri urban agriculture could be enhanced to increase rural production.

**Migration, a structural response to poverty:** Most used strategy over the past 30 years, and the principal structural recourse vis-à-vis the deterioration of living conditions. Today, the perception of migration has evolved, from a strategy of abandonment of the agricultural sector to a potential stimulus for local development from the substantial resources drawn from the migration. In Senegal, according to Tall, M (2005) the transfer of funds by the migrant workers were estimated at 252 billion F CFA of 2003 according to statistics of the West Africa Central Bank. They account for 7% of the GDP of Senegal, against 6% in 2001 and the 1/4 of the budget of the State of Senegal. Yet to realise the potential gains and losses there must be long-term responses to migration: Most of these countries are characterized by a high level of out-migration. Senegal has on its border with Mauritania thousands of refugees. Resettlement programmes have been taking place to secure access to productive resources such as land to these persons but short term solutions are inadequate. Long

term perspectives taking into account the provision of technical capacity through training, facilitating access to credit to allow for long term productive investment in agricultural and non-farm activities, are necessary.

**Microfinance:** To fill the gap left by dismantled formal state-supported credit systems, new credit systems are taking place through micro-finance. NGOs and bilateral or multilateral institutions are providing support to fill the vacuum. In Senegal the USAID Programme on “strengthening the microfinance sector” helped increase MFI savings from 2 billion CFA to about 43 billion CFA. MFIs now offer credit and savings products to thousands more rural and urban entrepreneurs, particularly women. In many West African countries, the microfinance institutions have performed extremely well over the past 10 years : the number of clients and the volume of savings collected have dramatically increased. Rural ROSCAs have also emerged to encourage savings and favour small productive investment, particularly amongst women. MFIs recovery rates are most of the times excellent and the transaction costs remain low. However, the volume of credit is constraint by both the volume of savings, in a context of high poverty and vulnerability, and the lack of access to external funds for MFIs. On the contrary of East African or Asian countries, MFIs in West Africa hardly benefit from loans from the commercial banks. The performance of the sector should be acknowledged and the potential recognised. But long as the financial sector will remain segmented, it will be hard to judge the potential of microfinance for poverty reduction.

**Access to the markets:** must be a priority for any policy aimed at reducing poverty and the vulnerability of the rural household. Increasingly difficult access to international markets, results in emphasis on the development of the national, sub regional and regional markets. However the absence of good infrastructure constitutes one of the biggest obstacles to their development. This results in abnormally high price and cost distortion, which make the agricultural products less competitive. For example, in Niger a recent study undertaken by Seydou (2003) has showed that an increase of 10% in the road density would provoke an increase of approximately 8% in the agricultural production thanks to the creation of new market opportunities. Additionally, measures to guarantee producer prices are necessary, as without these, it is difficult for the poor households to compete with the imported products.

**Taking advantage of ICT:** gaining access to market information allows poor farmers to make more profitable marketing decisions. Recently, in Senegal the Manobi ICT project consisted of providing poor fishermen and farmers producing high value and perishable agriculture products with cells phones which linked them to market price information collectors, who send each morning the prices of major vegetables in key markets in Senegal via text messages and voice mail messages. This system has proved to be very effective in helping regulate prices reducing price volatility by allowing small farmers to avoid price fall due to over supply. It has helped the vegetable producers and fishermen to have more stable revenues and overall better remuneration of their products.

**Linked to this is the strengthening of the organisational capacities of poor farmers:** The region has witnessed their development over the last 30 years; The ROPPA which brings together national farmer organisations in francophone West Africa has seen its negotiation powers increase considerably. The organisation has been very active in international negotiations with the EU and the United States regarding the need to lift the many barriers to trade to prevent West African agriculture compete in international markets.

**Providing extension and advisory services:** the extension services in all Sahelian countries were dismantled with the adoption of the structural adjustment programmes. But over the last 5-7 years, a new approach to extension promoting demand-led advice instead of the classical transfer of technology has been implemented in the Region. The household is seen as system whose needs go beyond agriculture-specific activities and takes into account other needs such as marketing and processing. A key component of this new approach is the empowerment of local producer organisations. However more impact could be reached if a state supported strong credit system was available to allow the local organisations to fund the activities identified through local consultative planning processes.

**Stability:** The Sahelian Region faces an unfavourable business environment for reasons previously discussed. All these problems, whose level of severity varies from one country to another, result in high production cost, and hence a lack of competitiveness. Therefore the flow of foreign direct investment in the region has been low compared to other developing countries. However the relative stability of the political environment which characterizes most of the Region (despite a recent military coup in Mauritania), in comparison with her neighbours, is a key factor in developing private business in these countries.

**Diversified strategies:** Sahelian populations are particularly vulnerable to natural shocks. For example, since the 1930s, Niger has had a severe food crisis every 10 to 15 years. This situation has major impact on rural households’ productive strategies. Households living in shock-prone areas tend adopt diversification strategy with a particular emphasis in investing in small animals particularly goats that are more resistant to drought.

Seasonal migration is also a common strategy adopted in such areas. In the pastoral areas, the composition of the livestock and the ratio small animals/cattle is also greatly influenced by the level of vulnerability.

The role of government in promoting sustainable development and successful participation of the poor is vital. This could be done via the provision of pro-poor legislations, an accountable and responsive administrative system, economic institutions including markets, credit systems and infrastructures and a decentralised decision making process to give more power to local institutions and governments. This can be undertaken through various mechanisms such as: promoting decentralisation and local governance and facilitating access to education and health services. It is important to see the above mentioned current and potential livelihood strategies not as separate or singular, but rather as interwoven and complex possible mechanisms and options for poor rural households.

### **c. Current constraints on participation and how to overcome them:**

The Sahel region has undergone many policy changes that shape the current state of the economy. In the 1960s and 70s development was characterised by heavy state intervention and large rural development programmes under the Integrated Rural Development approach, that largely failed. The Structural Adjustment Programme in the mid eighties followed the failure of the IRD. This new policy had major negative impacts on the livelihoods of poor farmers, particularly those in subsistence agriculture who lost state support for input subsidies and guaranteed producer prices mainly for food crops. The new post-reform era (Millennium Development Goals and Poverty Reduction Strategy Papers) initiated soon after 2000, have not yet overcome rural poverty.

A higher level of awareness has arisen regarding the need to develop a new policy environment responsive to the need for the poor to better participate in the decision making process. This requires a participatory and inclusive policy formulation process; a good legislative framework that clearly supports the needs of the rural poor; a good infrastructure base which allows an easy flow of products, and; a good information base to allow poor farmers or their organisations to access critical information on markets.

Trade practices of the European Union and the United States impact upon the living conditions of the rural populations, however, it is up to the Sahelian countries to develop strategies to reduce their dependency on world price for goods such as cotton. Diversification is a key element for that. East African countries experienced coffee and cocoa crisis 20 years ago and have modified their production accordingly.

Most stakeholders stress the fact that land is the main asset for the poor. Experience has shown that, it is difficult to escape the poverty trap once the poor lose their land. A good land reform provides incentive for the poor to invest in technology and improve agricultural productivity. A gender sensitive land reform reinforces women's economic power and potential to participate in economic processes. In pastoral areas, mobility can be sustained only if a good land legislation secures access to pasture and water points alongside transhumance corridor, and in high potential areas (Niayes, River Valley, peri-urban) a good land reform can also protect poor households from land dispossession by powerful lobby groups.

Enterprise development is also constrained by many factors: high costs of production; inefficient credit system: conditions set by commercial banks difficult to be met; the thinness of the market; weak linkages between research and development: For example, the Senegalese Food-processing Technology Institute (ITA) has produced several food processing technologies, but local industries have taken very few of them for mass production on the ground of: thin market domestic and export markets, high production costs, irregular supply for some products; rampant corruption, and; procedures: According to the WB, Senegal ranks 132 out of 155 countries on "easiness of starting a business: 9 procedures over 57 days against 6,5 and 9,5 for OECD. However Senegal performs better than other West African francophone countries

Further constraints relating to current livelihood strategies include:

- Lack of access to information prevents effectively participation in globalisation, resulting from poor telecommunication and transport infrastructure and low level of literacy;
- Market concentration with fewer global actors engaged directly in market transactions, participation of small farmers in global transactions is therefore indirect ;
- Weak negotiation power of small producers and undeveloped linkages with export markets;
- Scale of production, and of economies of scale lack of strong export-oriented organisations bringing together all the small production units and more importantly by non tariffs barriers (health and sanitary regulation) imposed by the European markets and the United States;
- Women still face difficulties in accessing productive land, mainly because of existing social structures and norms, despite the fact that in some legislation (Senegal for example) access to land for women is a

constitutional right;

- Poor infrastructure and remoteness of markets add to marketing costs and reduce product competitiveness.

The needed capacities for the poor to participate are: participatory policy analysis using approaches such as citizens' juries, public hearings of policy makers, Participatory policy assessment, etc.; negotiation capacity including policy engagement with the State and international organisations. Strategies will include: lobbying and advocacy; technological capacity including improved production technology, processing and storage; networking at national, regional, and international levels to foster mutual learning and create a critical mass, and; market information collection and management taking into account both domestic and international markets.

**d. Summary: Possible research themes:**

1. How to support poor farmers in remote areas to take advantage of the Information and communication Technologies (ICT) to access critical market information?
2. Governance of the global economy and participation of the poor: how rural institutions can link with global actors to participate more successfully in economic processes?
3. Biotechnology and rural livelihoods in the Sahel: opportunities and threats for poor rural households
4. The impact of the liberalisation of environmental goods and the lifting of trade barriers (including Economic Partnership Agreements) on the livelihoods of poor households in the Sahel region.
5. The impact of globalisation on natural resources
6. Globalisation, decentralization and participation of the rural civil society in economic processes. Globalisation, migrations and rural livelihoods in the Sahel: how to impulse the rationalization of fund sending?
7. Liberalization, agricultural modernization and access to land by poor rural households in high potential areas.
8. Economic and social policies: for more equity
9. Globalisation, food sovereignty and pro-poor agricultural policies in the Sahel



## 6. Regional Scan of South Asia

### a. Context

South Asian economies are undergoing unprecedented transformation with changes in global markets and national level policy reforms to promote the liberalization and privatization of manufacturing and marketing. Yet little is known about the ways in which these changes are impacting on the poor and how these differ by region. There is also insufficient information on how the poor can take advantages of new opportunities that may arise from globalisation processes while minimising potentially negative consequences. There is a need to improve our understanding of these processes especially as they relate to the environment, rural livelihoods and labour markets and gender relations.

North India, Nepal and Bhutan constitute the countries considered under this regional scan. The countries are historically linked to each other and the livelihood patterns of the poor are broadly similar in that they are predominantly rural and agriculture based. However India is significantly different from the other two in terms of its size, population density, levels of development, governance, market penetration and natural resource endowments. Diversification into non-farm activities has progressed at a faster rate in India than Bhutan and Nepal. Although Nepal and Bhutan are both mountainous and poor they are very different in their approach to development and interactions with the outside world through commodity, labour and capital markets. Bhutan for example follows a policy of “self reliance” and has thus been less open than other countries to foreign investment and market links.

Even within the broad zone of Northern India, there are a range of agro ecological conditions from the arid and semi-arid parts of Western India, to the mountainous states of the North, Indo-gangetic plains of UP and coastal ecosystems of Bengal and Orissa. Politically India is a democracy while Nepal and Bhutan are monarchies. Finally, India is much larger than the other two. Bhutan is in fact one of the smallest countries in the world while India one of the largest and most populated.

Thus generalised statements that apply to all three countries are difficult to make and not helpful in matching interventions to the needs of the people. Having said that, India is a major (or main) trading partner and market for both Bhutan and Nepal and interesting cross border issues of relevance to RPE can be explored. For example, Nepal shares an 1800 km open border with India and cross-border labour migration, the NTFP trade are two issues that deserve attention.

#### Overview of socio-economic development issues

Although India has by far the largest population its rate of population growth is slower at 1% compared to Nepal (2%) and Bhutan (3%). Economically, South Asia is one of the fastest growing regions in the world, with economic growth averaging above 5 percent, but the region is home to 40 percent of the world's poor, who live mainly in rural areas. According to UNDP Human Development Reports for 2005 more than 70% of the population in India is rural, more than 80% of the population in Nepal and more than 90% of the population in Bhutan. But this composition is undergoing rapid changes in India where the rate of urbanisation is fast. India had the highest GDP in 2004 followed by Nepal and then Bhutan. But in terms of current Gross National Income per capita for the same year Bhutan has the highest GNI per capita of US \$760. India has a GNI per capita of US\$620 and Nepal US \$260. Bhutan also uses the controversial concept of Gross National Happiness (GNH) to guide its development strategy which has four elements: sustainable and socio-economic development or economic self reliance; preservation and promotion of cultural heritage; preservation and sustainable use of the environment and good governance.

#### The Structure of Poverty

India has nearly a third of the world's poor; more than in the whole of Sub-Saharan Africa. Poverty estimates vary with the criteria selected. Using calorie consumption as a measure, it is estimated 25% of people live below the poverty line, but using the US\$ dollar a day criteria, poverty levels emerge as much higher at around 44% of the population earning a dollar a day and 86% earning less than \$2 a day. Non-income measures of poverty such as nutrition levels also provide important insights: two out of three children in India are moderately or severely malnourished. Under-nutrition is pervasive, affecting an estimated 230 million people in 1998-2000, an increase from 215 million in 1990-92.

According to World Bank estimates, the population of Bhutan in 2004 was 896,000, of whom nearly 32% were poor. Bhutan is ranked 134th in the UN Development Program's ratings, but hunger and landlessness are very low compared to other South Asian countries. Nepal is one of the world's poorest countries, with a population of around 27 million. In 2004 Nepal ranked 140th out of 177 countries in the Human Development Index, 69th (among 95 developing countries) in the Human Poverty Index. With an average per capita gross national income of US\$250, the majority of Nepalese are poor: even after 25 years of planned efforts, 36

percent of population in Nepal was living in poverty in the mid 1970s and this figure actually increased to 42.5 % in 1995 (FAO).

**Marginalised Groups:** In India, the so-called Scheduled Castes (SCs) and Scheduled Tribes (STs) are disproportionately represented amongst the poor: while they constitute for 25% of the rural population, they account for more than 42% of the poor. A significant proportion of SCs and STs live in isolated hamlets with poor infrastructure and few services. Tribal people are recognised as the most deprived with some of the poorest indicator on infant mortality, education and asset ownership.

In both Nepal and Bhutan there are also ethnic divisions; in Bhutan development efforts are threatened as divisions between the Northern and Centre Drukpas peoples with the Southern Nepalese origin grows. Nepalese society, with over 61 ethnic groups, is still extremely hierarchical along gender, class and caste lines. The landless and land poor, ex- Kamaiyas (bonded labourers) and Dalits (untouchables) constitute the poorest groups (Social Watch Report 2005).

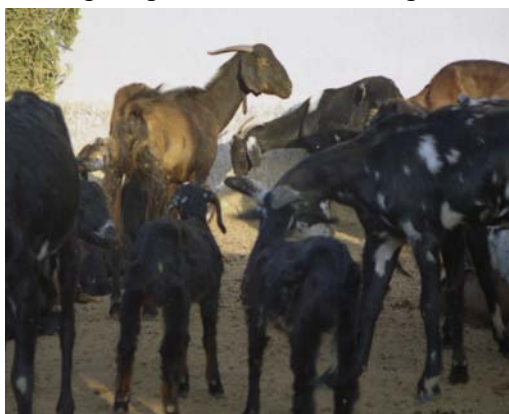
## **b. Livelihood Strategies and Options for the Rural Poor**

**Agricultural and natural resource endowments:** continue to be important to the livelihoods of the poor. There are currently 130 billion small-scale farmers in South Asia, but a lot of the rural poor are primarily those with limited ownership of assets – including land, and engage in agriculture as casual labourers. In India, this constitutes a large proportion of the rural poor, particularly landless rural poor women. In Nepal, more than 85 percent of the population, 90.5% of all women and 74.9% of all men earn their income from agriculture. Most on-farm production is devoted almost entirely to staple crop cultivation for home consumption. Farm households typically earn cash from seasonal employment either by working on the land of more wealthy farmers or through migration primarily to India (for more on this see section on migration below). In Bhutan, 92% of the population is engaged in the agricultural sector, although only two to five percent of land is arable.

**Participation in particular value chains:** Whilst the poor engage in multiple value chains, the report identifies a number in which the poor participate - or there is the potential for them to participate.

Forests cover over 65% percent of the surface area of Bhutan. Although they offer vast economic potential through export based industries, the Bhutanese government has chosen not take this path.

**Non-timber Forest Products (NTFP):** Most forest dwellers dependent on forest economies are tribal and indigenous, and participating in these value chains could benefit them. NTFP have received a great deal of attention since it has been realized that these could bring more income to poor forest-dependent people than timber. This has been particularly the case in India and Nepal where prices for NTFP have risen, while timber supplies have dwindled. In India nearly 60% of all recorded forest revenues come from NTFP, and account for 70% of employment in the forestry sector. 100 million people depend directly on collection in India. Nepal produces many medicinal and aromatic plants that are used in the pharmaceutical, food and cosmetics industry (Nepaherb.org). Every year between 10,000 and 15,000 tonnes of NTFPs are harvested in Nepal and traded to India and overseas markets. The total value of the trade to Nepal's economy is estimated to be equivalent to US \$ 8.6 million (Edwards, 1996). NTFPs are commonly gathered by local people. In remote north-western mountainous parts of Nepal NTFPs from are transported by air to the south of the country. Roughly 90% of the produce is exported to India in crude or processed form, which is then supplied throughout the subcontinent by wholesalers (Olsen and Bhattarai, 2005). It then goes to other wholesalers in Hong Kong, Amsterdam, Hamburg or London.



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The Livestock Economy is gaining in importance with changing tastes toward meat and dairy products. Although direct links with global markets are still very limited there may be potential markets overseas for South Asian livestock produce that could benefit small producers. The immediate need is to make existing markets work better for small producers.

Small ruminants, especially goats, offer better prospects to the landless and marginal farmers for escaping poverty in India. But there are serious questions over the environmental sustainability of goat keeping practices, for instance in relation to free-grazing and the deterioration of forests and these need to be urgently addressed through appropriate institutional, technological and policy reform.

**Tourism:** All three countries are popular tourist destinations. India and Nepal are both already important tourist destinations, and have sophisticated tourist industries. However, the poor have tended to engage in the informal sector, mainly in the services sector as hotel and restaurant staff, petty traders, transport workers and guides.

The RGoB has taken a more cautious approach to tourism, and has a fixed quota on the number of tourists allowed in the country as well as issuing strict rules of behaviour. The Government has identified tourism as a major growth sector for Bhutan's economy, with a possible contribution to employment generation and poverty alleviation. Currently, annual paying arrivals reach 9,249 per year (2004), with the objective being to increase this number to 15,000 in 2007. But progress is slow due to the lack of qualified human resources, infrastructure and services.

Tourism is potentially important for linking the poor to global economic processes and offers prospects even for agriculturally marginal areas that are otherwise regarded as low potential. Until now tourism development has focused on economic, environmental and cultural considerations rather than on the potential for poverty alleviation, but there is plenty of scope for policy interventions to enhance livelihood benefits to the poor from tourism.

#### **Migration:**

Generally, migrants come from poor regions in India (but not always the poorest, which often lack even the most basic assets such as labour, needed to migrate). The latest figures released by the Government (2005) based on the 2001 Consensus; show that 30% of the population were classified as migrants (A migrant is usually defined as someone who is not resident in his or her place of birth. Migrants thus include people who have moved for marriage, education and other reasons and not just those who have moved for work). Labourers usually come from agriculturally backward areas and migrate to towns and cities, industrial zones and coastal areas. Whilst high productivity agricultural areas still remain popular, non-farm employment attracts more labourers as returns are higher. Migration rates are high amongst the most and least educated. Illiterates appear to dominate seasonal labour migration. There is much rural-urban migration within states that have much regional disparities, and rural-rural migration from drought-prone states to other agricultural dominant states. There is some indication that a switch from rural-rural to rural-urban circular migration is occurring in areas where agricultural employment is shrinking and industrial jobs are being created either at the same destinations or elsewhere.

Cross-border migration has become common amongst the poor in Nepal, with at least 700,000 people employed in the private sector and 250,000 in the public sector in India. A further 700,000 Nepalese work in the Middle East, East Asia and Southeast Asia. Remittances total \$100 billion. Information on migration in Bhutan is less accessible, but estimates have figured that 50,000 youths will enter the labour market with 20,000 migrating from rural to urban areas in the next few years.

#### **Current Options Available to the Poor:**

Development of commodity markets: In Nepal fruit and vegetable production has been seen as a potentially powerful way of raising the incomes of small farmers. In India it is thought the relative profitability of horticultural crops compared to cereals could be a determining factor in encouraging crop diversification into horticultural production. All kinds of incentives have been offered to farmers to enter contract farming arrangements. Whilst international supermarket chains have not penetrated India there is a growing domestic market for horticultural products, and farmers are encouraged to participate in these markets.

**Financing:** Contract farming and outgrower schemes have tried to establish tripartite arrangements between agri-marketing companies (suppliers, processors and traders), rural banks and government departments. But the experience so far suggests that formal institutions are inaccessible and a majority of the poor depend on informal credit suppliers and often get caught in a negative spiral of worsening debt.

Microfinance can contribute to reducing household vulnerability, supporting household enterprises and empowering women. There are many governments, NGO and donor funded microfinance projects across South Asia, although new ways need to be found of reaching the poor as projects often exclude the poorest groups.

### **c. Current constraints on participation and how to overcome them**

Despite progress there are still however fundamental constraints in the region such as inequality and discrimination of certain groups, pressure on environmental resources and ineffective institutions that stop the poor from accessing services, markets and productive opportunities.



**Lack of assets:** The most often identified barriers to entry into global markets for the poor are their poor asset base (land, education, credit) location and technology constraints. Access to land is important but land fragmentation is increasing and landlessness is on the rise especially among tribal people. The lack of credit is also a major factor limiting the ability of small scale producers to purchase inputs, equipment, hire transport facilities and labourers and this limits their ability to enter high value chains.

**Rights of the poor and access to natural resources and land are increasingly contested:** Clashes between traditional and contemporary systems of property rights are leading to lack of security and environmental degradation. Environmental deterioration of primary natural resources, particularly water and forests, leads to environmentally degraded environments little capable of production. Access to natural resources is frequently denied, or otherwise severely limited, to marginal and vulnerable groups who constitute the poorest. In such a situation, when the marginal face difficulties accessing natural resources to cover their basic need, they are structurally too weak to participate in global economic processes.

**Producers have difficulty in participating in high value chains:** It is well known that the poor have not been able to engage directly with Global economic processes and where they are engaged they tend to be adversely incorporated into markets, i.e. the terms of trade are against them and usually in favour of those who control factor markets.

**Inaccessible or unsustainable credit supply:** Formal institutions for credit, technical advice and marketing remain inaccessible to the poor especially in remote rural areas. Informal providers and market intermediaries fill the gap but push already vulnerable groups to borrow heavily and enter into unsustainable arrangements creating an unmanageable debt syndrome. Credit provision can help but must be accompanied by efforts to improve the accessibility of formal institutions to the poor.



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**Lack of access to water:** is also a serious constraint to producers in India, where the water table is dangerously low, because of high rates of water extraction from private tube wells.

**Difficulty in meeting new global standards:** The increasing attention that food quality and safety are receiving in food trade, combined with non-tariff barriers are making it increasingly difficult for the poor to meet new standards. Fruits and vegetables belong to the class of food items most frequently affected by sanitary and phytosanitary measures. Growers and processors in developing countries will thus have to learn to supply safe products with traceable labels if their participation in global trade shall continue and expand.

**Markets remain highly biased against the poor:** Frequently the benefits from growth in export trade and business do not reach the poor and, in fact, are highly biased against them. The benefits of trade seem to be accruing mainly to market intermediaries, officials and companies. Primary collectors, who are usually amongst the poorest, continue to be excluded. For example, tribal and indigenous people's livelihood systems are closely dependent on forest economies and although many tribal communities are apart of global value chains, they remain highly disadvantaged and adversely incorporated.



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**Negative Policy Environment:** The current policy environment has several anti-poor elements that prevent the poor from engaging effectively in markets both local and global. Both vegetable and NTFP markets continue to be heavily regulated, and whilst liberalising measures were supposed to benefit the poor, without building human capacity or improving institutional performance, they are left open to

exploitation. The policy environment for Foreign Direct Investment remains unattractive in South Asia, and whilst FDI in remote areas is unsurprisingly limited, there is a case for encouraging it in locations that could indirectly benefit the poor through the development of infrastructure.

#### **d. Proposed Research Themes**

1. Commodity value chains: Identify how farm/commodity value chains can be made to work in the interest of the poor? (Focusing on horticulture, livestock and NTFPs);
2. Pro-poor tourism: Identify major types of tourism activity and the involvement of the poor, to highlight what policy reform is required and the role for external support agencies and the private sector;
3. Seasonal and circular migration: Identify two or three high migration areas to assess the dominant migrant streams, what their characteristics are and the pattern of flow of remittances. Identify opportunities and constraints and how rural development and agricultural policy can be re-oriented towards multi-locational livelihood strategies;
4. The Informal Sector: Identify the links between globalisation and the informal sector to match ways in which quality of employment in this sector can be improved;
5. Occupational diversification: Research the kinds of diversification strategies being adopted by the poor, particularly in marginal areas; and
6. Promoting markets in remote rural areas: Identify common market failures in remote rural areas and their causes, to help identify ways to overcome market failures and imperfections. Where would external support be useful and what role is there for the private sector?
7. Watershed development – to what extent can WSD ensure sustainable rural livelihoods?
8. How can the governance of groundwater resources be realistically improved so that the poor are not deprived?
9. What are the new challenges facing river bank farming systems and how can these be managed to prevent marginalisation of the poor?
10. How can farm commodity/value chains be made to work in the interests of the poor?
11. Pro-poor livestock systems with a focus on small ruminants
12. How can NTFP markets be made pro-poor?
13. Tribal livelihoods systems
14. Pro-poor tourism
15. Women's rights to natural resources and equal wages
16. Occupational diversification
17. Seasonal and circular migration and its links to forest based livelihoods, watershed management, ethnic minorities, agriculture , poverty reduction and development





Annex B: Summary of Country Reports

	Key Findings	Regional Scan Central Andes	Country Report Bolivia
Context	Who are the poor?	Rural areas have the highest and deepest levels of poverty. Being a rural poor person in the region is related to poor access to basic services, input and output markets, having limited access to good quality land, being reliant on agricultural as a source of income and having poor education and poor access to basic health services. These factors are made worse if the person is from an indigenous group and if they are women.	The departments with the highest proportion of rural people and indigenous populations are also those with the highest and most profound levels of poverty. These are the Departments of Chuquisaca, Potosi followed by La Paz, Oruro and Cochabamba, found in the central and western and southern western part of the country, that correspond to the agro-ecological zones of the high Andes and the central and southern valleys.
.Livelihood strategies and options for the rural poor	Migration	All countries are experiencing strong rural to urban migration patterns. It not only provides financial benefits, but can give opportunities to see new technology and reduce the costs of bringing the technology back to communities.	Migration is an important strategy with seasonal migration for agricultural activities, particularly the sugar cane harvest in the Department of Santa Cruz. There is also movement to the major cities and a movement of people to neighbouring countries, in particular Argentina. International migration tends to be limited to better educated people based in urban areas. Yet migration can create serious hardships for people. There have been recent reports of slavery type conditions for people working in factories in Argentina and Brazil, and the decision to allow free movement of people between MERCOSUR countries does not seem to have resolved these problems significantly. Completing paperwork to be officially recognised in a new country could be very costly.
	Financial Capital	The rural areas suffer from poor financial services.	There are large costs in terms of reaching clients and also risks in terms of clients repaying their loans. 40% of all lending in Bolivia is through microfinance organisations that were originally based in urban areas, but are slowly spreading into rural regions. Lending tools of the Bolivian microfinance organisations are very innovative and are aimed at reaching people without collateral, but they do not purposefully target the poor.
	Value chains	Obstacles to access with distant customers be they tourist or in another country relate to having a sufficient number of individuals who have the capability in terms of negotiation, training and skill and determination to develop a chain and the links. These skills can be provided for short periods of time by development projects either state or NGO, but the private sector is better suited to medium to long-term change.	
	Organisation	In some regions rural people have formed cooperatives and farmer associations, which have entered products into international markets. These farmer groups have been successful in using international aid agency support.	The aid sector may be swamping the private sector in this role, by providing too much subsidised competition on the one hand and on the other employing the would-be entrepreneurs.
	RNFE	Good examples of local craftwork knowledge and skills being used to access tourist markets for woollen, camelid fibre and NTFP craftwork products. These are likely to become more important if the area can continue to attract greater numbers of tourists. Political stability is key to such developments.	Tourism is an important aspect for RNFE.
Current constraints on participation and how to overcome them	Access to land	No country in the region has applied a land redistribution policy that has reduced the level of land inequality, and where land has been redistributed little has been given to women.	NTFP studies indicate that value chains may have important traders whom exploit their position. This was felt to have a negative impact on the income for rural poor people.
	Government	Poor infrastructure, the lack of communication and information and the poor quality of organisations to improve levels of education and health, and corruption. This given, it is hardly a surprise that there is so little dynamism in the private sector economy.	There exist inequalities in land distribution and the current land rights are such that no effective open land market exists. This undermines the flexibility of the rural economy and the ability of rural people to participate in global economic processes.
	Educational environment	Needs to create equal opportunities for every person in society to ensure that each country spreads their bets on the potential winners.	Political leaders with a weak power base in the private sector have opted for State control and large government in order to influence their control over the job market. This model has led to job market distortions, and when prices for primary products are high, inefficient management of important sectors of the economy. Leaders with strong private sector interests have adopted small government and increased the role of the private sector, through the sale of State assets, using this as a means to have greater influence from this sector. Neither system has been successful in developing strong government organisations that support socio-economic development, and limit corruption. The result has been stuttering economic growth, which some have estimated have left Bolivians as poor now as there were 50 years ago (Schejtman, A. & Wiggins, forthcoming).
	The business environment	Requires access to capital and insurance and assistance in innovation and entrepreneurship in order to help people enter into new ventures with confidence.	Illiteracy rates are much higher in rural areas and the average number of years of schooling much lower. Whilst this is being addressed, school assistance in rural areas is still lower than in urban areas so the gap is not closing. Higher illiteracy rates for women and indigenous groups are reported.
		Requires access to capital and insurance and assistance in innovation and entrepreneurship in order to help people enter into new ventures with confidence.	There appear to be important lessons in the success stories in that the small scale projects have been very successful where they have been able to provide skills and expertise in organisation, marketing and sales. However, even in the successful cases of value chain development there is a large degree of exclusion.

	Key Findings	Regional Scan Nile Basin	Country Report Egypt
Context	Who are the poor?	Three broad categories: 1. Those that have assets and participate or have the potential to; 2. Those too structurally weak to benefit from markets without policy change; 3. Those who have the potential to benefit in the future from ‘second round’ impact of liberalisation	Categorised into small farmers; agricultural labourers and non-farm workers.
	Extent of current participation.	In the region as a whole the main pattern is households with some access to land for grazing and cultivation. Much of the production is for domestic consumption with occasional income from local market sales.	In Egypt the plots are often so small that households are effectively ‘landless’. Also en-gage in unpaid family work and paid labour. Lack economic surplus that allows for capital accumulation. Further, is a prevalence for traditional crops planting as a result to lacking information, technical expertise and marketing potential for non-traditional crops .
Livelihood strategies and options for the rural poor	Environmental sustainability	Environmental stress of land and water resources. Environmental degradation has implications for the rural poor, effecting wider social and economic forces. Of specific concern to the region is the issue of the Nile watercourse, on which 130 million people of riparian countries depend for their livelihood.	As a result of stress on resources, the government limits the amount of new land made available for agriculture because of the water scarcity. There is also concern that changes in the land lease laws have led to an increase in pressure on land and low levels of maintenance leading to subsequent low soil fertility levels
	Strategies used to engage in global economic processes	1. Small-scale family farming; 2. Seasonal and international migration; 3. Non-Farm Rural Economy; 4. Enterprise Development; 5. Provision of micro-credit; 6. Government support	
	Migration as a strategy	Both long-term and seasonal migration is common.	Different types of migration exist: long-term, seasonal, out / intra regional, and ad-hoc.
Current constraints on participation and how to overcome them	Importance of RNFE	Estimates range from between 40–80% of population is engaged in NRFE, with younger persons more likely to be engage in non-farm jobs.	RNFE growth either has been in migration or in situ, some rural households have established micro or small enterprises (MSE) but this depends on available finance, information and market access, and is limited.
	Lack of assets	The main general barriers to greater impact of wider economic processes at the rural level relate to lack of assets and capital, education and skills.	Lack of land is a major problem; the issue of land fragmentation militates against for large-scale crop production. Lack of other capital goods such as machinery and access to storehouses are also major obstacle to small producers. Lack of financial capital leads to insecurity, leaving farmers unable to adopt new technologies or experiment with new crops because of the risk involved.
	Lack of technical capabilities	Lack of technical capability amongst poor farmers limits the possibilities available for producers to participate in global economic processes. For many there has been little change in technical prescriptions for farming over the last 30-40 years.	The focus there has been on technology transfer has been top-down and inappropriate. Ministry of Agriculture provide the extension service for free but it is directed to macro-goals, encouraging the growing of a specified crop, limiting pests spread and rationalizing water usage, extension is then restricted to the technical aspects of the production process rather than providing information to assist the producer in decision-taking concerning productivity, loss reduction, post-harvest dealings or marketing methods.
	Main barriers to the market for the poor	There are numerous constraints to the poor trying to participate in commercial markets. Increasingly is more challenging to enter the market as it requires not only evidence of standards compliance, traceability etc, but also a reliable supply of large quantities.	Egypt has poor marketing infrastructure as no alternative information systems were put in place to help farmers take agricultural decisions after liberalisation. This has prohibited farmers from market participation because they lack the knowledge to help them. Other obstacles include limited or no post-harvesting facilities and no access to marketing channels. This means that farmers often surrender to unjust selling conditions, intensified by their lack of liquidity.
	Impact of economic liberalization measures.	Liberalization efforts In the region as a whole have been disappointing. There has been low FDI and the aggregate effects on the poor have been contentious, with particularly weak investment in the agricultural and agri-business sector.	Overall liberalisation efforts have benefited medium and major tenant farmers but not small tenant farmers. Transferring from a centralised to a free market system took place without providing an institutional base to support farmers to help face these radical changes. Agricultural co-operatives role diminished, and new institutions were not put in place to help provide farmers with the required tools and information to participate in markets. Government efforts have focused on providing free extension services, but there are serious shortcomings to the service.



	Key Findings	Regional Scan Central America and Western Caribbean	Country Report Honduras
Context	<b>Who are the poor?</b>	The rural poor are indigenous people, people with little or no education, relatively poor asset base, with poor official language skills and are dependent on agricultural activities, either in terms of home production or agricultural labour. It is noted that the majority of poor households have few livestock and little land, and most dedicate their land areas to growing subsistence crops rather than non-traditional crops.	Poverty in Honduras is reported to be deeper and more structural in the south and west of the country. This poverty is related to entrenched and chronic processes of marginalisation from access to land and services, but the access to employment is far better in the south than the west, due to the presence of industrial agriculture on the coastal plains.
	<b>Distributional issues</b>	Education levels at household level is an important indicator of being poor as well as access to land and gender discrimination.	Land distribution is very unequal with an estimated two thirds of the households in the rural areas with less than 5 hectares and around 15% with no land holding. Preliminary research confirms the positive impact of women’s land rights on the intra-household allocation of resources, specifically food and educational expenditures. Plus, only two thirds of rural households have access to drinking water versus 91% of urban households.
Livelihood strategies for the rural poor and options for the	<b>Current Strategies</b>	Migration to neighbouring countries and employment in export crops and possibly working in tourist resorts.	Use of land and squatting on land that is marginal on the edges of large land holdings and close to urban areas. (Survival rather than improvement). Internal migration, and more recently international migration, which has become an increasingly important household strategy over the last 10 years. Plantation agriculture and the agro industry is an important source of employment as well as a reason for migration. Poorer households with international migrants are more likely to receive remittances and overall the rural households are more likely to receive remittances.
	<b>RNFE</b>	The poor are increasingly engaging in work in RNFE employment: a mixture of salaried work, both formal and informal, including migration. It is wealthier households who have a higher proportion of income coming from RNFE, an indication perhaps that this is a route out of poverty.	31% of rural income for Honduran households came from RNFE with the main sources of work in trade, hotels and restaurants, manufacturing and general service work.
Current constraints on participation and how to overcome them	<b>Land reform</b>		While there has been an attempted land reform this has not been fully implemented, in part because it has not been accompanied by the necessary technical, organizational and financial support. Therefore land reform has had limited impact on land distribution. Uncertainty and continued possibility of the completion of land reform has probably led to some degree of nervousness on land investments.
	<b>Education and Health</b>	Without education the poor cannot participate in non-agricultural employment and therefore cannot hope to make the move out of poverty. In general in this region, people with a secondary education are rarely poor.	Data on the years of schooling indicate that on average that the rural population have not completed primary level education. It is reported that only half the rural population have adequate access to health services versus 80% in urban areas, and there are high levels of child malnutrition.
	<b>Physical Capital</b>	The level of access to physical capital is far less in rural areas, although there have been improvements in the past decade. Most poor communities lack the infrastructure required to help them participate in global economic processes.	
	<b>Markets</b>	Large trade deficits, and the positive influences of CAFTA.	Honduras has a large trade deficit and a history of both the government and country spending more that they collect or produce respectively. This led the government to apply for debt relief and it entered into the HIPC initiative and has developed a poverty reduction strategy. There are many instances where Honduran agriculture has exploited favourable opportunities in world markets through the use of large-scale operations. In general the wages and other benefits provided by such employment have had little impact on the rural poverty levels.
	<b>Government</b>	The government should be offering support to: enhance opportunities at the centre of the poverty agenda; reduce the human capital gaps between the poor and non-poor, lowering transactions costs in accessing markets, and creating mechanisms to discourage labour-market discrimination for the indigenous and women.  A rural development strategy is also key for overall poverty reduction strategy. Promoting growth of non-agricultural sectors, increasing agricultural productivity and diversification. Also safety nets and risk management for: seasonal migrants, child-labourers, The indigenous, and geographically isolated households are needed.	Potentials: The government through a process of consultation with civil society organisations developed a poverty reduction strategy programme. Strategic area:  <ol style="list-style-type: none"> <li>1. Accelerating equitable and sustainable economic growth;</li> <li>2. Reducing poverty in rural areas;</li> <li>3. Reducing urban poverty;</li> <li>4. Investing in human capital;</li> <li>5. Strengthening social protection for specific groups; and guaranteeing the sustainability of the strategy.</li> </ol>
	<b>Financial Capital</b>	Whilst credit markets exist for the rural poor, it is more common that credit provision has been successful for the better off households with little, and in some cases negative, impact on poor households.	Weak government support to establish and run businesses and private sector support organisations such as input, service and financial organisations that are focused on the large scale agricultural sector. These markets failures may be addressed by NGOs, but their coverage is not complete.

	Key Findings	Regional Scan South Asia	Country Report India
Context	<b>Who are the poor?</b>	In Indiathethe poor are: dry land farmers; seasonal migrants; agricultural labourers; Scheduled Caste/ Scheduled Tribe; and the disable. However, detailed enumeration of the poor is needed. Other categories to be added include the permanently ill. Geographic specificity of poverty in North India, notes particularly the differences between hill regions and the plains. Single or multi-generational female households, slip into poverty because of current political structures that do not recognise women heads.	All categories specified in regional scan are subject to discrimination at all levels of access to resources; they are ‘invisible’ to the state and local decision makers – given the dominant understanding of poverty, which is income specific. The poorest of the poor have little or no access to capital (human, social, financial, physical, and natural). These households, living at the margin, are greatly affected by the ‘vulnerability context’.
	<b>Agricultural and Natural Resource Endowment</b>	A lot of rural poor primarily have limited assets and engage in agricultural sector as landless labourers. Most on-farm production for the poor is subsistence based.	
Livelihood strategies and options for the rural poor	<b>Migration as a strategy</b>	Increasingly poor people are deriving income from non-farm work via migration. The latest Indian consensus figures classify 30% of the population as migrants (Migrant defined as anyone not living or working where they were born). Usually from agriculturally backward areas migrating to towns and cities and industrial zones. There is also rural-rural migration, and cross-border migration is common amongst the poor in Nepal.	Distress and seasonal migration is a common feature in all states. It does have second order benefits, particularly to women. However, migrants’ survival is insecure as labour standards are poor and migrants often lack necessary documentation and identity cards for inter-state asset building. Another issue is that whilst industry is not a focus point for growth in India, there is need for a sector to absorb the large work force.
	<b>Strategies adopted or available to engage in economic processes</b>	<ol style="list-style-type: none"> <li>1. Participation in informal sector;</li> <li>2. Access to credit and microfinance schemes, although don’t reach the poorest and risk of debt burden;</li> <li>3. Development by governments of specific commodity markets.</li> </ol>	<ol style="list-style-type: none"> <li>1. Report observed the vulnerability factor of labourers within the informal sector;</li> <li>2. High levels of indebtedness in agricultural communities. The negative role of middle-men as loan providers. Weak integration, through infrastructure and local markets results in middlemen being the only income mechanism for farmers. Credit facilities seen as corrupt and exhibiting pro-big farmer biases.</li> <li>3. Horticulture has been identified as a key area of growth but cooperation between relevant Govt. dept. and local communities is complex and is a key barrier to productivity and retail.</li> <li>4. Contract farming: in theory provides guaranteed markets but lack of equal negotiating power of stakeholders.</li> </ol>
	<b>Participation in specific regional value chains</b>	<ol style="list-style-type: none"> <li>1. NTFP: most people dependent on forests are either tribal or indigenous;</li> <li>2. The Livestock Economy is gaining in importance although linkages with global markets are limited;</li> <li>3. Tourism: all countries are important tourist destinations, although the poor are adversely integrated.</li> </ol>	<ol style="list-style-type: none"> <li>1. Government frameworks for NTFP act as a disincentive to link up to markets;</li> <li>2. Subsidies do not take holistic production needs into account; marketing cooperatives aimed at helping poor access markets in fact compete with them;</li> <li>3. Ecological and religious tourism raise issues of unsustainable pressure on local resources. Recommends private sector involvement to help rural poor participation.;</li> <li>4. RNFE: cottage industries and handicrafts growing area.</li> </ol>
Current constraints on participation and how to overcome them	<b>Barriers to participation</b>	The most often identified barriers to entry into global markets for the poor are their poor asset base (land, education, credit) location and technology constraints. The lack of credit is also a major factor limiting the ability of small scale producers to purchase inputs, equipment, hire transport facilities and labourers and this limits their ability to enter high value chains. Marginal and vulnerable groups are often structurally too weak to participate in global economic processes.	<p>Successful participation also includes strong negotiating powers on the part of the poor, supportive government institutions and policies. Additionally successful participation involves return investments to local communities.</p> <p>Despite the differences in the geographic context of hills and plain, the components for success, are the same:</p> <ul style="list-style-type: none"> <li>• Centralised supply – securing linkages between and cutting out the middleman</li> <li>• Provision of all support infrastructure – transport, storage, processing</li> <li>• Diverse retail sales</li> <li>• Stakeholders are shareholders and profits are immediately invested back into local production units to provide local support needs.</li> </ul>
	<b>Environmental constraints</b>	Specifically in India, there is a lack of access to water, which is a serious constraint (because of low water table levels due to high rates of water extraction).	Conventional productive strategies are unsustainable and lead to resource degradation. Terrain and climatic conditions limits participation in hill regions.
	<b>Main barriers to participating in global economic processes</b>	<ol style="list-style-type: none"> <li>1. Producers have difficulty in participating in high value chains;</li> <li>2. Inaccessible or unsustainable credit supply;</li> <li>3. Difficulty in meeting new global standards;</li> <li>4. Markets remain highly biased against the poor</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of post production facilities;</li> <li>2. Level of political will within given state will play a large role in determining the extent of successful participation (local government debt have bias towards larger farmers thereby increasing the vulnerability of the poorest of the poor households);</li> <li>3. Dominance of middlemen;</li> <li>4. Lack of local negotiating bodies and networks to benefit producers</li> </ol>
	<b>Negative Policy Environment</b>	The current policy environment has several anti-poor elements that prevent the poor from engaging effectively in markets both local and global.	There is a series of conflicting policies at Central and State level make successful participation difficult (rent-seeking is common). Report recognizes the government has a key role to play in working towards global economic integration.



	Key Findings	Regional Scan Sahel	Country Report Senegal
Context	Who are the poor?	Small substance farmers, pastoralists, agro-pastoralists lacking land/cattle, women-head of households, large families.	There are geographical differences, and the peri-urban poor should be included. There is also an unequal distribution of poverty, and a “massification” trend.
	What assets do poor have access to?	Land Family labour Small equipment Credit.	Migrants and the community may be assets, especially in times of crisis.
Livelihood strategies and options for the rural poor	Extent of current participation: barriers, trends and future prospects	The poor are adversely integrated into the global markets. But participate through the trade of their agricultural products and through their consumption models.	Besides the issues raised in the regional scan: market and power concentration; weak negotiation power; and unfair trade rules, and; small scale production.
	Environmental sustainability and productive strategies	Work carried out in the Sahel challenges the idea that livelihood strategies developed by the rural poor are environmentally unsustainable.	In Senegal, experiences include: sustainable agriculture practices; promotion of local practices through local conventions in the groundnut basin, and; environmental protection of the Niayes.
	Strategies used to engage in global economic processes	<ol style="list-style-type: none"> <li>1. Sustainable and productive agricultural practices</li> <li>2. Seasonal and international migration</li> <li>3. Development of micro-finance institutions.</li> <li>4. Strengthening organisational capacities of poor farmers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Build strong regional organisations</li> <li>2. Use the migrants networks in Europe to seek strategic partnerships</li> <li>3. Explore the extent to which sustainable tourism can be promoted in support of rural livelihoods.</li> </ol>
	Migration as a strategy	Sahelian countries have a high level of out-migration. Long-term solutions to refugee situations are needed.	Different types of migrations exist: long-term, seasonal, out / intra regional, and ad-hoc.
	Importance of RNFE	Tourism, Services, Migration, and Craft industry.	Besides migration, the other RNFE are still weak in most rural areas in Senegal. Recent periods have seen the development of services mainly those linked with telecommunications (telephone centres) which are closely linked to migration.
Current constraints on participation and how to overcome them	Institutional and other factors preventing poor benefiting	Promoting decentralisation & local governance, Providing extension & advisory services, Access to education & health services.	The likelihood of poor farmers participating successfully strongly depends on changing the rules that govern global markets.
	Role of middlemen	Interaction of poor households with the global economy is very weak and happens mainly through the state, and middlemen including the private sector.	
	Adoption of new technology	Contextual: Education, Migration, Research and extension, Farmer to farmer exchange, Farmer innovations, ICT, Markets.	
	Global value chains and service providers to VCs	Government, The domestic private sector, The trans-national corporations.	
	Importance of land reform	Land indeed constitutes the principal resource of the poor rural households.	Gender sensitive land reform reinforces women’s economic power.
	Main barriers to the market for the poor	Infrastructure; low access to market information; Social exclusion.	Also there are new non tariff barriers, such as traceability, and a lack of a good policy framework.
	Successful models for provision of credit to rural poor	Micro-finance (especially for women).	Micro-finance does not provide a sustainable, long term response to the credit crisis, unless major shortfalls are addressed.
	How can government support participation	By promoting decentralisation and local governance; Providing extension and advisory services, and; Facilitating access to education and health services.	The likelihood of poor farmers participating successfully depends on changing the rules that govern global markets: in particular limiting import subsidies and the limitation of power concentration.

	Key Findings	Regional Scan Nile Basin	Country Report Uganda
Context	Who are the poor?	Three broad categories <ol style="list-style-type: none"> <li>Those that have assets and participate or have the potential to;</li> <li>Those too structurally weak to benefit from markets without policy change;</li> <li>Those with the potential to benefit in the future from ‘second round’ impact of liberalisation.</li> </ol>	In Uganda the Northern regions constitute the poorest, with 50% plus of these populations below poverty line. 95% of those in poverty living in rural areas. The conflict environment in Northern Uganda worsens situation of rural poor, particularly the displaced.
	Extent of current participation.	In the region as a whole the main pattern is households with some access to land for grazing and cultivation. Much of the production is for domestic consumption with occasional income from local market sales.	69% of labour force involved or employed in agricultural related activity. 70% of area under cultivation is for food production, most of which is subsistence. 2005 Human Development Report categorised country as a country with medium human development. Has successful economic policy underpinned by aid from donors. However civil war in northern Uganda has kept this region poor.
	Environmental sustainability	Environmental stress of land and water resources. Environmental degradation has implications for the rural poor, effecting wider social and economic forces, for example migration patterns and diversification of livelihood options. Of specific concern to the region is the issue of the Nile watercourse, on which 130 million people of riparian countries depend for their livelihood. The Nile Basin Initiative is in operation.	
Livelihood strategies and options for the rural poor	Strategies used to engage in global economic processes	<ol style="list-style-type: none"> <li>Small-scale family farming;</li> <li>Seasonal and international migration;</li> <li>Non-Farm Rural Economy;</li> <li>Enterprise Development;</li> <li>Provision of micro-credit;</li> <li>Government support.</li> </ol>	Rapid growth in micro-finance sector since 1990s, but there is a worry that MFIs are largely unregulated, poorly managed with weak governance structures. Uganda’s PEAP (Poverty Eradication Action Plan) provides a framework to guide public action in the eradication of poverty. Of particular relevance to agriculture was the PMA (Plan for Modernisation of Agriculture) launched in 2000, which was aimed specifically at supporting rural households to move from subsistence to commercial farming to raise income. Has created NAADS (National Agricultural Advisory Services).
	Importance of RNFE	Estimates range from between 40–80% of population is engaged in NRFE, with younger persons more likely to be engage in non-farm jobs.	Poor returns from farming is leading to growth of RNFE. Largely MSE in petty retail trade, agro-processing and brewing (accounts for 12% of employment in rural areas). Tourism industry is growing. Some local women’s handicrafts groups formed. Most MSEs located close to trading centres and growth has mainly been horizontal due to weak business linkages.
	Migration as a strategy	Both long-term and seasonal migration is common.	Due to poor income from small-scale farming. Internal migration is common, international rarer.
Current constraints on participation and how to overcome them	Lack of assets	The main general barriers to greater impact of wider economic processes at the rural level relate to lack of assets and capital, education and skills. More country specific barriers include health and nutrition, lack of social organisation on which to build enterprises, poor natural resource endowments, rural insecurity, remoteness from markets and lack of business infrastructure.	Lack of assets such as economically viable land holdings, equipment and technology to enable commercial production; low levels of education and lack of skills in modern farming methods; poor nutrition and food effects productivity of poor households (although no direct linkages have been made).
	Lack of technical capabilities	Lack of technical capability amongst poor farmers limits the possibilities available for producers to participate in global economic processes. For many of the rural poor engaged in farming in this region, there has been little change in technical prescriptions over the last 30-40 years.	In Uganda the government does support various programmes that focus on technology transfer.
	Main barriers to the market for the poor	There are numerous constraints to the poor trying to participate in commercial markets. Increasingly is more challenging to enter the market as it requires not only evidence of standards compliance, traceability etc., but also a reliable supply of large quantities.	Remoteness from markets is a hindrance. Other factors include poor infrastructure due to high marketing costs (especially apparent in north and north east) and lack of access to inputs.
	Impact of economic liberalization measures.	Liberalization efforts in the region as a whole have been disappointing. There has been low FDI and the aggregate effects on the poor have been contentious, with particularly weak investment in the agricultural and agri-business sector.	Whilst liberalization has led to proliferation of MFI, the poor are unable to access services, this could be attributed mainly to cost of finance due to high interest rates and also lack of financial products suitable to agricultural production. Whilst internationally Uganda considered a success story, there is doubt over whether MFI reaches the poorest.

	Key Findings	Regional Scan Mekong	Country Report Vietnam
Context	Who are the poor?	The poorest and the most vulnerable are indigenous people, landless workers, small landholders, artisan fisher folk and those who work in the informal sector.	
	Extent of current participation.	All countries have, to varying degrees, adopted market economies with outward oriented policies for economic development. Poverty reduction rates in all three countries have been impressive but have tended to bypass remote areas and those living in them, especially ethnic minorities and indigenous people.	Percentage of population in poverty dropped from 58% in 1993 to 24.1% in 2004. However, the country is still one of the poorest in the world, with the majority of the poor living in rural areas (90%), the poorest located in the Central Highlands, Northern Uplands and North Central Coast.
Livelihood strategies and options for the rural poor	Agricultural and Natural Resource Productive Strategies	The poor are predominantly engaged in subsistence agriculture for their livelihoods. Some participation in production of primary products: report focuses on tea in Vietnam; NTFPs in Cambodia; Fisheries. Potential for Community Forestry Management in emerging global timber markets.	Research has recently concentrated on the relationship between forestry, poverty alleviation and rural livelihoods, with varying research findings. Forestry policy doesn't focus on livelihood improvements or poverty alleviation. More research is needed as large majority of the 'poorest of the poor' depend on NTFP. Findings report on the strength of indigenous knowledge management systems in relation to natural resource management. Fisheries also important industry, but little in way of understanding about how the poor are benefited because of unclear definition of who the poor are.
	Livelihood diversification	<ol style="list-style-type: none"> <li>1. Rural Enterprise Development;</li> <li>2. Microfinance initiatives;</li> <li>3. Migration and Labour Markets;</li> <li>4. Tourism</li> </ol>	High demand for credit and savings schemes: in 2001, 2.5 million low income households approached the Vietnam Bank for Agricultural and Rural Development (VBARD) for a loan. 80% used for productive purposes, but poorest households use loans for consumption purposes. Although credit and savings schemes are popular in development programmes, of both government and NGOs, there are a lot of weaknesses and don't provide any obvious sign of success. Vietnam has strong comparative advantage in tourism and pro-poor tourism is supported by NGO organizations. UNDP estimated that tourism was contributing 10.9 % to GDP. Government supports tourism but does not specifically focus on pro-poor tourism. Unfair exclusion of ethnic minorities, and in insecure employment. Rise in Community-based Tourism and Ecotourism which hopefully will provide opportunities of livelihood diversification to poor.
	Migration as a strategy	Because diversification into RNFE has been difficult in rural areas, migration amongst poor is common. Explosion of circular migration within and between Mekong countries, but still is hostile policy environment to migrants.	
	Discrimination against women	Women's rights to and access to natural resources is limited. Discrimination in labour markets is common.	Similar problem exists. Also, women face a number of barriers to participate in economic development activities because they can't meet loan collateral requirements. Economic reforms have not benefited women as much as men. Also affected by changes in land leaseholds laws (see more in constraints on participation)
	Interventions to improve the participation of the poor in value chains.	<ol style="list-style-type: none"> <li>1. Collective bargaining;</li> <li>2. Contract farming;</li> <li>3. Supporting an infrastructure for certification and product branding and;</li> <li>4. Encouraging FDI in agriculture and agri-business.</li> </ol>	
Current constraints on how to overcome them	Natural resources access and use contested.	Land distribution is inequitable and access to land appears to be worsening for the poor. Landlessness and dispossession is common in some parts.	Rapid changes in land leaseholds and legalization of private business have deprived many poor households of livelihoods dependent on access to mangrove resources. Women-led households and girls have been adversely affected. More often it is the rich who have benefited from income gains from mangrove resources, although there are more poor people who depend on it as a resource.
	Lack of assets	Even if the poor have land they usually lack other assets like capital, technology and labour and so may not be able to manage their land effectively.	Weakness of credit and savings programmes: uniform financial services provided for heterogeneous needs; don't reach ethnic minority groups; do not reach poorest or most marginalised; focus on financial rather than social indicators.
	Access to information		NTFP producers do not know where to sell their products and are paid poorly comparatively to market prices

## Annex C: Origin of Emerging Themes

### Bolivia Research Themes

	Central Andes Regional Scan	Bolivia Country Report	Bolivia Workshop Output After Priority Assessments
<b>Narrow theme: Poor as Producers</b>			How can pro-poor value chains be developed?
<b>Broader theme: Poor as Workers</b>			Migration is an increasingly important phenomena, yet is taking place out-with any policy framework
<b>Wide theme: Poor as Marginalised</b>	How can rural education systems be improved? How can rural health systems be improved? How can the business environment be improved? Rural development and the rural ‘middle class’	Human capital Dynamics of poverty Asset transfers at rural level and value chain analysis	How can the human capital of the rural poor be increased? How can the voice of the poor in the policy development and implementation process be strengthened?
<b>Meta-Themes</b>	How can land rights be resolved? What is the best model for investment in research in a small, poor country? Is there a gap in technology provision for the poor? Can local organisations supporting participatory and market research be strengthened? How can financial institutions be encouraged to participate in rural economies Local governance, poverty reduction and globalisation What are the environmental impacts of engaging with GEPS?	Land & institutional environment Economic organisations and the rural economy Linkages between economic organisations and rural poverty Policy and the rural poor Links of the rural poor to external job markets Use of tax revenue and international aid	Land rights How can appropriate business skills be transferred to small producers? What are the appropriate skills & knowledge for rural poor to participate in international job market?



## Egypt Research Themes

	Nile Basin Regional Scan	Egypt Country Report	Egypt Workshop Output After Priority Assessments
Narrow theme: Poor as Producers	Market information systems conveying standards to rural producers Facilitation of cross border trade from rural producers Promotion of standards, information & compliance on products of rural poor Financial market products for the rural poor	How to assist agricultural cooperatives to facilitate market access by the rural poor The market potential of small industries and handicrafts based on Local Raw Materials The opportunities for non-traditional small enterprises	Support to agricultural co-operatives Why are small producers not connecting to new, liberalised markets? What models of small producer – commercial firm linkages exist and & how could ‘best practice’ be disseminated most effectively?
Broader theme: Poor as Workers	Nature, participants and income effects of migration Nature and income contribution of RNFE	How to realise potential of RNFE to create jobs for the poor How to develop rural financial markets to service needs of the poor	How can migration become a more important livelihood option for the rural poor? How can the rural poor access the RNFE?
Wide theme: Poor as marginalised	Socio-economic consequences of water demand management in the Nile Basin Initiative	How to identify the rural poor and redefine ‘rural’ & ‘urban’ areas	How can the voice of the poor in the policy development and implementation process be strengthened? How has liberalisation affected the welfare of the rural poor as consumers?
Meta-themes	How can the concerns of the poor be represented in the Nile Basin Initiative?	How to improve access to land and finance for the rural poor?	
Cross-cutting Issues	Changing role of women as a result of rural poverty		Gender issues in commodity chains



## Honduras Research Themes

	Central America & Western Caribbean Regional Scan	Honduras Country Report	Honduras Workshop Output After Priority Assessments
<b>Narrow theme: Poor as Producers</b>			What are the most viable agricultural value chains for global engagement?
<b>Broader theme: Poor as Workers</b>	Migration: what knowledge & skills would improve access to job markets? How best can this training be provided? What are the social and environmental impacts of migration? How can positive aspects of 5Ts of migration be enhanced?  What are the links between poverty reduction and the fishing industry?	Social, environmental and developmental impact of remittances  Potential for tourism to have an impact on rural poverty	How can the social, economic, environmental and developmental benefits of migration be enhanced?
<b>Wide theme: Poor as marginalised</b>	What are the opportunities created by NAFTA and CAFTA & how can HRD enhance potential benefits?  How can NGO actions have greatest impact on poor people's ability to benefit from global processes?	Impact of international trade on rural communities  Dynamics of poverty  Policy environment and Government organisation  Information management  Skills and knowledge provision to facilitate engagement  How to reform health and education systems to improve their inclusiveness?	How can the voice of the poor (especially ethnic minorities) in the policy development and implementation process be strengthened?
<b>Meta-themes</b>	Impact of land tenure and environmental policies on poverty reduction & conservation?  How can management and implementation of education and health services be delivered more effectively to the rural poor?	Basic human capital needs  Is land reform a mechanism out of poverty?  What are the environmental impacts of changes of land use resulting from engagement with GEP?	How can the human capital of the rural poor be increased?  How can land reform reduce poverty?  Social and environmental impacts of mass migration?
<b>Cross-cutting Issues</b>		How is gender analysis implemented within government?	Extent of implementation of gender analysis in government and impact on poverty reduction programmes?

## Senegal Research Themes

	Sahel Regional Scan	Senegal Country Report	Senegal Workshop Output After Priority Assessments
<b>Narrow theme: Poor as Producers</b>	How to support poor farmers to use ICT to access critical market information? Biotechnology: opportunities and threats for poor rural households?	Supporting farmer innovation to address government failure to support rural producers Document and implement successful rural finance systems Market opportunities for wild products Processing of local food crops to improve international opportunities	How can market information be made available to poor, rural households? How can ‘value chain analysis’ be used to develop local markets for rural produce? How can micro-finance institutions finance productive and sustainable development more effectively?
<b>Broader theme: Poor as Workers</b>		Globalisation, international migration and financing local development Non-farm livelihood and diversification strategies for the rural poor	How can migration become a more important livelihood strategy for the rural poor? How can policy-makers respond to the growth of the Non-Farm Rural Economy?
<b>Wide theme: Poor as marginalised</b>	Governance of the global economy and participation of the poor? Impact of liberalisation trade on poor households in the Sahel? Impact of globalisation on natural resources? Globalisation, decentralisation and participation of civil society in economic processes? Liberalisation, agricultural modernisation and access to land by poor, rural households? Improving equality through economic and social policies Globalisation, food security and pro-poor agricultural policies in the Sahel.	Impact of market liberalisation and globalisation on local natural resources and poor households Trade, security and poverty reduction. Globalisation and the future of the pastoral economy in the Sahel.	How can the rural poor participate effectively in policy processes? What is the role of the rural poor as consumers? What is the comparative advantage of ‘lagging’ regions? How can the rural poor be protected from the adverse effects of global processes?
<b>Meta-themes</b>	How can micro-finance institutions support productive and sustainable development more effectively?	Links between rural people and natural resource assets There is a need to build strong complementarities between the public and private investments to support the participation of the rural poor in GEPs	How can indigenous knowledge and technologies be used to mitigate environmental impact of global processes? How are economic decisions made in poor, rural households? Protecting the poor from the adverse effects of global processes through sound redistributive policies
<b>Cross-cutting Issues</b>		Securing access to key assets by women	

## India Research Themes

	South Asia Regional Scan	India Country Report	India Workshop Output After Priority Assessments
<b>Narrow theme: Poor as Producers</b>	How can commodity / value chains be made to work in the interest of the poor?  Pro-poor livestock systems with a focus on small ruminants  Watershed development – to what extent can WSD ensure sustainable rural livelihoods?	Develop models that integrate poor into global economic processes  Improve supply chains that bypass middlemen  Develop ICT in rural areas	Can a national system of branding represent a ‘stepping stone’ towards a currently unaffordable international market certification system?  Under what conditions can the private sector substitute for the collapse of the public agricultural extension system?  How can the poor be engaged in viable value chains in FFV, small livestock, NTFP, RNFE and fisheries?
<b>Broader theme: Poor as Workers</b>	How to support pro-poor tourism  Seasonal and circular migration  The informal sector and occupational diversification  How can NTFP markets be made pro-poor?	Migration: patterns and social effects; female empowerment; facilities for asset transfer.	How can the positive impacts from migration be increased?  What is the impact of conventional financial institutions providing financial services to migrants and other rural poor?
<b>Wide theme: Poor as marginalised</b>	Promoting markets in remote rural areas	Develop potential for on-site skills training for displaced	How can the deregulation of aspects of the NTFP trade be made attractive to public policy makers?  What is the comparative advantage of ‘lagging’ regions?  How can the voices of the poor be more effectively represented in policy making?
<b>Meta-themes</b>	How do poor households access water? What technologies are involved? Is aggregate demand in alignment with catchment availability?	Could pensions and health insurance products be designed to be accessible to the rural poor?  Pro-poor land market innovations in land-scarce States.	How can the skills of rural migrants be upgraded?  Public investment needed to ‘pump prime’ private investment  The impact of corruption on government institutions and their ability to deliver services to the rural poor.
<b>Cross-cutting issues</b>	Women’s rights to natural resources and equal wages	Develop flexible models of credit for rural poor  Map environmental degradation to evaluate carrying capacity	Can livelihood finance become accessible to the poor?

## Uganda Research Themes

	Nile Basin Regional Scan	Uganda Country Report	Uganda Workshop Output After Priority Assessments
Narrow theme: Poor as Producers	<p>Market information systems conveying standards to rural producers</p> <p>Facilitation of cross border trade from rural producers</p> <p>Promotion of standards, information &amp; compliance on products of rural poor</p> <p>Financial market products for the rural poor</p>	<p>Improved financial services for poor rural households</p> <p>Supply chains as a vehicle for accessing markets sustainably</p>	<p>How can supply chains provide a vehicle for assessing markets on a sustainable basis?</p> <p>Market information is vital for the rural poor and the potential role of the media and technology in providing the conduit for this is critical</p> <p>Provision of economic infrastructure to support business development</p> <p>Sociology and business ethics in the supply chain</p>
Broader theme: Poor as Workers	<p>Nature, participants and income effects of migration</p> <p>Nature and income contribution of RNFE</p>		<p>What is the impact of remittances of poverty, gender relations and local development?</p> <p>How can migration become a more effective tool for local development in rural areas?</p>
Wide theme: Poor as marginalised	Socio-economic consequences of water demand management in the Nile Basin Initiative	<p>Enhancing dialogue between private sector and local government to enhance business environment</p> <p>Conflict economy in Northern Uganda</p>	<p>How can local government engage with the private sector at the local level to establish a more positive business environment?</p> <p>What is the future local economy of post-conflict 'lagging regions'?</p>
Meta-themes	<p>Changing role of women as a result of rural poverty</p> <p>How to enhance the environmental management of development initiatives?</p>	<p>How can the activities of charcoal producers be regulated to minimise environmental degradation?</p> <p>How can local government engage with the private sector at the local level to establish a more positive business environment</p> <p>How can access to financial services be improved?</p>	
Cross-cutting Issues			Main streaming of gender issues through the identification of commodity chains that are dominated by women.

## Vietnam Research Themes

	Mekong Regional Scan	Vietnam Country Report	Vietnam Workshop Output After Priority Assessments
<b>Narrow theme: Poor as Producers</b>	Upland agriculture Value chain analysis (NTFPs, aquaculture in mangrove areas, etc.) Community Based Natural Resource Management	Community forestry management Credit system Indigenous knowledge and NTFPs Fisheries Shrimp farming and the impact on the poor and the environment Rural enterprise development	How can the need of small farmers for collective action and support be met? Can community forestry contribute to poverty reduction? How to support value chain development for commodities that women and the poor are already engaged? How should policy change move from narrow preoccupation with food security to a broader rural development agenda?
<b>Broader theme: Poor as Workers</b>	Migration Pro-poor tourism	Tourism and poverty reduction Social impacts of migration and the labour market Migration and the labour market	How can migration be more pro-poor and have fewer social costs? Can tourism be more pro-poor in the Mekong Region?
<b>Wide theme: Poor as marginalised</b>	Pro-poor land administration Remote rural areas Livelihood systems of ethnic minorities and indigenous people Indigenous resource governance systems Improved governance of coastal fisheries		Moving from a narrow preoccupation with food security to a broader rural development agenda – how should policy change?  How to develop markets in remote, highland regions?
<b>Meta-themes</b>	How can indigenous knowledge be used to improve livelihoods without depleting the natural resource base?		Problematic access to sufficient micro-credit to establish production facilities Weak local authorities are adopting inappropriate planning and regulatory policies
<b>Cross-cutting Issues</b>	Indigenous knowledge systems Gender	Women's access and control over resources	Ethnicity, gender and indigenous knowledge



## Annex D: Detailed Country Workshop Themes

### Bolivia Country Workshop report

La Paz 4<sup>th</sup> April 2006

#### Workshop Programme

The Bolivia country workshop was held on 4<sup>th</sup> April 2006 in La Paz. A total of 75 people were invited from a range of public and private sector organisations, NGOs and local community groups. In total 72 people confirmed that they would take part in the workshop, but unfortunately there was a public transport strike on the day of the workshop and only 35 people took part. The workshop programme involved presentations from the scoping study team and presentations from producers, private and public sector organization. In the afternoon the participants split into working groups and presented reports at the end of the afternoon.

The agenda covered issues such as the balance between advocacy to change the terms of incorporation of the poor into globalised markets versus finding ways to react to those terms. Specific issues raised by Steve Wiggins and used as a basis for the working groups were:

- whether the poor could be assisted directly as producers, or only indirectly as workers for others or as straightforward recipients of transfers;
- for those poor producers, the issues of the skills and technology, access to finance, marketing skills and land;
- and spatial questions of where urban-rural links may help.

Two cross-cutting themes were introduced which were:

- Gender differences and issues; and
- Environmental concerns.

The presentations were focused by the private sector and project support groups on working in rural areas to stimulate agricultural and livestock production that was focused on good national markets and where possible international markets. Given that most development projects in Bolivia have focused on value chains and in particular export value chains, this was hardly a surprise. However, as commented by other researchers such as CIOEC, Rodrigo Paz, Rommy Viscarra and Jonathan Rushton this focus is not inclusive of all poor rural people and a large majority of people are simply not involved in the value chain focus development efforts. The explanation for this can be found in the above document and clearly relates to poverty in human, physical, natural, financial and social capitals.

In addition to the value chain focus a producer (Antolin Salazar) from an isolated and poor area of Potosi (high Andes) presented how he and his family coped with their circumstances. He described his activities as a llama herder and a temporary building worker in cities close to his area. He described discrimination and exploitation in his work in the city, where he was paid between 25 to 30% less than other workers. It needs to be recognised that Don Antolin is from one of the better off families in his community, in that region many other families are much worse off and less able to participate successfully in markets, be they or products or the general job market. Finally, a presentation was made by Diego Muñoz, which set out a new project that involves bring rural research closer to a policy making environment. This project has now been approved for funding by the DFID Central Research Department. It will be implemented by CIAT and CIP and also involve a local partner. It is understood that the management team of this project would be very interested to collaborate with IDRC in future research efforts.

## Working Groups

The participants were given the following choice of groups and associated questions. Each participant was given the liberty to choose which group he or she wanted to participate in.

### Group A: Abilities, skills and technology generation

- What are the key abilities and skills required to participate in global economic processes?
- How does one generate technology to such participation in global economic processes?
- How easy and to what point it is possible to obtain technology from other countries?
- Will the majority of the poor people participate in global economic processes as producers or as workers?

### Group B: Investment and commercialisation

- What are the difficulties when making investments?
- How can one create conditions to encourage more investment?
- In the agricultural sector, what land rights are needed to stimulate investment, in particular in the smallholder sector?
- How can one improve the value chains so that the activities associated with them benefit poor rural people?
- Will the majority of the poor people participate in global economic processes as producers or as workers?

### Group C: Favorable geographic growth for the rural poor

- Where are the best options for poor rural people to be found – local, national, regional or domestic markets?
- What are the roles of the urban economy and links between urban and rural areas in rural development?
- How can links between rural areas and cities be improved and stimulated to create benefits for poor rural people?
- What is the role of the non-farm rural economy in rural development and how can it be stimulated?

### Cross cutting questions:

When answering the above questions the participants were requested to think about:

- Gender - What are the gender differences and dimensions that need to be taken into account?
- Environment and natural resources – Are there environmental implications that need to be taken into account?

## Working group reports

### Group A: Abilities, skills and technology generation

1. Organisation
  - Skills in management and implementation particularly in
    - i. Use of capital
    - ii. Marketing

2. Information
  - Education
  - TIC
3. Competitive production with an emphasis on:
  - Comparative advantages
  - Quality
  - Volume

In general the need for a favourable public policies  
Roles and common objectives of:

- Public and private institutions
- Public and private Universities
- Foundations
- Institutes and centres supporting rural development
- Standards and Norms – emphasis on the national body for setting these IBNORCA
- Policies and incentives – institutional framework

This requires policies that are

- Appropriate for each environment
- Help in promote inputs and competitiveness
- Utilise to the full comparative advantages
- Assure food security

There is a need to coordinate and articulate these issues and the suggestion to satisfy technology by demand. The suggestion was the need for a **Network of Suppliers of Technology**.

The ideal is that the poor rural people participate in global economic processes as **PRODUCERS**

### Environment

- The State should apply and enforce laws and regulations
- The role of the state is the protection of natural resources both non-renewable and renewable
- Policies are required that provide incentives to productive and conservation regions
- Development of regulations and directives for the management of resources and inputs

### Gender

- Need for the recognition of the role and productive skills of women
- The wide differences between the different groups within the rural poor
- Policy of equality in education between these different groups
- Differentiated training for women in subjects that are important and of interest to them
- Facilitate and enable women's participation and identify specific roles for ethnic groups
- Work in raising awareness and self esteem

### Group B: Investment and commercialisation

What are the difficulties when making investments?

1. High interest rates that are not competitive
2. The need for adequate financial tools
3. The need for credit technologies such as risk capital

In the agricultural sector, what land rights are needed to stimulate investment, in particular in the smallholder sector?

1. Need for improved access and rights to land in order to stimulate commercial and productive activities

How can one improve the value chains so that the activities associated with them benefit poor rural people?

1. Participation of the producers during the identification of the chain
2. The need for a market focus and a recognition of the importance of the consumer
3. The need for better:
  - Information
  - Negotiation capacity

A problem highlighted was the general lack of good information and data on the agricultural sector.

### **Group C: Favourable geographic growth for the rural poor**

Where are the best options for poor rural people to be found – local, national, regional or domestic markets?

- The product should determine the strategy, with an analysis by product required. This would allow strategy development on a case by case basis that will include which markets the products will be targeting.

What are the roles of the urban economy and links between urban and rural areas in rural development?

- It is important to recognise that there are geographic differences with poverty in the high Andes (Altiplano) being different from that in the valley tropical regions of the country.
- There is a need to create a receptive environment for the formation of technical skills (mechanics, bakers, chefs, etc). There are no studies on what is demanded by poor rural people in terms of such skills.
- There should be analysis of the regions in the country that are attracting people and those that are losing them. For the latter group there is a need for policies to improve the urban areas in these regions.

How can links between rural areas and cities be improved and stimulated to create benefits for poor rural people?

- It is necessary to respond to the following question – Are rural links always needed between the capital city, large urban centres or only to the local urban populations?
- To stimulate links public finance should support families and offer health coverage

What is the role of the non-farm rural economy in rural development and how can it be stimulated?

- There is a need to improve rural infrastructure, particular basic services and have policies that encourage investment. Tourism is an important aspect for NFRE.

**Gender:** Generally programmes that involve women have a better impact

**Environment:** Revision of land laws and title. Better education on environmental protection and conservation

### **Comments from Steve Wiggins and Jonathan Rushton on the working groups**

The agenda set out was only partially answered or dealt with. Steve felt that rural-urban links were not an important discussion point in the workshop. This perhaps reflects that these issues are not seen as that important in the types of work the participants are involved in, or it is a new subject. However, it was a subject mentioned by group C.

The participants focused on messages based on their experiences. There was relatively little discussion about how the conditions set at international and national levels affecting the poor might be changed. This is probably related to how the participants see their own roles in

development as passive actors of implementation rather than movers and changers of the institutional environment in which they are found. Personal experience of this environment and at times trying to fight it, would suggest that there is little to be gained from fighting the systems in Bolivia, unless you want to make enemies. This type of insight is difficult to appreciate as an outsider.

The idea that perhaps creating jobs was likely to be more important to the poor was not explicitly seen as a main way to alleviate poverty. The consensus was that the poor should be encouraged in small-scale farms and businesses. This would probably relate to the types of project that many of the participants are involved in where the work is with the poor with assets and not with the working and non-working poor without assets. A conclusion from this is that many of the poor are left behind by the strong government and internationally funded initiatives because they do not fit within the development and value chain approaches. Alternative methods of reaching these poorer groups are available, but are not that popular because they involve medium to long term field commitment and large investments in staff. Returning to big (or bigger) government is still not a popular idea, despite the relative lack of success of current approaches in reducing poverty in countries such as Bolivia.

## Organisations invited to the workshop

Organisation invited	Assisted
CAADI Centro Andino Amazónico de Desarrollo Indígena	No
PRO RURAL	No
AGRO DATA	Yes
CATIE Bolivia	No
REDES	Yes
FAM Bolivia	Yes
Federación de Asociaciones Municipales Bolivia	Yes
Academia Nacional de Ciencias de Bolivia	No
Superintendencia Agraria	No
INRA (Instituto Nacional de Reforma Agraria)	No
Institut de Resercher pour le Development IRD	No
Mancomunidad de Municipios de Los Yungas de La Paz	Yes
Mancomunidad de Municipios del Norte Paceño Tropical	Yes
CIOEC	No
UDAPE (Unidad de Políticas Económicas y Sociales, Viceministerio de Hacienda)	Yes
ANAPQUI (Asociación Nacional de Productores de Quinua)	No
ACRA	No
IICA	No
CEPROBOL (Centro de Promoción Bolivia)	Yes
AOPEB (Asociación de Organizaciones de Productores Ecológicos de Bolivia)	Yes
USAID Departamento Oportunidades Económicas	No
Proyecto MAPA – USAID	No
COSUDE	No
SNV	No
CARE Internacional	YES
Proyecto Piloto Camélidos	No
FOBOMADE Foro Boliviano sobre Medio Ambiente y Desarrollo	No
Unidad de Productividad y Competividad	No
DFID	Yes
Relieve the Hunger	Yes
Fundación PUMA	No
Proyecto Cebolla Dulce FDTA Valles	No
FDTA Valles	Yes
FDTA Tropico Humedo	Yes
Fundación TIERRA	No
Secretaría PL 480 título II	No
SIBTA	No
Unidad de Coordinación del Programa de Servicios Agropecuarios	No
FUNDA PRO	No
PADER Promoción al Desarrollo Económico Rural	Yes
FIN RURAL	No
PIEB	No



Organisation invited	Assisted
AFIPC Asociación Federativa Integral de los Productores de los Cintis	Yes
DELACH Desarrollo Economico Local Agropecuario de Chuquisaca	Yes
CIPCA	Yes
Consejo de Salud Rural Andino CSRA	No
UTS Unidad de Tecnología y Sanidad	No
FIT	Yes
FONDESIF	Yes
INASET Instituto de Asistencia Social, Económica y Tecnológica	No
PRODEM	No
PROFIN COSUDE	No
PROINPA Altiplano	No
REMTE BOLIVIA	Yes
Red Mujer y Economía Bolivia	Yes
Organización de Mujeres Aymaras del Kollasuyo OMAK	No
Ministerio de Salud	Yes
Servicio Nacional de Caminos	No
Viceministro de Asuntos de Género y Generacionales	No
UCB Unidad Académica Campesina Tiahuanacu	Yes
ANED	No
ECOBOL (Empresa Boliviana de Correos)	Yes
SENATER (Servicio Nacional de Telecomunicación Rural)	Yes

## Bolivia Emerging Research Themes

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
How can pro-poor value chains be developed?	<ul style="list-style-type: none"> <li>What are poverty dynamics between different poor groups?</li> <li>What are the barriers to private sector participation in rural areas?</li> <li>Need to improve economic infrastructure in rural areas</li> <li>What are the impacts of links between rural poor and rural economic institutions that participate in global economic processes?</li> <li>How can the rural poor access appropriate market information, standards required?</li> <li>How to encourage a more commercial outlook and competitive focus?</li> </ul>	Identified in RS and confirmed in CR and workshop.
<b>Workers</b>		
How can the human capital of the rural poor be increased?	<ul style="list-style-type: none"> <li>How can discrimination (urban &amp; non-indigenous bias) in services for the development of human capital be reduced?</li> <li>What are the appropriate skills and knowledge needed for the rural poor to participate in global economic processes?</li> <li>What are the appropriate mechanisms to develop knowledge and skills in rural areas?</li> </ul>	Identified in RS and confirmed in CR and workshop.
Migration is an increasingly important phenomena, yet is taking place without any policy framework		
<b>Marginal Producers</b>		
	<ul style="list-style-type: none"> <li>How can discrimination against rural and indigenous consumers of public services to enhance human capital be overcome?</li> </ul>	

Research Theme	Specific Research Questions	Origin of Theme
	<ul style="list-style-type: none"> <li>How can public policy be more receptive to the rural poor and how can policy be influenced by research?</li> </ul>	
<b>Cross-cutting theme</b>		
Land rights	<ul style="list-style-type: none"> <li>Within the current land laws and their application what are the social, economic and environmental impacts of poor rural people participating in global economic processes?</li> <li>Within the context that opportunities created by global economic processes produce land conflicts, how can these conflicts be better understood and resolved?</li> </ul>	Identified in RS and confirmed in CR and workshop.
How can the voice of the rural poor in policy development and implementation be strengthened?	<ul style="list-style-type: none"> <li>How can public policy be more receptive to the rural poor?</li> <li>How can research results on rural poverty be used to influence policy?</li> <li>How can tax revenues and international aid be used more effectively to ensure that poor rural people participate freely in global economic processes?</li> </ul>	Identified in RS and confirmed in CR and workshop.
Factors of Production	<ul style="list-style-type: none"> <li>How to improve access to finance for entrepreneurs?</li> <li>How can appropriate business skills be transferred to small producers? What are the appropriate skills &amp; knowledge for rural poor to participate in international job market?</li> <li>Urgent need to improve rural education and health services to improve human capabilities of rural poor. Within the current land laws what are social and economic impacts of poor rural people's participation in global processes?</li> </ul>	
Environment & Natural Resource Management	<ul style="list-style-type: none"> <li>What are the environmental impacts of engaging with global economic processes?</li> </ul>	

# Egypt Workshop Report:

Cairo, 27th of April 2006

## Participation:

The Egypt Country Report was available to participants before the workshop convention in Arabic and English according to language preference. 28 participants attended the workshop (see list in Annex A). Invitations were made to three groups of participants: experts in the linkage between the rural poor and global processes; governmental and nongovernmental decision makers and representatives of relevant organizations. Attendance was reduced as a result of anti-government protests that engulfed Cairo on the day of the workshop. The workshop proceedings continued from 10:30 a.m. to 5:00 p.m. as follows:

## **First Session:**

Welcome and opening speeches

Presenting the study's general framework and background (see presentation attached by Jonathan Mitchell)

## *Discussion Points:*

- The IDRC aim of transformational research was explained to convey the notion that this study is focused upon financing research but that this research will be action orientated with the explicit aim of directly benefiting the lives of poor people – rather than being pure academic research;
- Small enterprise development will be supported through action research, capacity building of Southern institutions and attempts to influence the policy agenda to create a more conducive enabling environment for enterprise development.

## **Second Session:**

Presenting the regional report (see presentation attached by John Howell)

## *Discussion Points:*

- Some of the participants thought of Egypt as not to be included in the regional category of the Nile Basin countries because it has different economic, social, cultural and natural circumstances from other countries in the Nile Basin – specifically in Sub-Saharan Africa. It was explained that the Nile Basin Region was an administrative construct. All the IDRC regions contain countries that are different from each other – as well as sharing similarities. It is these differences that create the opportunities for intra-regional learning;
- Some of the workshop participants emphasized on the development of such credits and on their importance to poverty eradication. The failure of micro-credit programs is not seen as inherent to their nature, but rather to the macro framework pre-conditions for the success of such credits. Some participants regard the presence of development friendly macro policies that can employ these credits on the micro level and the accurate direction of these credits toward the targeted poor as critical factors in the success of MFI initiatives (several commentators disputed whether small farmers benefit from micro-credit initiatives). There are, of course, many different views on these assertions;
- The ability of the rural poor to participate in the great globalization project has been constrained by the dismantling of the rural cooperatives throughout Egypt. It is these organizations that support the poor to access markets;
- The limited implementation of research and technology in commercial applications was attributed to deficiencies in the marketing culture in Egypt. Others regarded the 'top down' model of

technological application as the main impediment to technological transfer and the failure of technology to take account of local raw materials;

- The relationship between rural and urban areas is undergoing transformation. Many formerly rural villages have been absorbed into cities and the growth of the Rural Non-Farm Economy is transforming rural areas. There is now even reverse commuting with urban residents commuting daily to jobs in rural areas. The nature of the 'urban' and the 'rural' area has changed and there is a need to change administrative definitions to reflect these changes;
- Liberalization has reduced the cost of corn in Egypt, which has negatively affected some producers. Some participants felt this justified price support for agricultural staples. Some participants felt that liberalization has increased the price of commodities, which has negatively affected consumers;
- Many of the poor in the 4 500 Egyptian villages have insufficient land;
- The critical issue is not how to integrate the rural poor into global processes (which often has negative consequences), but rather how to integrate them into the community as a first step. Agricultural cooperatives and the Social Fund have a significant impact on the welfare of the poor. In their absence, there is a tendency for the globalization to exacerbate existing social and economic inequalities because 'trickle down' mechanisms are not working;
- There was active debate about how to define the rural poor and whether indeed Egypt had poor rural people. The Koran imposes an obligation on the rich to donate funds to the poor, which some participants believed resulted in the absence of poverty in Egypt. There was a more widespread feeling that only using income criteria to define poverty was inadequate and does not capture of factors such as access to social services and human capabilities (a la Sen).

Presenting the country report (presentation attached by Magda Ghonem)

#### *Discussion Points:*

- There are example of mutual benefit from partnerships between large commercial organizations and small farmers involving fruit production, largely for export. The large company has contracted 500 small farmers and they have benefited in terms of increased incomes, health and education. This has been achieved within the existing legal framework;
- In 1970s Egyptian cooperatives channeled the political voice of the poor and, together with unions, focused on economic issues and defending the rights of the rural poor (unions focused on political issues and cooperative economic issues). These institutional structures are critical because they deal with social as well as economic issues and provide important support to the rural poor. Economic liberalization has diminished the role of the cooperatives dramatically. Participants generally felt that reinvigorating the role of coops was an important step to support small farmers – although there is a need for the three main cooperatives to work more closely together;
- Mechanization is taking place on Egyptian farms, even small ones, because of difficulties to securing agricultural labour. Farm work is not seen as attractive to the youth. Farm fragmentation is a serious problem that is undermining the viability of the small Egyptian farm. There are serious environmental constraints to expanding the cultivated area (i.e. lack of water, etc) and the policy priority is to increase farm size to increase the viability of the sector;
- The FAO representative strongly advocated value-chain analysis as a method to identify practical constraints (and recommendations to counter) accessing global markets. Whilst there is often a focus on demand-side barriers to trade, the real constraints are often on the supply side (for instance, many developing countries cannot take advantage of preferential trade agreements with developed markets for bananas, sugar, etc).

#### **Third Session:**

Presenting the research themes (Jonathan Mitchell)

The following research themes were presented as reflecting the ideas emerging from the Regional Scan, Country Report and the discussion at this Country Workshop this morning:

1. Should migration become a more important livelihood strategy for the rural poor? (i.e. impact of remittances on poverty & gender, remittance transaction costs, migration and skills development and policies less hostile to migration);
2. Improving access to land by the rural poor? (Can land reform improve access to viable farms by the rural poor, is lack of land the issue constraining production?);
3. Why are small farmers not connecting to new, liberalized agricultural markets? (i.e. are small farmers uncompetitive, has diminished role of co-ops reduced ability to access markets, is there restricted access to other factor markets, is there discrimination from established farmers);
4. What kind of support for poor farmers will allow them to meet environmental standards? (i.e. mobile laboratories, group certification, market intelligence, etc)
5. Are poor rural voices heard in the policy process? (are the rural poor a policy priority, how can civil society be supported to advocate their concerns);
6. Small enterprise development? (i.e. potential of NFRE to diversify livelihoods of the rural poor and support required to access markets)
7. What is the potential of the NFRE to diversify the livelihoods of the poor? (i.e. what is happening to NFRE and can the 'sector' absorb landless rural poor?);
8. How can cooperatives and other institutions be supported to strengthen capacity of rural poor to engage successfully in the market economy?
9. How can linkages between large and small agricultural organization be encouraged? (i.e. how to incentivise meaningful partnerships);
10. Use of global value chains to better understand individual commodity value chains?

### Research Themes:

There was a lively discussion around the emerging research themes above. The following points seek to capture some of the salient points from the discussions, there is a:

- need to **redefine the urban and rural areas** (in Egypt many functionally 'urban' areas are officially defined as 'rural' because the classification is old). The changing nature of urban and rural areas is striking, for instance the urbanization of the Egyptian village and changes in the use of building materials;
- **Gender status issues** are an important issue missing from the list above;
- need for a **developmental** – rather than an academic – approach to research. There was strong support for an approach that delivers tangible benefits to the poor in the most deprived rural areas;
- significant need to beneficiate products to add value to primary products (an example of an olive oil project with Iowa University was cited);
- recognition that simply imposing themes developed elsewhere onto Egypt is unlikely to work.
- The urgent priority is to support cooperatives (including amending laws to increase the freedom of cooperatives). This is a useful institutional entry point to productive strategies and could focus on the urgent need in Egypt to move from a democratic organization to a more commercial orientation – without losing the rural poor in the process (this raises important public policy issues);
- urgent need to defend Egypt's cultural and technical heritage through, for instance, marketing handicrafts exports overseas;
- clear priority to look at research themes relating to migration and small farmer engagement with global markets. These themes are related in that migration is a consequence of the failure of the small farm sector. In the past there has been an over-emphasis on supply side, production issues.



Now there is a need to work on the demand side and examine the effect of rapidly changing consumption patterns. Restrictions on migration can be seen as a market failure because economies can only realize their true comparative advantage with a free movement of goods and services but also factors of production (including labour);

- need for IDRC programme to develop models of entities that can absorb under/unemployed rural labour. There is useful experience in Egypt from which to learn such as the WFP has relevant programmes, the World Bank Local Development Programme is linking small horticulturalists with market chains;
- The decentralization initiative is closely linked with the imperative to strengthen the voice of the rural poor. It was suggested that much international development assistance in Egypt fails to work because it never reaches the intended beneficiaries (i.e. is appropriated by government), it is important that the rural poor have organizations to represent their interests adequately. If not there is a danger that policy-relevant research will have little impact in Egypt because of demonstrable weakness in implementing already existing policies;
- Land tenure remains an important issue for poor rural Egyptians. The regional IDRC representative described this theme as a hopeless case in the sense that an enormous amount of research has been done on the subject with precious little to show for it. There is a need to respond to the fragmentation of farms and it might be productive to examine mechanisms to encourage on-renting (i.e. lease contracts); and
- Research themes should start with 'how can' rather than 'why' because the former will tend to result in a clear strategy.

## **Annex A –**

### **Workshop Participants**

1. Abo El-Abas Othman, Chairman of the General Multipurpose Agricultural Cooperative
2. Ahmed Shakal, Chairman of Central Cooperative for field crops Marketing in Menya Governor
3. Ali Oda, Chairman of Central Agricultural Cooperative in Monofia Governorate & Member of Shura Council
4. Dr. Atef Goda, Department of Agricultural Economy, Faculty of Agriculture, Ain Shams University
5. El-Sadawy Abdelwahab, General Cooperative for Potatoes Producers
6. Prof. Dr. Essam Elbadry, Faculty of Agriculture, Ain Shams University
7. Prof. Dr. Fakhri Shohsa, Chairman of Scientific Association for Egyptian Co-operators
8. Farid Abdel Shafy, Chairman of Central Administration for Agricultural Cooperation & Rural Development, Ministry of Agriculture
9. Fathi Salah, Chairman of General Cooperative for Beet Producers
10. Prof. Dr. Gamal Rashed, Director of Agricultural Extension & Rural Development Center, Asiout University
11. Prof. Dr. Gamal Siam, Center of Agro-economic Studies, Faculty of Agriculture, Cairo University
12. Prof. Dr. Hamed Al Mosely, Chairman of the Egyptian Society for Endogenous Development of Local Communities
13. Prof. Dr. Ibrahim Moharam, Chairman of Central Productive Cooperative Union & Ex –Chairman of the Organization for Reconstruction and Development of Egyptian Villages
14. Dr. Magda Ghonem, Egypt Researcher, ODI
15. Ibrahim Saad, Chairman of Central Agricultural Cooperative in Sharkia Governorate
16. John Howell, North and East Africa Co-ordinator, ODI
17. Jonathan Mitchell, Scope Study Co-ordinator, ODI
18. Dr. Lamiaa El-Fattal, Program Officer, IDRC, Regional Office for the Middle East And North Africa
19. Lise Alrechtsen, FAO Regional Office for the Near East
20. Prof. Dr. Mahmoud Abdul Fadeel, American University in Cairo
21. Prof. Dr. Mahmoud Al-Oedemi, Economic Studies Unit, Ain Shams University
22. Prof. Dr. Mahmoud Mansour, Faculty of Agriculture, Azhar University & Advisor of the General Cooperative Union

23. Mohammed Abou Shousha, Cooperation Journalist for Agricultural Affairs
24. Masoud Adly Masoud, Central Administration for Agricultural Cooperation & Rural Development, Ministry of Agriculture
25. Mohammed Wahba Abou Elmaaty, Central Administration for Agricultural Cooperation & Rural Development, Ministry of Agriculture
26. Mohammad Radwan, Chairman of Central Agricultural Cooperative in Fayoum Governorate
27. Dr. Marwan Owaygen, Senior Program Officer, IDRC, Regional Office for the Middle East And North Africa
28. Prof. Dr. Mohammad El-Kheshen, Higher Institute for Agricultural Cooperation
29. Prof. Dr. Mohammed Abdelsalam Ewida, Faculty of Agriculture, Mansoura University
30. Mostafa Abou Amer, Chairman of the Central Cooperative in Behaira Governorate
31. Nadin Al Hakim, WFP, Cairo
32. Dr. Nasr Eddin Elamin, FAO, Cairo
33. Prof. Dr. Samir Mustafa, National Planning Institute
34. Saleh Agary, Manager of Central Cooperative for Cotton Exporting in Gharbia Governorate
35. Saleh Hegazy Basiouny, Chairman of Central Agricultural Cooperative in Gharbia Governorate

### Emerging Research Themes: Egypt

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
How can agricultural co-operatives be restructured to become commercially viable & still facilitate market access for rural poor?	<ul style="list-style-type: none"> <li>Can cooperatives restructure to become more commercial without losing their poor, rural constituency;</li> <li>How can cooperatives support market access for the poor?</li> </ul>	This theme was very prominent in the Country Report and workshop due to diminished role for Egyptian co-operatives under liberalised regime (not mentioned in the Regional Scan).
What models of small producer – commercial firm linkages exist and & how could ‘best practice’ be disseminated most effectively?	<ul style="list-style-type: none"> <li>Will examining range of partnerships encourage replicable models elsewhere?</li> <li>Can models be structured that allow an adequate balance of risk and reward for poor, rural members of the partnership?</li> </ul>	Not mentioned in the RS or CR but prominent in the workshop.
How can small producers often failing to connect to new, liberalised markets?	<ul style="list-style-type: none"> <li>Do small producers lack access to factor markets (particularly land) or other supply-side issues - or is the problem on the demand side?</li> <li>What is the potential for developing new niche markets, like traditional handicrafts?</li> </ul>	Identified in workshop (not RS or CR).
<b>Workers</b>		
How can migration become more important livelihood option for the rural poor?	<ul style="list-style-type: none"> <li>What are the gender and poverty impacts of remittance income in poor rural areas?</li> <li>How to change policy of marginalisation of migrants?</li> </ul>	Highlighted in RS and strong support at workshop.
How can the rural poor access the Non-Farm Rural Economy?	<ul style="list-style-type: none"> <li>Can the NFRE absorb landless or land constrained rural poor?</li> </ul>	Mentioned in the RS & CR but not prominent in the workshop.
How has liberalisation impacted on the welfare of the rural poor as consumers?	<ul style="list-style-type: none"> <li>What is the net impact of price changes resulting from liberalisation on rural poor?</li> </ul>	Not mentioned in the RS & CR but discussed in the workshop.
<b>Marginal Producers</b>		
What policy implications would a review of the official categorisation of ‘urban’ and ‘rural’ areas (in some cases obsolete due to rapid	<ul style="list-style-type: none"> <li>Has urbanisation in Egypt rendered dated categorisations of land as obsolete?</li> </ul>	Highlighted in the CR and the workshop, but not directly relevant to this study due to lack of linkage either with the rural poor or global processes.

urbanisation) have on marginal producers?		<b>Exclude</b>
How can the concerns of the poor be represented in the Nile Basin Initiative?	<ul style="list-style-type: none"> <li>Can RPE support the social element of the NBI to ensure that the interests of the rural poor are protected?</li> </ul>	The international theme was identified in the RS but not in the CS and was not picked up in the workshop – largely on the basis of anti-African sentiment.
<b>Meta-Themes</b>		
How can rural financial markets be developed to service the poor	<ul style="list-style-type: none"> <li>Is there a gap between the supply and effective demand for micro-finance?</li> </ul>	Featured strongly in the CR and workshop discussions.
How can the rural poor access sufficient land for viable holdings?	<ul style="list-style-type: none"> <li>What are the livelihood options for poor rural Egyptians with unviable small agricultural holdings?</li> </ul>	Featured strongly in the CR and workshop discussions.
How can the voice of the poor in the policy development and implementation process be strengthened?	<ul style="list-style-type: none"> <li>Can the empowerment of civil society structures strengthen the implementation of existing progressive decentralisation policies and laws?</li> </ul>	Identified strongly at workshop (not in RS or CR).
Environment & Natural Resource Management:	<ul style="list-style-type: none"> <li>How can the concerns of the rural poor in the Nile Basin Initiative be articulated and represented, compared with other water-user groups? Tight environmental constraints (e.g. land and water) to expanding the cultivated area.</li> </ul>	
<b>Cross-cutting Issues</b>		
Gender issues	<ul style="list-style-type: none"> <li>Locate and strengthen women-dominated commodity chains</li> </ul>	Identified strongly at workshop (not in RS or CR).

1. Methodological issue, research themes should directly contribute to livelihoods of the poor and be developmental – rather than be academic in nature;
2. Important definitional issues relating to ‘who are the poor?’ and strong support for a multi-dimensional definition of poverty; and
3. strong advocacy of value-chain analysis to analyse barriers to accessing global markets

# Honduras Country Workshop report

Tegucigalpa 26<sup>th</sup> April 2006

## Workshop programme

The Honduras country workshop was held on 26<sup>th</sup> April 2006 in Tegucigalpa. A total of 65 people were invited from a range of public and private sector organisations, NGOs and local community groups. In total 59 people participated in the workshop. The workshop programme involved a presentation by Jonathan Rushton on the scoping study's objectives, methodology and emerging findings. This was followed by an explanation of group work by Adrian Barrance. The participants then divided into three groups and reported back in the afternoon.

## Group Reports

The workshop participants were given three core topics:

- Human capital – education, health & nutrition
- Local organisation – public, community, private and NGO
- National context – policies, organisations, laws, aid agencies

Within each topic they were asked to:

- Subjects
- Problems
- What needs to be known and understood
- Cross-cutting issues – gender, environment
- Give a priority to the problems

Participants were allowed to choose which group they wanted to work in and after discussions of around 3 to 4 hours reported back in a final workshop session. The results are presented below.

## Group 1 – Human Capital

Key issues

1. Knowledge – integrated and participatory education.
2. Nutrition
3. Health

Problems and questions

2. For families and women what are their current policies, strategies and databases when they participate in economic and social activities? (Formal and informal sector)
3. How are we creating opportunities? How can HDI be improved?
4. How can actions and mechanisms be created and promoted which ensure that young people both trained (technical levels and general vocations) and unskilled have access to work?
5. How can successful studies and experiences be validated, documented and disseminated?
6. How can one plan and implement development policies and strategies?
7. How can local and national development projects be controlled, monitored and evaluated with a participatory emphasis?

## Group 2 – Local organisations

What factors are not being fulfilled that have an impact on general conditions in society?

- Skills and knowledge
- Physical and financial resources
- Productive options
- Infrastructure
- Organisational and legal support
- Social benefits and safety nets

There is a lack of coordination and monitoring:

- Why do local governmental organisations not coordinate their actions? What factors limit coordination for actions that could have benefits for the poor in society?

There is a lack of political will to implement agrarian reform programmes.

Strengthening of organisational capacity in local government

The participation and strengthening of other organisations working at local level

The creation of groups with abilities in planning and implementation at local level

Why despite the implementation of so many projects does poverty still exist?

The strengthening of social infrastructure in medium sized urban centres.

The creation of jobs for income generation.

What type of jobs would have a positive impact on poverty and a neutral or positive impact on the natural resources?

Identify and attack the causes of poverty

Take advantage the smallholder producer organisations' capacity to define what to do.

What factors are limiting the empowerment of the main actors?

How to strengthen the social auditors at all levels?

How can sustainability of actions be achieved?

What impact does migration of young people have on community development?

What are the economic, social and environmental impacts of remittances?

In what other areas can investments be made outside the agricultural sector?

How can conditions for the agricultural sector be optimised to make this sector attractive for young rural people as potential development opportunities?

How can remittances be best used and their use in consumerism be avoided?

How people sending money be linked with productive and community based actions?

How can producer organisations be linked to dynamic markets? How can these organisations become competitive? How can market studies include aspects to support these aspects of producer organisation support?

## Group 3 – National Context

Group members

1. Rolando Bú, FOPRIDEH
2. Jacqueline Chenier, AHNAFAE
3. Bessy Vásquez, Fundación Democracia sin Fronteras
4. José Luis Beltrán, PESA-FAO
5. Adalberto Osorto, SAG, Ministry of Agriculture
6. Carolina Salgado, BANADESA
7. Ivan Rodríguez, SWISSCONTACT
8. Octavio Sánchez, ANED Consultores
9. Carlos Gallegos, World Bank



Subject	Problems	What do we need to know	Cross cutting issues
Priority - 1 Quality of the education system	<ul style="list-style-type: none"> <li>- There is a need to present a reform of the education system.</li> <li>- If 30% of the national budget is spent on education it is necessary that the government put more force into the system with a focus on VIDA</li> <li>- The challenges of globalisation raise challenges for education and the need for a revision of actions that provide formal education to all zones</li> <li>- Within the rural education system there is a loss of resources that could be redistributed to communities</li> </ul>	<ol style="list-style-type: none"> <li>1. How to achieve a new approach that responds to a production strategy according to the needs of the different regions.</li> <li>2. Carry out an evaluation of educational investments and quality of systems</li> </ol>	
Priority – 2 Policies and institutions	<ul style="list-style-type: none"> <li>- A lack of public sector organisation to put the PRSP into practice:</li> <li>- There are gaps in support from stakeholders in poverty reduction programmes.</li> <li>- The organisational structure of the public sector impedes how the Ministries can coordinate actions related to PRSP.</li> <li>- Although the PRSP development was a participatory process its implementation lacks participation</li> <li>- It is necessary to have a differentiated strategy and work alongside producers in order to respond to global economic processes.</li> <li>- At what point is the PRSP oriented towards competitiveness</li> </ul>	<ol style="list-style-type: none"> <li>1. How to activate the local areas so that in the implementation of actions they have true access to economic growth?</li> <li>2. How to activate differentiated policies and strategies which allow rural communities to enter into national and international markets</li> </ol>	<ol style="list-style-type: none"> <li>1. Education</li> <li>2. Citizen participation</li> </ol>
Priority – 3 Decentralisation and Economic Development	<ul style="list-style-type: none"> <li>- There is a need to deepen national policies and mechanisms to implement these policies through local level priorities. This would recognise that budgeting and budget management easier to control at local than national level.</li> <li>- The demand from the Municipalities association is that although decentralisation exists there needs to be a social auditing system in order to avoid the possibility of the resources allocated to decentralised units are used for political ends.</li> </ul>	<ol style="list-style-type: none"> <li>1. There is a need to understand how decentralisation can be supported so that advances can be made in budgeting and budget control and the effectiveness of implementation</li> <li>2. Generate a country plan that integrates the strengths of organizations involved in decentralisation, and defines where there are gaps between public policy and financing</li> </ol>	
Priority – 4 The need for planning and implementation of inclusive policies	<ul style="list-style-type: none"> <li>- Organizations responsible for policy implementation do not have clear roles or priorities. Therefore, they never complete implementation because they lack concrete actions. Moreover there exists a duplication and overlap of organisations roles creating confusion and a lack of clarity in implementation.</li> </ul>	<ol style="list-style-type: none"> <li>1. How can the roles and budget allocations be clarified in order to achieve objectives?</li> <li>2. How can local organisations be strengthened to improve their capacity to respond to demand from global economic processes?</li> </ol>	
Priority 5 -	<ul style="list-style-type: none"> <li>- Despite the existence of funds and</li> </ul>	<ol style="list-style-type: none"> <li>1. How to achieve a more</li> </ol>	

Corruption	<p>initiatives for poverty reduction the use of this money in projects is clouded by corruption which has become institutionalised. The government sector is no exception to this.</p> <ul style="list-style-type: none"> <li>- In addition we are concerned that international agencies show little capacity or interest to monitor the distribution and execution of funds that come into the country. This creates an easy environment for the diversion of funds away from social development actions.</li> </ul>	<p>efficient systems of social auditing</p> <ol style="list-style-type: none"> <li>2. An evaluation of anti-corruption measures in Honduras</li> <li>3. How to develop a strategy which empowers society, the rural community, in the transparency of the use of funds and project implementation?</li> </ol>	
External debt (not ranked)	<ul style="list-style-type: none"> <li>- Generally the government should reduce the external debt which has led increasing pressures to government finances and ultimately has created difficult conditions for poverty reduction.</li> <li>- There is no vision of the processes</li> </ul>	<ol style="list-style-type: none"> <li>1. How to develop a strategy where the State has more liquidity?</li> <li>2. What are the mechanisms to define whether or not financing is required?</li> <li>3. 3. Define the capacity for government debt and debt payments related to social investments.</li> </ol>	
Creation of meg projects (not ranked)	<p>It is important that the government defines processes that allow a balanced implementation of PRSP projects and effectively resolves the balance between investment and poverty reduction.</p>	<ol style="list-style-type: none"> <li>1. How can corruption be prevented with the tendering processes and the development o environmental regulations of projects whose goal is poverty reduction?</li> </ol>	
Gaps in competitiveness (not ranked)	<ul style="list-style-type: none"> <li>- Public and private organizations are not focused on effective project implementation.</li> <li>- Current policies are very general and where they are more specific they serve private interests.</li> </ul>	<ol style="list-style-type: none"> <li>1. It is necessary to create a national unit that will press for better natural resource use.</li> </ol>	

## Workshop participants

Invited Participant	Institution	
Dr. Ernesto Magaña	Ayuda en Acción	
Licda. Mayra Falck	E.A.P.	Escuela Agrícola Panamericana
Sra. Gilda Rivera	Centro de Derechos para la Mujer	
Ing. Arturo Galo Galo	DICTA – SAG	Dirección de Ciencia y Tecnología Agrícola
Ing. José Segovia Inestroza	BANADESA	Banco Nacional de Desarrollo Agrícola
Dr. Roland Valenzuela	DINADERS	Dirección Nacional de Desarrollo Rural Sostenible
Ing. Julie Tom	AFE - COHDEFOR	Cooperación Hondureña de Desarrollo Forestal
Lic. Carlos Rodríguez	PRONAGRO - SAG	Programa Nacional de Desarrollo Agroalimenticio
Sr. Elmis Cardenas	ESA CONSULTORES	Economía Sociedad y Ambiente
Sr. Octavio Sanchez	Recursos Humanos ANED	Asesores Nacionales especializados en Desarrollo
Ing. Juan Blas Zapata	Agenda Forestal	
Dr. Miguel Angel Ayarza	CIAT Honduras	Centro Internacional de la Agricultura Tropical
Dr. Guillermo Villanueva	IICA	Instituto Interamericano de Cooperación para la Agricultura
Ing. Carlos Zelaya	FAO	Organización de la Naciones Unidas para la Agricultura

		y Alimentación
Dr. Compdon Paul	FAO	Organización de la Naciones Unidas para la Agricultura y Alimentación
Ing. Ana Posas	CIDA	Agencia Canadiense para el Desarrollo Internacional
Sres. Sergio Rios y Lesley Oconnell	BID	Banco Interamericano de Desarrollo
Sr. Adrian Pozzard	Banco Mundial	
Sr. Paul Tuevner	USAID	Agencia de los Estados Unidos para el Desarrollo Internacional
Sra. Europa Hartz	DED	Servicio Aleman de Cooperación Social Tecnica
Ing. Benjamín Bográn	COHEP	Consejo Hondureño de la Empresa Privada
Sr. Eddy Fellman	Fundación Amanecer	Nuevo
Licda. Celea Landaverde	SENASA – SAG	Secretaría Nacional de Sanidad Agropecuaria/Secretaría de Agricultura y Ganadería
Ing. Santiago Ruiz	FENAGH	Federación Nacional de Agricultores y Ganaderos de Honduras
Sr. Paulino Zelaya Murillo	Central Nac. de Trab. del Campo	
Prof. Freddy Espinoza	APROHCAFE	Asociación Hondureña de Productores de Café
Sr. Rigoberto Perez	COCOCH	Consejo Coordinados de Organizaciones Campesinas de Honduras
Ing. Jacqueline Chenier	ANAFAE	Asociación Nacional para el Fomento de la Agricultura Ecológica
Licda. Adelina Vasquez	Centro para el desarrollo Humano	
Ing. German Pérez	FUNDER	Fundación para Desarrollo Rural
Ing. José Villatoro	BID	Banco Interamericano de Desarrollo
Padre Germán Calix	Pastoral Social Caritas	
Lic. Osvaldo Munguia	MOPAWI	Agencia para el Desarrollo de la Mosquitia
Licda. Patricia Ahern	CARE	Care Internacional
Lic. Raul Zelaya	IDRC	
Sr. Dionisio Gonzalez	Asociación Campesina Nacional	
Sra. Vilma Sierra	FIDE	Fundación para la Inversión y el Desarrollo de Exportaciones
Lic. Francisco Funez	INA	Instituto Nacional Agrario
Ing. Omar Funez	IHCAFE	Instituto Hondureño del Café
Dr. Adolfo Martinez	FHIA	Fundación Hondureña de Investigación Agrícola
Ing. Cesar Alvarado	ESNACIFOR	Escuela Nacional de las Ciencias Forestales
Ing. Gustavo Lopez	UNA	Universidad Nacional Agraria
Lic. María Elena Mendez	CEM-H	Centro de Estudio de la Mujer Hondureña
Lic. Raquel Isaula	RDS	Red de Desarrollo Sostenible
Dra. Gloria Lara Pinto	UPNFM	Universidad Pedagógica Nacional de Francisco Morazán
Lic. Margarita Oseguera	UNAH	Universidad Nacional Autonoma de Honduras
Sr. Anibal Yanes	Vision Mundial	
Prof. Daniel Moreno	FOPRIDEH	Federación de Organizaciones para el Desarrollo de Honduras
Dr. Juan Barahona	Bloque Popular	
Lic. Daisy Avila	CATIE	Centro Agronomico Tropical de Investigación y enseñanza
Sr. Jorge Alberto Lanza	ANACAFE	Asociación Nacional de Caficultores
Abog. Ana Pineda	Fundación Democracia sin Frontera	
Sr. Markus Gottsbacher	IDRC	
Lic. Efraín Díaz Arrivillaga	Consultor Nacional	
Dra. Lourdes Medina	Médico Veterinario	
Daniel Cruz	Consultor Nacional	
Ann Thomas	IDRC, Ottawa	
Eric Dickson	IDRC, Ottawa	

## Honduras Emerging Research Themes

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
How can the social, economic, environmental and developmental benefits of migration be enhanced?	<ul style="list-style-type: none"> <li>• How are remittances used?</li> <li>• Social and environmental impacts of mass scale migration?</li> <li>• What is the influence of the 5Ts of migration on rural economies, access to information and technology and what impact should this have on rural policy?</li> </ul>	
What are the most viable agricultural value chains for global engagement?		
<b>Workers</b>		
How can the human capital of the rural poor be increased?	<ul style="list-style-type: none"> <li>• How can the management and implementation of rural education and health services be made more effective?</li> <li>• What knowledge and skills are required by the rural poor so that they can participate more effectively in job markets and business opportunities arising from global economic processes?</li> </ul>	
How are remittances from migration used?		
<b>Marginal Producers</b>		
What mechanisms are required to ensure that demands from rural people influence policy measures?		
<b>Meta-Themes</b>		
How can the social capital of the rural poor be increased?	<ul style="list-style-type: none"> <li>• What mechanisms are required to ensure that demands from poor rural people influence policy measures?</li> <li>• What mechanisms are required to ensure that project and programme implementation is well monitored?</li> </ul>	
Land access and land rights	<ul style="list-style-type: none"> <li>• What potential crops can be grown for global economic processes?</li> <li>• What are the constraints in terms of land rights that affect how poor rural people participate in global economic processes?</li> <li>• What environmental impacts do current land distribution and opportunities to global economic processes have? Do the negative impacts have externalities that affect the rural poor?</li> <li>• Do land rights constrain participation of rural poor in global economic processes?</li> </ul>	
Factors of Production:	<ul style="list-style-type: none"> <li>• What knowledge and skills are needed for the rural poor to participate in business opportunities and the global job market? How can management &amp; implementation of education and health services delivered to the rural poor be made more effective?</li> </ul>	
Environment & Natural Resource Management	<ul style="list-style-type: none"> <li>• What are the social and environmental impacts of mass migration? How can rural poor be represented in environmental conflicts? What are the environmental impacts of changes of land use resulting from engagement with global economic processes?</li> </ul>	
<b>Cross-Cutting Issues:</b>		
Gender	<ul style="list-style-type: none"> <li>• Extent of implementation of gender analysis in government and impact on poverty reduction programmes?</li> </ul>	

# India Country Workshop Report

New Delhi Friday 12<sup>th</sup> May 2006

## Welcome

Liz Fajber welcomed everyone to the workshop and outlined the role of the Rural Poverty and Environment (RPE) Program Initiative as environmental governance; equity and access to natural resources; adaptive learning and how the poor interact with global economic and social processes. The research agenda for RPE is being framed by three scoping studies of which this is one.

The key issue for this scoping study is how to move the research agenda forward beyond on-going work on issues such as collectives and access to credit. The study should provide RPE with guidance on whether it should focus on scaling up existing efforts or the learning aspects or try and be more responsive.

## Presentation 1: Introduction to the Study – Jonathan Mitchell (Annex1)

Responses to the presentation:

- Several participants needed clarity on the output of this study and the use to which it would be put. It was explained that a Draft Scoping Study would be discussed to RPE in middle of June 2006 and a final report delivered by the end of July. This report would contain recommendations regarding the proposed research agenda for RPE, including specific proposals on research themes, potential partners and modalities. IDRC will consider, but is not bound by, any of these recommendations in developing its own research agenda for this Output Areas 2005 to 2010. It is anticipated that IDRC will issue Calls for Proposals based upon this new agenda around September 2006;
- Participants were interested in how a research agenda could be developed that would have real impact. It was explained that IDRC has a strong focus on action research, capacity building of Southern institutions and the dissemination of research findings to communities and policy makers. Pure research, that always suffers the risk of not being applied, constitutes a small proportion of what IDRC does;
- It was explained that the Globalisation, Growth and Poverty Program Initiative in IDRC comprises more economists and has a more top-down, macro policy focus than RPE which is more interdisciplinary and micro level analysis;
- There was discussion on whether one should use the term market failure in the Indian context or whether other concepts such as market imperfection and missing markets conveyed a more accurate picture. The term market failure can be applied in a narrow sense to just include information failures (the text book definition) or much more broadly to include the whole range of fundamental structural impediments (i.e. social and economic infrastructure) to the rural poor accessing markets on beneficial terms. The latter definition of 'market failure' does, of course, include significant elements of government failure also (the failure of the state in some countries to deliver adequate social and economic services to the rural poor); and
- There was broad agreement that a future RPE research agenda should include both 'narrow' themes (those applicable to people already engaging with markets, although not on ideal terms – the so-called 'direct beneficiaries'). Some 'not-so-narrow' themes (those applicable to people indirectly engaging with global processes through migration or working for enterprises that are a consequence of global economic processes).

## Presentation 2: Regional Scan – Priya Deshingkar (Annex 2)



Responses to the presentation (include technical correction of 1.3bn small farmer households):

- Participants felt that the themes highlighted were important and that the discussion captured the impediments faced by the poor in participating with global economic processes
- Although the presentation highlighted problems of exclusion, participants wanted to underline the point that the IDRC research agenda should not be focused exclusively upon beneficiaries that are currently engaging with markets because this will only impact upon a minority of farmers using irrigation technology in the richer states like the Punjab. 80% of Indian farmers remain dependent on rain-fed technology and are not generating a marketable surplus. It was agreed that the study needed to look at a range of livelihood options for a range of beneficiaries;
- The role of public investment in areas that are ‘logjams of disadvantage’ was noted and several participants recognised the role of public investment as a precursor to the leverage of private investment. The findings of IFPRI, that public investment has a higher return in poor areas than richer areas, was questioned;
- There are examples in India where the poor have been directly linked to internal and external markets at the initiative of the private sector without government involvement although the success stories are few and far between (e.g. sunflowers and bamboo). The problem of poor extension services and unfilled posts in remote rural areas was noted.
- Of critical import to the livelihoods of migrants from rural areas is to upgrade their skills and remit their saved wages safely and cheaply (the emerging role of Western Union in providing this service in rural India was noted); there was much discussion about the need to allow people to move freely but minimise the social costs of migration.
- It was argued that, given the variety of contexts in rural India, the same problems required different solutions and ‘one-size-fits-all’ solutions should be avoided; the example of milk cooperatives was discussed where poorer households were depriving their own children of milk in order to meet their supply commitments.
- The role of organic farming in linking poor people with the market was noted; but continuously changing and stringent international standards were problematic
- There is a need to learn the lessons from pilot projects in the Region (an example of contract herb production in Nepal was given); there was a need to recognise that some value chains were actually based on public land e.g. NTFPs in Uttaranchal where the Forest Department owns nearly 70% of the land.
- The rural poor are not a homogeneous group, as the study team have recognised, and more efforts need to be made to link policy approaches and research priorities to the three categories of rural poor identified; and
- It was suggested that the role of institutional corruption in poor rural livelihoods should not be underplayed. There is an important need to consider the capacity of government institutions and the need to regulate their activities.
- The importance of seasonality needs to be recognised

### **Presentation 3: Country Report – Bipul Chatterjee**

- Current government policy was questioned in a number of areas that are important to the livelihoods of rural people. For instance, the production of paddy in the Punjab using free electricity to power irrigation systems and then exporting the output to water abundant states was questioned. The heavy regulation of NTFP sale and transport was noted;
- The lack of role of the rural poor in the policy-making process was noted – particularly for scheduled castes and tribes;
- The main reason for the lack of participation in the market by poor rural producers is the lack of demand for their output. The lack of effective demand results from high unemployment in rural labour markets. The key deficiency, therefore, is to generate jobs in rural areas to increase effective demand for the output of rural producers;

- The engagement of government in the study process was raised by several participants. On the one hand it was recognised that IDRC is a research institution – not a bilateral donor and that neither IDRC nor ODI has any intention of imposing policy on the Indian Government. On the other hand, it was recognised that government is an important stakeholder of the research agenda and, if one of the aims of the research agenda was to influence the policy agenda in developing countries, this could be more effectively undertaken by early consultations with government as part of this study. The Indian Government sees the primary value of international organisations as bringing international experience and pilot exercises (together with accurate reviews of what did, and did not, work);
- The scoping study needs to avoid making simplistic over-generalisations. The study should not try and explore everything everywhere, but rather take a targeted approach and specify research questions more closely;
- There is a huge volume of research that has been undertaken and limited need for additional pure research.

#### **Presentation 4: Emerging Research Themes – Jonathan Mitchell**

Themes that emerged from day regional and country scan presentations and from plenary discussions were presented. It was reminded to participants that to be relevant, the themes presented (and any additional themes to be proposed during the discussions) should meet the following criteria

##### **Criteria against which relevance of themes to be judged**

- Have relevance in more than one country;
- Be relevant to the Scoping Study and the aims of RPE;
- Complement on-going research and have clear transformational potential;
- Respond to a clear market or government failure;
- Contribute to a conceptually coherent research agenda;
- Emerge from the Regional Scan, Country Report, Country Workshops and related discussions;
- Encourage co-finance opportunities with other organisations.

#### **General Discussion on Research themes, approaches, potential partners**

The following research themes from the revised scan were discussed:

1. How can farm commodity/value chains be made to work in the interests of the poor?
  - a. Horticulture:
    - What are the main characteristics of the horticulture supply chain
    - Is the policy environment conducive to the involvement of the poor? What can be learnt from the experience of countries in other parts of Asia such as China and Vietnam where such chains appear to work better for the poor? Where should FDI be encouraged?
    - Which groups are able to take advantage of contract farming arrangements and to what extent is land ownership or access to land a constraint? Are there caste related barriers and if so how do they manifest themselves? Can liberalising the land leasing market ease such constraints?
    - How accessible, transparent and accountable are institutions related to technical support, inputs, credit and marketing? At which level is change required and who should be the stakeholders involved and in what ways? How can the capacity of players at various levels in the chain be enhanced?
    - Is access to information a constraint and what is the most effective means of delivering information to poor farmers with low levels of education?
    - How can the governance of groundwater resources be realistically improved so that the poor are not deprived?

- b. Pro-poor livestock systems with a focus on small ruminants
  - What are the main characteristics of the supply chain
  - What can be learnt from the experience of cooperatives or other grouping initiatives that may have attempted to improve the vertical integration of small producers?
  - What caste related barriers exist and how can these be overcome?
- c. How can NTFP markets be made pro-poor?
  - How can the NTFP market be deregulated in ways that can help the poor?
  - Where is access to credit needed and how can market intermediaries be made to comply with pricing and marketing regulations?
  - How can the poor be helped to access market and technical information?
- d. Pro-poor tourism
  - Identify the major types of tourism oriented activity
  - What are the main characteristics of industry in each?
  - Which parts of the industry include the poor and which exclude them and why?
  - Which policy reform would improve the returns to the poor and where is external support needed? What role can donors play and what could be attractive to the private sector?
  - Where would FDI result in more pro-poor outcomes?
- e. Seasonal and circular migration
  - Identify two or three high migration areas in RPE regions and states
  - What are the dominant migration streams and what are their characteristics in terms of who goes, for what, where, the returns and remittance patterns?
  - How important are migrant remittances to rural households? Is migration a coping strategy or is it regarded as a high return option?
  - What difficulties do migrants face in e.g. access to government services, travelling, shelter, education, health and participation in natural resource management initiatives at home
  - How can pro-poor programmes be made more responsive to the needs of households that are away for part of the year?
  - How should rural development and agricultural policy be reoriented in view of multilocal livelihood strategies?
  - What kinds of market segmentation exist in migrant labour markets and how does this affect the poor? Do such imperfections need to be addressed?
- 2. The informal sector
  - What are the links between globalisation and the informal sector?
  - How can the quality of employment for informal sector workers be improved in certain sectors that have links with the global economy?
- 3. Occupational diversification
  - Research on the kinds of diversification strategies being pursued by the poor; in particular a greater recognition of the diversification of the poor living in marginal areas
  - Identifying broader entry points for poverty reduction that is multi-sectoral instead of a sole focus on increasing farm incomes.
- 4. Promoting markets in remote rural areas
  - Identifying common market failures in remote rural areas and their causes – is it poor governance, faulty policies, poor infrastructure, low levels of human development, discrimination against certain social groups and how do these vary by commodity and context?
  - What could help the poor to overcome market failures and imperfections?
  - Where would external support be useful (e.g. in helping the poor to organise themselves and demand more transparency and accountability?)
  - How can more investment be attracted to such areas from the private sector?

- Research themes should include an explicit political economy dimension.
- Involving government is important. Government is aware of the constraints and problems faced by the poor and remote areas. Government needs (and research organisations rarely provide) specific and *politically feasible* options to deal with these problems. For instance, action based research by working with pilot projects builds up a political constituency to which political entrepreneurs can engage and respond.
- Most development projects are not selected from a policy perspective. There is, therefore, scope for IDRC working with existing pilot projects to leverage lessons learned and distil the policy issues and implications;
- The research agenda should include an international ‘learning’ network that examines and explains what is working (and what is not), why and whether - and under what conditions - replication is possible;
- The selection of research themes should not just be driven by areas that are under-researched to date (there may be good reasons why specific areas have not received research attention). The intention in the scoping study is to generate a ‘menu’ of research themes that have the potential to generate impact on poverty and policy, that can building the capacity of Southern institutions; and leverage additional research resources;
- In terms of activities that seem to hold promise for examination in the rural economy: horticulture (FFV), medicinal herbs, small livestock, NFRE, NTFP and fisheries were considered priorities (tourism less so). A business development service approach might be appropriate to be applied to these sectors. The central issue is how the poor can be engaged in value chains – rather than predetermining pro-poor value chains; it is important to document the failures not just the successes and learn from failures.
- Migration is a critical issue in India and it is clear that this sector is driving job creation for the poor in low- potential and remote areas. Need to look at the role of remittances in rural economies and household budgets. Restrictions on mobility need to be removed. But the social and economic costs of migration need to be recognised. There is a need to work on developing remittance mechanisms that are convenient, reliable, cheap and safe for the poor. Western Union is popular but expensive. One of key social benefits of migration is that it allows the poor to escape rural hierarchies and is eroding the significance of caste boundaries. Links with the newly set up Commission on Nomadic and Denotified Tribes as well as the Commission on Unorganised Sector Workers should be considered as they are likely to be open to research ideas on migration.
- The failure of micro-credit to create growth and a middle class, or to influence the operations of the conventional financial institutions, was noted. The importance of intermediaries in making markets work needs to be recognised and there is a need to move away from an analysis that labels them as the “bad guys” to one that finds ways of working with them that do not hurt the poor.
- The move towards looking at livelihood finance (i.e. pension funds, health insurance, etc) holds some promise – but probably as a horizontal or cross-cutting issue – rather than a discrete research theme;
- Land markets – land leasing may provide opportunities that benefit the poor. There is a land redistribution taking place in some of the more successful agricultural states in India – but this involves the consolidations of small land holdings – rather than breaking up larger units. In the Punjab and Haryana land is being leased from smaller landholders to consolidate farms to achieve economies of scale at production. From a political economy perspective, the current Tribal Rights Bill is instructive because, whilst Government is being criticised for ‘privatising’ public land and environmental NGOs are critical of the ecological consequences of this, the potential beneficiaries are huge in number and create a strong incentive to enhance the land rights of the poor. There are also innovative partnerships developing between landlords who cannot access agricultural labour and labourers who cannot access land in order to free up land for productive use (typically landless labourers are give access to part of the farm in return for labour on the rest of the unit and, if the arrangement is mutually beneficial, the proportion of the farm ‘leased’ from the landlord increases with time); research on land leasing and its impacts.
- a study to demonstrate to government that the ‘losses’ it faces from de-regulating the NTFP sector will be more than off-set by the gains;

- The costs of certification for the international market are unaffordable to most poor, rural producers. However some innovative ideas for developing a national system as a step towards this were discussed. In particular, the notion of using existing brands to certify products higher up the value chain (i.e. to brand products that include, amongst others, their inputs) – this could allow the brand to perform the same function as a certificate;
- The key issue with respect to water resources is the access that rural households have to water using technology (source, lifting, storage and irrigation). A second level issue is whether aggregate water demand is in alignment with water availability in the catchment;
- A fundamental issue for ‘lagging regions’ or ‘log-jams of disadvantage’ is the need to establish what is their competitive advantage – if any. This should be the basis for determining in policy terms whether it is effective to try to stimulate local economic activity or whether migration into a viable local economy is the best strategy;
- Linked to the above -developing handicrafts and traditional skills such as embroidery has huge market potential and is highly pro-women. Women from several poor communities have skills that have been passed down for generations and which are in great demand from fashion houses. Examples are the mirror work done by Banjaras in Andhra Pradesh and Kathiawari women in Gujarat. Many of these groups belong to agriculturally marginal areas.
- The possibility of scaling IDRC Calls for Proposals was discussed where, at Level 1, research work would be undertaken by a ‘seasoned’ research entity. However, as a precondition, the Level 1 institution would need to have established a partnership with Level 2 and 3 indigenous research institutions.

### Potential Partners

Name of Organisation	Areas of Work	Competencies
IIPA	NTFPs in Andhra Pradesh, Trade and the Environment,	Large and respected organisation. India centre for the Chronic Poverty Research Programme
CPF	NTFP value chains	NGO working in AP, good understanding of field level reality. Need support on policy analysis.
RCDD	NTFP value chains	NGO working in Orissa but good understanding of policies related to NTFPs and the way that markets work for the poor
Shri Bhuvaneshwari Mahila Ashram	Contract farming of medicinal plants	Representative at workshop made very useful inputs
NCAP	Have worked extensively on making agr markets work for the poor	Good policy analysis and also experience of working with civil society organisations
APEDA	Horticulture value chains	Government agency, involved in UNCTAD
NCAER	Horticulture value chains	Government agency, involved in UNCTAD
Chamber of Commerce and Industry	Study of agricultural markets in North India	Representative at the workshop appeared to be a good thinker
IDE	Small holder agriculture, value chains	Working in India and Nepal
STADD	Handicrafts, rural livelihoods, NRM	Lead the Tropical Agricultural Association in India.
IIST	Globalisation and women	Strong research capacity
IHD	Labour migration	Good academic skills at labour market analysis, econometricians who can analyse large data sets
GVT	Labour Migration	Long field level experience of working with migrant support



		programmes but need support with policy research
Julian Simon Centre	The informal economy	Representative at the workshop was very dynamic
International Water Management Institute	SDC project on livestock and watersheds	But person in charge has left

## Attendance List

1. **A K Gupta:** Agricultural & Processed Food Products Export Development Authority (APEDA)
2. **Liz Fajber:** South Asia Regional Office International Development Research Centre (IDRC)
3. **Dr. Anand P. Gupta:** Economic Management Institute
4. **Priyanka Sood:** GENE Campaign
5. **Raghu NandanVelankar:** GENE Campaign
6. **Dr. Surabhi Mittal Fellow:** Indian Council for Research on International Economic Relations (ICRIER)
7. **Dr. Gautam Vohra:** Development Research and Action Group (DRAG)
8. **Dr. Rajiv Kumar:** Indian Council for Research on International Economic Relations (ICRIER)
9. **Dr. Anil Sharma:** National Council of Applied Economic Research (NCAER)
10. **AJ James:** Pragmatix Research and Advisory Services Pvt. Ltd.,
11. **Dr. Ratna M. Sudarshan:** Institute of Social Studies Trust (ISST)
12. **Dr. Manab Chakraborty:** Shri Bhuvaneshwari Mahila Ashram
13. **Dr. Neela Mukherjee:** Development Tracks, Research, Training and Consultancy, p.l.c
14. **Prof. J. George:** Faculty of Economics and Development Planning (FEDP)
15. **Mr. Amirullah Khan:** PHD Chamber of Commerce and Industry
16. **Dr. Barun S. Mitra:** Julian L. Simon Centre Liberty Institute
17. **Dr. P. L. Sanjeev Reddy:** Indian Institute of Public Administration (IIPA)
18. **Swapan K. Bhattacharya:** International Trade & Commerce Indian Institute of Public Administration (IIPA)
19. **Suresh Subramanian:** International Development Enterprises (India)
20. **Sanjeev Ranjan:** State Coordinator, Development Alternatives
21. **Preet Rustagi:** Institute for Human Development (IHD)
22. **Sanjeev Vasudev:** STADD Development Consulting Pvt. Ltd.

## India Emerging Research Themes

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
Can a national system of branding represent a 'stepping-stone' towards the currently unaffordable international market certification system?	<ul style="list-style-type: none"> <li>- Can brands perform the same function as a certificate?</li> <li>- Are brands willing to certify products higher up their value chain?</li> </ul>	Emerged from workshop (not in RS or CS).
Under what conditions can the private sector substitute for the collapse of the public agricultural extension system?	<ul style="list-style-type: none"> <li>- For specific commodities (i.e. sunflowers and bamboo) private sector initiatives have successfully linked poor people to internal &amp; external markets – what lessons can be learned?</li> </ul>	Emerged from workshop (not in RS or CS).
How can the poor be engaged in viable value chains in FFV, small livestock, NFRE, NTFP, handicrafts and fisheries?	<ul style="list-style-type: none"> <li>- What are the barriers to the participation of the poor in these value chains?</li> <li>- How can these be overcome?</li> </ul>	Anticipated in RS and CR and discussed at workshop.
How can the deregulation of aspects of the NTFP trade be made attractive to public policy makers?	<ul style="list-style-type: none"> <li>- Can research demonstrate that the 'losses' from de-regulation are more than off-set by the 'gains'?</li> </ul>	Theme featured in general terms in RS and CR but prominent in workshop.
<b>Workers</b>		
How can the positive impact of migration be increased?	<ul style="list-style-type: none"> <li>- What is the impact of conventional financial institutions providing financial services to migrants and other rural poor?</li> <li>- Why are financial institutions like Western Union increasingly providing services to migrants?</li> <li>- What are the social and economic impacts of migration on poor, rural households?</li> </ul>	Theme featured strongly in RS and workshop but not in early draft of CR
<b>Marginal Producers</b>		
What is the future of regions that are 'log-jams of disadvantage' and should public policy-makers focus upon stimulating local economic development or facilitate out-migration from fragile regional economies?	<ul style="list-style-type: none"> <li>- Should public policy focus upon stimulating local economic development or simply facilitate migration to the nearest viable economy?</li> </ul>	Focus of RS and important element of workshop – but not in CR.
How can government services be delivered more effectively to the rural poor?	<ul style="list-style-type: none"> <li>- How can poor extension services be improved?</li> <li>- What is the impact of corruption on the delivery capacity of the state?</li> </ul>	Not a feature of the RS and CR – but significant in the workshop.
How can the voices of the poor (particularly tribal and SCs) be more effectively represented in policy-making?		Not a feature of the RS and CR – but significant in the workshop.
<b>Meta-Themes</b>		
How can the poor access livelihood finance?	<ul style="list-style-type: none"> <li>- Can financial products like pensions and health insurance be designed to be accessible to the rural poor?</li> <li>- How can the skills of rural migrants be upgraded? Pro-poor land market innovations in States that are land-scarce.</li> </ul>	Finance issues are not prominent in RS and CR but a feature of the workshop
Environment & Natural Resource Management	<ul style="list-style-type: none"> <li>- Two aspects to water use, first is how poor households access water using technology. The second is whether aggregate water demand is in alignment with catchment availability.</li> </ul>	
Enabling Environment	<ol style="list-style-type: none"> <li>1. The important role of initial public investment to 'pump prime' private investment was noted. The capacity of government institutions and the impact of corruption on their ability to deliver services to the rural poor were highlighted.</li> </ol>	

1. Strong advocacy of an explicit political economy dimension to research themes. Government is aware of problems facing poor, rural people. What government needs (and research organisations rarely provide) is specific and politically feasible options to deal with these problems. Action research is good because it develops a political constituency behind initiatives;
2. Most development projects are not selected from a policy perspective – so IDRC can ‘bolt onto’ existing projects to leverage lessons-learned and distil policy issues and implications;
3. IDRC Calls for Proposals should directly contract a ‘seasoned’ research entity (a ‘Level 1’ institution). However, as a precondition, this Level 1 institution should have established a partnership with Level 2 and Level 3 research institutions.
4. There is great need for an objective international ‘lesson learning’ network that explains what is working (and what isn’t), why and under what conditions replication may be possible;
5. The Indian Government sees the main purpose of international research organisations as bringing international experience and innovative pilot projects (and reviews of what works);
6. Approach: Do not allow research agenda to be selected by ‘gap filling’. There are good reasons why specific areas have not received research attention. IDRC agenda should not try and do everything, and rather take a targeted approach and specify research questions more closely. Do not just focus on ‘narrow’ range of beneficiaries – even in India 80% of farmers remain dependent upon rain-fed technology and do not produce a marketable surplus; and look out for the unintended consequences of socio-economic processes. For instance, the dramatic reduction in caste discrimination in Indian cities in recent years was attributed to the social ‘mingling’ resulting from migration and the increasing tightness of the urban labour market.

# Senegal Country Workshop Report

Dakar, 17-18 Mai 2006

## 1. Context of the workshop

The workshop was organized in the context of the study on “*Productive Strategies for Poor Rural Households to Participate Successfully in Global Economic processes*” carried out by the Overseas Development Institute for the IDRC’s Rural Poverty and Environment Programme (RPE) Initiative. The aims of the study are to:

1. *Identify a research directions and actors by highlighting critical methodology issues; on-going work in the theme by others and by identifying potential partners*
2. *Provide recommendations that enable RPE to build a coherent research programme*
3. *Identify policies, processes and institutions that will expand benefits of linkage and disseminate these findings in the South*
4. *Enhance capacity of rural communities to develop indigenous capacities*

## 2. Workshop objectives

- *Outline findings of Regional Scans & Country Reports*
- *Define research themes*
- *Locate potential partners for agenda*
- *Highlight critical methodological issues*
- *Identify on-going and likely future research being undertaken by others*

## 3. Workshop participants:

The workshop, organised at the IDRC regional office in Dakar, brought together 18 participants (including ODI staff), representing a wide range of institutions, with a diversity of academic and professional backgrounds: University, NGOs, farmers and producers organisations, research institutes, food processing, etc. [annex 1]

## 4. Workshop structure [annex 2]:

Day 1.

### 4.1. Presentation of Study Objectives, Approaches & Strategic Issues – Jonathan Mitchell [annex 3]

#### Key issues raised during discussions

- research question on the RNFE questions a rural development strategy exclusively focused upon support to the agricultural sector. However, there are robust reasons for recognising the importance of the agricultural sector to the rural poor in terms of food security and the opportunity cost of purchasing food;
- importance of gender and cultural factors was raised within the context of a ‘politics approach’;
- position of the poor in commercialisation is adversely affected by several issues, such as poor productivity and inadequate market information; and
- with 70% of the Senegalese population ‘poor’ and 45% in ‘extreme poverty’, we need a better understanding of the causes of poverty and the impact of different poverty alleviation strategies in the short and long-term.

#### 4.2. Presentation of the regional scan (Stephanie Levy) and country case study (Bara Guèye): [annexes 4 & 5]

It was agreed that only questions of clarification were to be asked after the presentation of the regional scan and that in-depth comments and questions will be made after the 2 presentations are completed.

#### Summary of discussions following the presentations of the regional scan and the country case study

1. Issue of clearly identifying the precise target for the IDRC intervention (i.e. the 'poor', 'the poorest', etc). We need to understand the dynamics of poverty and, specifically, a programme of protection from the adverse effects of globalisation to the rural poor (scope for a joint GGP / RPE initiative in this area);
2. Pressing need is to develop local markets; exports come after the development of these markets. It is these commodity value chains that link the urban and rural areas;
3. there is clearly a 'land grab' underway in West Africa illustrated by rich families capturing land from poor, rural households. This happens mainly in high potential areas (peri-urban, areas near river basins, watersheds, etc.)
4. Migrants remittances are often not invested in productive investments (i.e land and housing);
5. 'Bana bana'<sup>1</sup> system needs to end with the formalisation of the informal sector and there should be a linkage between local producers and international markets. Advocacy and lobbying are very important task to empower the poor;
6. We need to look wider than the Anglo Saxon narrow conceptualisation of 'value chain'. The rural population will make up a majority of the population until 2030 (although % of total population that is rural is already in decline) so the urban market will increase rapidly;
7. Need to appreciate that public and private investment can be complementary. Also in poor rural households the distinction between consumption and production is rarely made. Therefore, when livelihoods are threatened, poor households "decapitalise" by raiding their assets when they are resource stretched and unable to access micro-finance;
8. When we look at economic strategies developed by the poor rural households we should avoid being trapped by the conventional economic approach which tends to focus on costs-benefits analysis. We should rather see the household as a multi-functional unit carrying out both economic and social functions. Some strategies may not be economically profitable but may have major impacts on the household livelihoods. Therefore we need to see the household as a system, not just as a production unit.
9. There are two major trends that are likely to shape (amongst other factors) the future strategies of poor rural households. The first relates to the increasing average age of the head of rural farming households. This might imply that more and more young people are getting out of the sector (For example in the Mekhe rural area, west of Senegal, around 3% (mainly young people) of the surrounding villages populations leave the rural areas each year for urban centres. The second trend shows a "dualisation" process leading to a segmentation of rural households between those who have managed to improve their technology and can engage with more or less success in global processes and those (the vast majority) living in the margins and whose strategies are mainly geared to survival needs.

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<sup>1</sup> Wolof term used to name small street traders



10. Over the last years efforts have been made to develop niche markets (examples include: sesame, wild natural products, hibiscus flower, organic pesticides, organic fruits, etc.) These are seen as potential entry points to the global markets. But many constraints remain: thin market, quality issues, the strong reliance of poor rural households on intermediaries who grasp the largest share of marketing margins, etc.
11. Lots of discussions on micro-finance institutions which are very developed in Senegal. Concerns expressed by representatives of farmers organisations on the ground that most MFI apply very high interest rates and therefore tend to wipe scarce money away from the rural areas. The issue is therefore to develop alternative systems which are more endogenous that will allow the system to be self-sustaining. This also raises the issue of the ability of current MFI to provide sustainable alternative to the rural financing crisis. There is a need for both consumption and investment credits for the same rural household, but currently no financial tool to answer it. There is also a need for micro-insurance in Senegal, and more particularly in rural area where incomes have cyclical patterns.
12. The issue of social protection was transversal in the discussion (mainly through the discussions on micro credit, need for insurance, extreme vulnerability, risk aversion and production choice, various forms of poverty, redistribution mechanisms and pro-poor growth debate)
13. There is also the issue of the legal status of the household or family farms. Until now, it is only the head of household who can get access to credit; the household not seen as a legal economic and social unit which can contract credit. The consequence being that the other members of the households will have difficulties developing their economic capacities (distributional issues within household).
14. The issue of rural demography has been raised. Tendency to look at migration and underestimate the current growth of the rural population in the whole region. Projections predict a substantial growth in its population size for the next 30 years, while its poverty incidence is 70% on average. Redistributive mechanisms of growth have to be better understood and integrated into development policies (social protection).
15. The issue of capacity building of the poor seen as very critical by many participants: capacity for product quality assurance, advocacy, market information management, etc.
16. Also the need to build complementary markets at regional level by facilitating the flow of goods (mainly cereals and animals) from surplus areas to deficit areas. This should be a priority agenda for regional organisations.

### Presentation of the force field Analysis tool (Naved Chowdhury) [annex 6]

This is a research tool used to assess the forces for and against the effective implementation of a particular public policy initiatives. To illustrate the tool with a practical example the forces relating to the effective representation of poor rural producers by their representative body.

#### The research question:

**Farmers' organisations must provide support to poor rural households to allow them to participate successfully in global economic processes.**

Forces for	Forces against
Farmers organisations in Senegal have a good knowledge of global challenges	Weak links with universities, private sector and local government.
Farmers' organisations have an easy access to key decision makers: they hold regular meetings with the Prime Minister and the Minister for Agriculture.	Only a consultative voice in government processes

The CNCR <sup>2</sup> is seen as highly representative with a strong mobilising capacity.	Dispersion and risk of partisan “politization” of farmers organisations
Have access to factors of production	No strategic approach to facilitate engagement of rural poor in liberalisation and globalisation
Can identify areas of strong economic potential	Weak links with local governments
Initiatives taken to benefit from the value chains	Their economic power tend to be much lower than their political power: no economic infrastructure belonging to the farmers organisations
Farmers organisations have a strong influence of national research agenda	No clear long term vision : family projects
Are autonomous of government	Weak access to economic information
Have a sound track record lobbying government	Weak access to markets
	Low technological absorption capacity
	Lack of policy assessment and monitoring tools

## Day 2.

Presentation of the summary of critical themes (Stephanie Levy)

Themes that emerged from day regional and country scan presentations and from plenary discussions were presented. It was reminded to participants that to be relevant, the themes presented (and any additional themes to be proposed during the discussions) should meet the following criteria

### Box 1. Criteria against which themes relevance to be judged

- Have relevance in more than one country;
- Be relevant to the Scoping Study and the aims of RPE;
- Complement on-going research and have clear transformational potential;
- Respond to a clear market or government failure;
- Contribute to a conceptually coherent research agenda;
- Emerge from the Regional Scan, Country Report, Country Workshops and related discussions;
- Encourage co-finance opportunities with other organisations.

The 10 emerging themes presented below:

1. **How can migration become a more important livelihood strategy for the rural poor?** (Research questions: what is the impact of remittances on poverty and local development? How to reduce remittance transaction costs?);
2. **How can the rural poor participate effectively in the policy process?** (Research questions: how do the rural poor participate in the political framework? How can civil society be supported to advocate for their concerns?);
3. **How can indigenous knowledge and technologies be utilised to limit environmental damage arising from global processes?** (Research question: example examples of soil and water conservation. What is the scope for applying this knowledge at scale to mitigate the demands of global processes?)

<sup>2</sup> Comité de Coordination et de Coopération des Ruraux du Sénégal

4. **How can policy-makers respond to the growth of the NFRE?** (Research questions: what is the future of farming? What is the NFRE? How can the NFRE be made more accessible to the rural poor?);
5. **How are economic decisions made in poor rural households?** (Research questions: examine intra-household power relations and identify the development policy implications of these?);
6. **How can market information be made available to poor rural households?** (Research question: what would be the welfare impacts of rural households having better information?);
7. **how do global processes affect the welfare of rural households in terms of the net effect as producers and consumers?** (research question: examine net impacts in a range of different poor, rural households);
8. **How can micro-finance institutions finance productive and sustainable development more effectively in rural areas?** (research question: examine current use of development finance and see how this can be enhanced to have greater developmental impact? How can barriers to the rural poor for accessing development funds be lowered?);
9. **How can 'value chain analysis' be used to develop local markets for rural produce?** (research questions: identify viable value chains that are accessible to poor, rural producers? What is the comparative advantage of rural areas?);
10. **How can the rural poor be protected from the adverse impacts of global processes?**

The brainstorming session that followed the presentation of the critical themes allowed participants to provide additional insights. An important comment was made regarding the need for the themes to be consistent with the IDRC RPE initiative: focus on capacity building of civil society and the transformational agenda; natural resources being the defining element of RPE and access to land. Additional comments/research questions include

- **What is the comparative advantage of poor, rural areas?** The critical issue of what should be done in 'lagging' rural regions was discussed. The question 'what type of agriculture will we have in 20 years?' was debated. How can the local economy be stimulated in areas where it has genuine comparative advantage? New niche markets and participation of the poor rural households in global economic processes: what are the niches? Are they viable? Supply and demand potential? Etc.
- **Links between urban and rural areas:** this study is really about the links between urban and rural places rather than rural areas in isolation (authors note: this comment resolved the quandary I had been having when asked by people why this study is just focusing on rural areas). The focus is on the movement of people, goods and information between the two to the benefit of the rural poor. A partnership between the two different parts of the same economy is critical. Market requirements are critical if rural people are going to enter global processes sustainably. The theme of continuity between urban and rural areas has often emerged, as opposed to segmentation.
- **Links between rural people and natural resources:** natural resources can be seen as a cross-cutting issue because the income of all rural people is based upon the interaction between resources, rural people and the market; access to natural resources sometimes uneasy. But at the same time, the rural sector should not be exclusively extractive.
- **The need for recommendation and support in production choice:** to diversify, to engage into niche sectors, to develop new products which are potentially good exports? Farmers, who are very risk adverse, need to be advised and helped, ideally by farmers' organisations, in their decision taking and making.
- **The need for a micro approach:** to look not only at economic growth but also at redistributive processes. What is the dynamic associated with the current sustained growth process in Senegal? We need to look at micro-impact, and question the pro-poor nature of growth?
- **The necessity of the rural poor to engage in the political process:** this theme emerged as a result of the acknowledgement of a lack of political power in rural areas 'Cemeteries in urban areas are electrified and rural areas use candles'. For five years the agricultural law has been on the statute books but it has not been implemented due to the political weakness of the rural areas. If the rural poor propose to wait for government to help them – it will be a long wait. Strengthening farmer organisations to support rural households was regarded as an effective way to strengthen the voice of the rural poor. How to build a strong partnership between the State, the CSOs, and the private sectors to develop the poor rural household's capacities to participate successfully in the policy processes?

- **The need for a better inclusion of rural policies in the current “Stratégie de Croissance Acceleree”:** Agriculture not included in the programme developed by the present government to boost growth. There is an underestimate of population growth in rural area and the stake of agricultural growth in terms of poverty reduction has to be better acknowledged. The creation of an “APIX rurale” would be helpful in that context.
- **The need for a social and anthropological approach to complement the economic one.** It was agreed that gender must be dealt with as a cross-cutting issue rather than creating a ghetto by forcing into a separate theme.
- **How globalisation is changing the consumption structure of poor rural households.** It was agreed that poor households have strong economic links with global markets through consumption: what is the impact of this change on their livelihoods. What policy responses?
- **How to build strong complementarities between public and private investments** to support the participation of the poor rural households in the global economic processes?
- **How to stimulate the development of innovative efficient micro-finance institutions** to support initiatives developed by the rural poor to participate successfully in global economic processes?
- **The need for data that allow for economic assessment of rural development potential** (comparative advantage, investment returns, productivity assessment, cost-benefit analysis). Reliable data needed to move from a macro perspective to a micro one.

#### **Presentation of the ODI Civil Society Partnership Programme – Naved Chowdhury [Annex 7]**

##### ***Questions and answers raised. The:***

- the focus of CSPP on English-speaking countries was questioned and it was explained that, initially, this is where ODI was able to add value but that there is now an openness to consider working in non-English speaking environments;
- the Programme seeks to strengthen civil society to allow representative organisations to better advance the interests of the poor;
- participants had concerns about any suggestion that the Programme would be categorising or selecting particular entities within civil society; and
- there was sensitivity around the implied aim of the Programme to change government policy.

##### **Closure:**

The Chair thanked participants for their contributions and indicated that he saw great scope for inter-programme collaboration between RPE and GGP. The ODI Representative reiterated the thanks to participants, and particularly to IDRC for hosting the workshop. It was confirmed that the Workshop Report would be produced within a week or so and circulated for comments.

## Senegal Emerging Research Themes

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
How can market information be made available to poor, rural households?	- What are the welfare implications of poor, rural producers having access to better market information?	Identified in RS and workshop (not in CR).
Can value-chain analysis be used to develop local markets for rural produce?	- What viable value chains are accessible to poor, rural and engendered producers?	Identified in workshop (not in RS and partially in CR).
Risk-adverse farmers need to be supported to adopt production relevant for global markets	- How can micro-finance institutions finance productive and sustainable development more effectively? - How can the current use of MFIs be changed to enhance developmental impact?	Identified in CR and at workshop (not in RS).
<b>Workers</b>		
How can migration become a more important livelihood strategy for the rural poor?	- What is impact of remittances on poverty and local development? - How can remittance transaction costs be reduced?	Highlighted in RS and CR and strong support at workshop.
How can policy-makers respond to the growth of the NFRE?	- What is the future of farming? - What is the NFRE and how can it be made accessible to the rural poor?	Identified in CR and strong support at workshop (not in RS).
<b>Marginal Producers</b>		
How can the rural poor participate effectively in policy processes?	- How do rural poor participate in political framework? How can civil society (including PO's) be supported to advocate on behalf of the rural poor?	Identified in RS and at workshop (not in CR) as a key issue.
What is the role of the rural poor as consumers?	- What are impacts of consumption of imported goods on rural welfare?	Identified in workshop but not in RS or CR.
What is the comparative advantage of poor 'lagging' regions?	- What is the future for 'lagging' regions beyond being a recipient of development assistance and source of migrants?	Identified at workshop (not in RS or CR).
How can the rural poor be protected from the adverse effects of global processes?	- Do the rural poor have strong links with global markets through consumption? - How has this changed their livelihoods?	This issue was raised in the CR.
<b>Meta-Themes</b>		
Enabling Environment	- Need to build strong complementarities between public and private investments to support the participation of the rural poor in global processes. - How can the poor be protected from the adverse effects of global processes through sound redistributive policies?	
How can indigenous knowledge and technologies be used to mitigate environmental impact of global processes?	- What is the scope for applying this knowledge at scale to mitigate deleterious impacts of global processes?	Identified in CR and at workshop (not in RS).
<b>Cross-Cutting Issues</b>		
How are economic decisions made in poor, rural households?	- What are intra-household power relations and the development policy implications of these?	Identified at workshop (not in RS or CR).



# Uganda COUNTRY WORKSHOP REPORT

Kampala 25<sup>th</sup> April 2005

The one-day Uganda Country Workshop was held on the 25<sup>th</sup> April 2005 at the Kampala Sheraton Hotel. Twenty-two participants mainly from the public and development sectors were in attendance including representatives of ODI and IDRC. All participants were availed of both the draft country report and the draft regional scan prior to the workshop in order to aid an informed discussion.

The workshop was divided into three main sessions –

- Registration, Introductions and presentations by Jonathan Mitchell (Introduction), John Howell (Regional Scan) and Sanjay Kumar (Research Themes)
- Responses to presentations and discussion of proposed research themes
- Group work and report back on short listed proposals

## Response to analysis in regional and country scan

Lacking analysis of:

- Extent of liberalisation in reality
- Existing literature
- Existing research
- Gap analysis

Focus of future research

- Narrow – Micro level – most focus
- Meso Level – some focus

Food Security

- One participant was of the opinion that there was a need for emphasis on food security in the recommendations for research themes.
- Even with increased migration, sedentarisation and development of non-farm rural economies land is not being released for production, resulting in lower productivity of such resources. Participants stressed the need for release of such resources and for linkage of such resources to food security.

Trade

- Participants from the business development sector raised the need for development of recognised trading structures. This was based on the opinion that planned trading would lead to planned production among the farming community mostly comprising the rural poor. Some of the participants were also of the opinion that concepts of supply chain development were missing among institutional economists in the country. The benefits of formalised supply chains operating in an organised manner enabling consistent supplies were discussed. First local markets and then international markets. Social, psychological and anthropological side before institutional.
- Participants voiced the need for a shift in Government and donor outlook towards a long term perspective in trade and business.
- Need for promotion of existing successful models such as the Fair-trade movement.

- Need for working on business ethics to develop effective and sustainable market activities
- Regional markets are constrained by policy with only supermarkets being an exception.
- Productive strategies in agri business are insular and cross border trade is limited.

#### Public private partnerships (PPP)

- Need for private sector investors to be involved through PPP in actively managing market support services not government.
- Need for traditional farm markets to be reinvented
- It was suggested to pilot an activity on a PP prototype for market infrastructure to challenge donors and governments. This pilot would also attempt to reduce transaction costs (transfer of goods and cash) and improve the status of buyers and sellers.
- PPP would act as a catalyst, changing culture in participants in a supply chain.
- It was suggested that the relation between market failures and revenues to local government was a policy issue and that there is a need to look at the incentive structure and the capacity of producers to respond to market signals

#### Infrastructure

- Need to address problems from increasing costs of essentials, and the impact on small businesses
- How can media improve on empowerment of the poor?

#### Understanding the needs of the rural poor

- What the poor wants versus what we view is good for them.
- Do we let them pursue what they want and we support them in achieving that.
- We should not overstretch indigenous ideas. Blending our requirements and support. Policy, institutional and financing issues involved.
- How does this initiative work with what is ongoing.
- How do we deal with economic constraints?

#### Access to services

- The rural poor lack of access to affordable financial services
- Current providers do not have the outreach
- Need for improvement and enhancement

#### Environmental Impact

- More policy analysis, lobbying and advocacy required (For example, once roads are built people go into brick making, what are effects of such an activity on the environment. Charcoal is another product that is produced nearer the main roads– no interventions are in place to mitigate charcoal making)

## Short listed research themes

From the presentations and discussions held thereafter, the following country research themes were identified as having more pertinence in the Ugandan context -

### 1. Supply Chain (A) 10

- Farm markets
- Sociology/ Business Ethics
- Social Infrastructure
- Market Info and technology
- Role of intermediaries
- Supply response

### 2. Governance at local level – Engagement in policy making process (B) 11

- Generate knowledge
- Disseminate information
- Advocacy
- Incentivise good policy

### 3. Financial services 3

### 4. Effects of regional and global trade liberalisation on the poor 6

### 5. Migration 6

### 6. Post conflict growth 10

### 7. Environmental issues 7

#### Appropriate entry point

Participants in general were of the opinion that the appropriate entry point for research relating to rural poor would be the household level or micro enterprise level. Listed below are the three entry points discussed in order of preference-

- Household / Firm (micro level)
- Region / supply chain
- Macro level
- 

#### Group Work on selected country research themes

Participants were divided into three groups and asked to select themes they would prefer to work on. The three groups selected one theme each from the seven listed above. The theme on post conflict growth was specifically not taken up as the forum was informed by the IDRC representative that this particular theme is being addressed by another group within IDRC.

#### Group A

##### Value chains – Agro related

1. How to promote pro poor value chain development?
2. How to establish market oriented production systems
  - Social
  - Ethical
3. How to enable small farmers to participate in national/international chains?
  - Standardisation / QC / Certification

- Planning
- Contracting/legal issues
- Specific roles of partners
- Communication (What)

#### Group B

Influencing policy through enhanced private sector & local government dialogue

1. Forms of conflicts of interest and how they can be addressed
2. Incentives
3. Avenues of dialogue
4. Effective participation
5. Policy environment to link micro producers to markets
6. Commitment to pro poor policies
7. Role of BMOs and constraints
8. Constraints to effective bottom up structures

Proposed research participants

1. Research institutes
2. Local Governments
3. ULAA
4. Policy Makers

#### Group C

Environmental issues

1. How far will governments consider impact in reaching agreements on environmental protocols, benefit sharing
  - Research consortia, Natural and social scientists
2. Globalisation failures leading rural poor to exploit
3. In areas of over cultivation, grazing, fishing, groundwater, tree cover etc, can local communities be deployed to agree amendments to local by-laws (or regulations generally), that they assist in enforcing?
  - Actions research NGO's, INGO's, universities, network based learning (possibly global)
1. Risk of increasing commercialisation (mining, but also large scale agri production and forestry) without proper safeguards and returns to local investment in interests of rural poor. What are existing policies? Is these a risk? How can it be mitigated by national policy and international business agreements?
  - Global research institutions in law and environment

**List of participants -ODI / IDRC Workshop on Productive Strategies for Poor Rural Households to Participate Successfully in Global Economic Processes – 25<sup>th</sup> April 2006, Sheraton Hotel, Kampala, Uganda**

No	Name of Participant	Organisation	Email address
1	Peter van Bussel	MSE / Private Sector Development Consultant	pvbussel@bsmd.or.ug
2	Alastair Taylor	Export Promotion of Organic Products from Africa / Agro Eco	taylor@agroeco.ug
3	Luis A Navarro	International Development Research Centre (Nairobi office)	lnavarro@idrc.or.ke
4	Rita Laker-Ojok	AT Uganda	rojok@spacenet.co.ug
5	Ron Kopicki	FAO (Rome), World Bank	Rkopicki@worldbank.org
6	Roger Kirkby	International Centre for Tropical Agriculture (CIAT)	r.kirkby@cgiar.org
7	Robert Kalyebara	Agricultural Sector Programme Support (DANIDA)	robert.kalyebara@asps.or.ug
8	Connie Kukundakwe	Development Research and Training	bmugambe@drt-ug.org
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13	John Jagwe	International Institute of Tropical Agriculture - FOODNET	j.jagwe@iitaesarc.co.ug
14	Jonathan Mitchell	Overseas Development Institute, London	jonathan@odi.org.uk
15	Sanjay Kumar	Imani Development (EA) Limited	sanjay@imanidevelopment.com
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17	Owen Kibenge	FIT-Small Enterprise Media in Africa (ILO)	okibenge@fit-sema.net
18	Abby Zziwa	Makerere Institute of Social Research (Makerere University)	para@utlonline.co.ug
19	Jane Nalunga	National Organic Agricultural Movement of Uganda	jnalunga@nogamu.org.ug
20	John Howell	Fellow – Overseas Development Institute, Pretoria	jhowell@mweb.co.za
21	James Ssemwanga	Ssemwanga Group Limited	info@ssemwanga.com
22	Robert Waswaga	Community Development Resource Network	robwaswaga@yahoo.co.uk

## Uganda Emerging Research Themes

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
Supply chains as a vehicle for accessing markets on a sustainable basis	<ul style="list-style-type: none"> <li>- What work is currently going on in this thematic area &amp; how can indigenous capacity be enhanced?</li> <li>- How can sociology and business ethics be developed that are conducive to supply chain development?</li> <li>- Provision of economic infrastructure to support business development (reinventing the traditional farm market)</li> <li>- Market information is vital for the rural poor and the potential role of the media and technology in providing the conduit for this is critical</li> </ul>	Identified in the Regional Scan (RS) and Country Report (CR) and strongly supported in the workshop.
<b>Workers</b>		
How can migration become a more effective tool for local development in rural areas?	<ul style="list-style-type: none"> <li>- What is impact of remittances on poverty, gender relations and local development?</li> <li>- What is the nature and who are the participants in migratory movements that link with global processes?</li> </ul>	Highlighted in CR and strong support at workshop.

<b>Marginal Producers</b>		
How can local government engage with the private sector at the local level to establish a more positive business environment?	<ul style="list-style-type: none"> <li>- Why has there been a lack of dialogue and what has been its impact?</li> <li>- How can local government be incentivising to be more supportive of business?</li> </ul>	Given the highest priority by workshop participants. Mentioned in the CR, but not in the RS.
What is the future local economy of post-conflict 'lagging' regions?	<ul style="list-style-type: none"> <li>- What is the future for post-conflict 'lagging' regions beyond being a recipient of development assistance and a source of migrants?</li> <li>- Can these regions become viable local economies?</li> </ul>	Identified in the CR and at workshop (not in RS).
How can regional & global trade liberalisation benefit the poor?		Raised at the workshop only
<b>Meta-Themes</b>		
How to improved access to financial services for poor rural households?	<ul style="list-style-type: none"> <li>- How can research inform efforts by the financial sector to reach poor, rural areas?</li> </ul>	Identified in both the RS and CR but given low priority at the workshop.
How to enhance the environmental management of development initiatives?	<ul style="list-style-type: none"> <li>- What are the environmental consequences of infrastructure developments?</li> <li>- How can the activities of charcoal producers be regulated to minimise environmental degradation?</li> <li>- How can the environmental management of specific development initiatives be enhanced?</li> </ul>	Identified in the RS and workshop.
Enabling Environment:	<ul style="list-style-type: none"> <li>- How can local government engage with the private sector at the local level to establish a more positive business environment?</li> </ul>	
<b>Cross-Cutting Issues</b>		
Gender issues	<ul style="list-style-type: none"> <li>- Can commodity chains that are dominated by women be identified and developed?</li> </ul>	The theme was not articulated in detail at the workshop but its importance was recognised.

Notes:

1. Strong support for IDRC emphasising action-orientated themes – rather than more academic themes;
2. Point of entry for research must include a balanced span from the family farm to the pro-poor enabling environment;
3. What is the role of the media in empowering poor, rural communities?



# Vietnam Country Workshop Report

Hanoi, May 15, 2006

## 1. Context of the workshop

The workshop was organized in the context of the study on “*Productive Strategies for Poor Rural Households to Participate Successfully in Global Economic processes*” carried out by the Overseas Development Institute for the International Development Research Centre’s (IDRC) Rural Poverty and Environment Programme (RPE) Initiative. The aims of the study are to:

1. Identify a research directions and actors by highlighting critical methodology issues; on-going work in the theme by others and by identifying potential partners
2. Provide recommendations that enable RPE to build a coherent research programme
3. Identify policies, processes and institutions that will expand benefits of linkage and disseminate these findings in the South
4. Enhance capacity of rural communities to develop indigenous capacities

## 2. Workshop objectives.

- Outline findings of Regional Scans & Country Reports
- Define research themes
- Locate potential partners for agenda
- Highlight critical methodological issues
- Identify on-going and likely future relevant research work being undertaken by others

## 3. Workshop participants:

The workshop, organised in the meeting room of the Pharmacy University in Hanoi, was attended by 40 participants (including ODI staff), representing a wide range of institutions, with a diversity of academic and professional and practitioner backgrounds: Universities, research institutes, international and local NGOs, and service centres, among others. [Annex 1]

## 4. Workshop program [annex 2]:

In the morning:

### 4.1 Presentation of Background, Objectives and Methodology of the Study - Jonathan Mitchell

#### *Key issues raised during discussions*

- Poor rural households presently produce commodities, but they have barriers to access markets. The question is how to develop markets in rural areas, especially in remote areas?
- Vietnam has solved its problems of food security. Therefore, the poverty line that is being used is not appropriate anymore. Poverty does not only mean hunger or suffering from a lack of money, but also means access to education, health care and access to 5 capitals, such as social, natural, physical, human and financial capitals. Focusing on which capital depends very much on the local context of each region. Globalization in a way creates new markets and wealth, but in another way causes widespread suffering, disorder, and unrest. The capacity of local authorities is limited, resulting in inappropriate policies and planning, which would affect the rural poor negatively.
- Poverty needs to be approached from economic and organizational dimensions. Poverty is not the same from one region to another. In many parts of the country, the poor are accused of destroying natural resources. We need a new approach to attack poverty.

#### 4.2. Presentation of the Regional Scan - Jonathan Mitchell

##### **Summary of discussions following the presentations of the regional scan**

- The process of urbanization has taken place at a rapid pace. This has resulted in migration from rural to urban areas. The question arising then is that should we withdraw the majority of rural farmers from rural areas to urban areas/large cities or leave them where they are. We therefore have to work out solutions for sustainable development. Should we continue export rice at low price or export crude oil and coal, and then import electricity? We need further research on migration to discover if migration is really a solution for rural development at the moment in Vietnam ;
- Access to micro-credit is also a problem. Most of the time the poor could take a loan of VND 5 million (approximately 300 USD). This makes it very difficult for the poor to invest in production. For example, preservation of product could cost more than VND 5 million. This is also an entry barrier for the poor to participate in global economic processes.
- Who are the poor? What do they have? What do they need? H'mong women do not get access to markets, simply because they do not know how to speak Vietnamese.

##### **a. A Presentation of the Country Report – Hue Le**

##### **Summary of discussions following the presentations of the regional scan**

- Need to define clearly what a poor household, a poor group and a poor region are. A poor group is heterogeneous. Not everyone in a poor group is poor. The poor will definitely be affected by globalization. We need to do something to bring the poor together so that they could participate in the global markets. What does the government want from the poor and in return what do the poor want from the government?
- Industry has had adverse impact on agriculture; meanwhile the rural poor depend mainly on agriculture. Agricultural land has been taken to construct factories, plants, roads and residential areas. Loss of land and water and air pollution has made the lives of the rural poor more difficult than ever. Therefore, we need a change in policy to balance industry and agriculture in such a way that they could complement each other so that poor rural households could benefit from.
- Development projects should be designed and implemented in a sustainable manner. Many development projects have not been successful, simply because they did not take the local culture and dialect into consideration. If the H'mong women were provided training in their own language they would have been able to take micro-credit to invest in animal husbandry and forest tree plantation. Further research is needed to work out appropriate policy that benefits the poor.
- Ecotourism/Community-based Tourism is considered a tool to reduce poverty.
- Need to make it clear as to how to work out productive strategies for poor rural households to participate successfully in global economic processes. How do they participate?

## **In the afternoon**

### **A Presentation of On-going Research Activities – Research Methodological issues, i.e. value chain analysis -Tuan Nguyen, Ministry of Science and Technology (annex 3)**

#### **Summary of discussions following the presentations of value chain analysis**

- The poor depend very much on middle men, the majority of them are Kinh (the majority Vietnamese). The poor very often sell their immature cassava to middle men who in turn provide them with seedlings, fertilizer and some other services. How to help these poor households get out of this situation?
- Is the value chain the best for development? Is it related to diversification of commodities for the poor? Is there any risk? Should we just focus on one commodity in a region or choose the ones that have been traded in the market already and then help the poor and women improve their commodity? What criteria should we use in order to pursue sustainable development? Should we invest in technology?
- Are there any differences in profits earned from cassava and in linkages between the producers and the processors between the north and the south?

#### **Presentation of the Summary of Critical Themes (Hue Le and Jonathan Mitchell)**

**Themes that emerged from the entire day's presentations and from plenary discussions were presented. Participants were reminded of being relevant to the themes presented and the following criteria should be met:**

- Be relevant to the Scoping Study and the aims of RPE;
- Complement on-going research and have clear transformational potential;
- Contribute to a conceptually coherent research agenda;
- Emerge from the Regional Scan, Country Report, Country Workshops and related discussions;

#### **The 10 emerging themes presented below:**

1. How can the need of small farmers for collective action and support be met?? (Research questions: what would be a new model of support to small farmers that is different from old-style 'cooperatives' and 'top down' extension services to a peoples' responsive service? How to provide the poor with the market information? Information on market fluctuation should be forecasted for the poor?);
2. How to support value chain development for commodities that women and the poor are already engaged? (Research questions: What are value chains that are accessible to the poor, rural and producers? How to help the poor producers increase profits from the value chains that they already have access to?);
3. How can migration become more pro-poor? (Research question: how can remittance transaction costs are reduced? How to provide migrants skills they need before they leave their native villages for the sending end? How to change policy of marginalisation of migrants? Social impacts of international migration?)
4. With move from a narrow preoccupation with food security to a broader rural development agenda – how should policy change to support the poor? (Research questions: what is the future of farming? How to help the poor to focus on post-harvest stage and go farther in the value chain? How can lessons learned elsewhere be applied in Vietnam? How to help the rural poor link up with each other to establish manufacturing communities, but not at a too large scale?)
5. How can indigenous knowledge be used to improve local people's livelihoods without depleting the resource base?
6. Can Tourism be more 'pro-poor' in the Mekong Region? (research questions: what kind of a tourist institution that would be suitable for ethnic minority people to run on their own so that ethnic minority groups and the poor could participate in and benefit from);
7. What is the comparative advantage of poor, 'lagging' regions? (research question: how to reach ethnic minority people, especially women to help them improve their livelihoods);
8. How can community forestry contribute to poverty alleviation and improve the livelihoods of poor rural households? (Research questions: how to help the poor who depend very much on

forest resources get out of poverty? How to help them process timber and non-timber forest products to earn extra income? How would gender aspects in livelihoods and poverty alleviation given adequate attention? How to improve the capacity of the community so that they could manage their natural resources and reduce poverty themselves?)

9. How can the rural poor get access to micro-finance institutions? (Research questions: how to make service quality (money availability, simple procedure, and fast process) better? Examine the current capacity of staff members of the bank in each province and how interventions should be made)
10. How to make agriculture extension system more efficient? (Research questions: How to make it a more pro-poor agriculture extension policies and practices? How to disseminate market information (about current price, some forecasts, demand-supply conditions, where to sell, where to buy) to the poor?)

## Closure:

The Chair thanked participants for their contributions. The ODI Representative expressed his special thanks to participants, and particularly to CRES for hosting the workshop. He confirmed that the Workshop Report would be produced within a week or two and then circulated among participants for comments.

## Annex 1.

### List of Participants

	Name	Institution
1.	Dang Tung Hoa	University of Forestry
2.	Nghiem Thi Thuy	Institute of Sociology
3.	Dao Trong Hung	Institute of Ecology and Biological Research
4.	Le Van An	Hue University of Agroforestry, Hue City
5.	Le Thai Thuong Quan	Faculty of Economy Open University, Ho Chi Minh City
6.	Luong Thi Thu Hang	Institute of Ethnicity
7.	Nguyen Do Anh Tuan	Institute of Policies and Strategy Ministry of Science and Technology
8.	Nguyen Hoang Anh	Central Women's Cadres Training School Vietnam Women's Union
9.	Nguyen Thi Minh Huong	Central Women's Cadres Training School Vietnam Women's Union
10.	Pham Thi Diem	Central Women's Cadres Training School Vietnam Women's Union
11.	Nguyen Thu Hang	Department of International Relations Ministry of Agriculture and Rural Development (MARD)
12.	Nguyen Tu Siem	Ministry of Agriculture and Rural Development (MARD)
13.	Nguyen Van Chiem	Ministry of Fisheries
14.	Nguyen Van Phuc	Department of Development Studies Institute of Economics, Ho Chi Minh City
15.	Pham Dieu Trang	Center for Environment and Community Assets Development
16.	Pham Thi Van Anh	Center for Environment and Community Assets Development
17.	Pham Thi Lan Huong	Central Institute of Economic Management

	Name	Institution
18.	Tran Binh Minh	Central Institute of Economic Management
19.	Thu Nhung Mlo Duon Du	Institute of Ethnicity
20.	Tran Cong Hung	Ministry of Agriculture and Rural Development (MARD)
21.	Tran Thanh Be	Director, Center for Development Studies of the Mekong River's Delta, University of Can Tho
22.	Dinh Thi Kim Phuong	Institute of Policies and Strategies MARD
23.	Tuong Phi Lai	Institute of Economic Planning Ministry of Fisheries
24.	Nguyen Thanh Binh	Institute of Ethnicity
32	Nguyen Phuong Loan	Faculty of Environmental Sciences Hanoi University of Natural Science
33	Kim Van Chinh	Faculty of Environmental Sciences Hanoi University of Natural Science
	Le Duc Truong	Faculty of Environmental Sciences Hanoi University of Natural Science
	Pham Thi Thu Thuy	State Tax Magazine
	Le Duy Hung	CRES
	Haasjevander Marcele	SNV
32	Vo Thanh Son	Deputy Director CRES
33	Dang Thi Tu Loan	CRES
34	Han Tuyet Mai	CRES
35	Le Quang Trung	CRES
36	Pham Viet Hung	CRES
37	Truong Thanh Huyen	CRES
38	Vo Thanh Giang	CRES
39	Nguyen Duc Hoa Cuong	SNV

## Annex 2.

### Vietnam Country Workshop

Productive Strategies for Poor Rural Households to Participate Successfully in the Global Economic Processes

Hanoi, May 15, 2006

#### *Tentative Agenda*

08:00 to 8:30	Registration (Chi)
08:30 to 08:40	Opening Speech (Deputy Director of CRES)
08:40 to 08:45	Program of the Workshop (Hue)
08:45 to 09:15	Background, Objectives and Methodology of the Study (Jonathan Mitchell)
09:15 to 09:30	Questions and Comments
09:30 to 09:55	A Presentation of the Regional Scan Report (Jonathan Mitchell)

09:55 to 10:05	Questions and Comments
10:05 to 10:25	Tea/Coffee Break
10:25 to 11:10	A Presentation of the Country Report (Hue)
11:10 to 12:00	Questions/Answers from any of the Morning's Presentations
11:00 to 13:30	Lunch
13:30 to 14:00	Emerging Research Themes from National Studies (Jonathan Mitchell & Hue)
14:00 to 14:30	On-going Research Activities – Research Methodological issues, i.e. value chain analysis (Tuan Nguyen, research institution)
14:30 to 15:30	Working Groups or Plenary
15:30 to 15:45	Tea/coffee Break
15:45 to 16:30	Summary of the Workshop

### Vietnam Emerging Research Themes

Research Theme	Specific Research Questions	Origin of Theme
<b>Small Producers</b>		
How can the need of small farmers for collective action and support be met?	<ul style="list-style-type: none"> <li>- A new model of support to small farmers is needed that is different from old-style 'cooperatives' and 'top down' extension services to a peoples' responsive service?</li> <li>- How to improve the agricultural extension system work better and disseminate market information more effectively?</li> </ul>	This theme was very prominent in the workshop (not mentioned in either the RS or CR).
Can community forestry contribute to poverty reduction?	<ul style="list-style-type: none"> <li>- How to find appropriate models for community management of natural resource assets.</li> </ul>	Not mentioned in RS or workshop – but significant in CR.
How to support value chain development for commodities that women and the poor are already engaged? <sup>1</sup>	<ul style="list-style-type: none"> <li>- What viable value chains are currently accessible to poor, rural and engendered producers?</li> </ul>	Identified in RS, CR and workshop.
<b>Workers</b>		
How can migration become more pro-poor and have fewer social costs?	<ul style="list-style-type: none"> <li>- How to change policy of marginalisation of migrants?</li> <li>- Social impacts of international migration?</li> <li>- Migration and skills development?</li> <li>- Is massive urbanisation necessary for agricultural transformation?</li> </ul>	Highlighted in RS, CR and strong support at workshop
Can Tourism be more 'pro-poor' in the Mekong Region?	<ul style="list-style-type: none"> <li>- Can pro-poor tourism lessons learned elsewhere be applied in the Mekong?</li> </ul>	Identified in CR and workshop (not in RS).
<b>Marginalised / Workers</b>		
With move from a narrow preoccupation with food security to a broader rural development agenda – how should policy change?	<ul style="list-style-type: none"> <li>- What comprises the RNFE?</li> <li>- What elements of the RNFE have the most significant pro-poor impacts and how can these be encouraged?</li> </ul>	Identified in CR and workshop (not in RS).
How to develop markets in remote, highland regions?	<ul style="list-style-type: none"> <li>- Find methods to reach the remote highland areas (and ethnic minorities and women within them) to enhance their livelihoods?</li> </ul>	Identified at workshop (not in RS or CR).
<b>Meta-Themes</b>		
Micro-credit	<ul style="list-style-type: none"> <li>- Access to sufficient micro-credit to establish production facilities is problematic</li> </ul>	
Enabling Environment	<ul style="list-style-type: none"> <li>- weak local authorities are adopting inappropriate planning &amp; regulatory policies</li> </ul>	
<b>Cross-Cutting Issues</b>		
Ethnicity, gender and indigenous knowledge	<ul style="list-style-type: none"> <li>- How can indigenous knowledge be used to improve livelihoods without depleting the natural resource base?</li> </ul>	Highlighted in RS, CR and strong support at workshop

1. value chain development is based on the principle that researchers work with the poor in whatever value chain s they find themselves and seek to make them more viable



## Annex E: Summary of Projects

### Rural Poverty and Environment Program Initiative

Name / Type	Geographic Scope	Program	Status	Amount (CAD)	Co-financed?	Canadian collaboration?	Recipient	Duration (months)	Start Date	Description
<b>Multi-Stakeholder Approaches in Environmental Governance</b>										
<b>Call for Proposals</b>										
Research to enhance governance, access to and management of common pool resources (CPRs) including fisheries, forests and range lands										
<b>Research Project</b>										
Collaborative Watershed Management of Natural Resources (research project)	Ecuador	MINGA	Approved	745,200	No	No	Grupo 'Randi Randi'	24	March 2003	Consolidate participatory management of the El Angel River Watershed in Carchi Province, Northern Ecuador and upscale the approach to the larger Mira hydrological system with a special focus on high altitude wetlands
Community Forestry	Nepal	RPE	Approved	450,000	No		Center for International Forestry Research	36	Feb 2004	Work with stakeholders at local, district and national levels to explore viability of flexible approach to community forestry management 'adaptive collaborative management' or forestry management for social change.
Regulation of Water Rights	Bolivia	MINGA	Approved	270,000	No	No	Gilles Cliche	24	Nov 2005	Government of Bolivia created an Inter-Institutional Water Council to co-ordinate multistakeholder development of a new water law. Project seeks to provide sound technical and methodological on water management to the policy development process
Regulation of Water Rights II (research project)	Bolivia	MINGA	Approved	446,130	No	No	InterCooperation / Swiss Agency for Development & Cooperation	36	May 2005	Phase I provided technical support for the drafting and adoption of Law 2878 (Irrigation Law). This phase will expand capacity of government agencies to implement the water policy.

[illegible]

Empowering Poor Rural Families to Participate in Global Markets																		Empowering Poor Rural Families to Participate in Global Markets
Compensation for Environmental Services																		This Scoping Study is being undertaken by the World Agro-forestry Centre
Migration and Natural Resource Management																		
Research Projects																		
Managing Conflicts over Natural Resource Management (ECAPAPA II)	Sub-Saharan Africa	RPE	Approved	496,400	No	No	No	Association for Strengthening Agricultural Research in Eastern & Central Africa	36	April 2006	Developing multi-stakeholder approaches to managing conflicts over natural resources in Eastern, Central and Southern Africa through competitive small-scale grants to discover 'best practice' and knowledge to inform policies and institutional arrangements.							
Smallholder Market Integration in Africa	Sub-Saharan Africa	RPE	Approved	750,000	No	No	No	International Development Enterprises (IDE)	36	March 2003	The Smallholder Water and Integrated Business Development (SWIBD) approach links smallholders to integrated and expanding agricultural markets using micro-irrigation.							
Social Movements, Environmental Governance and Territorial Development	Americas	MINGA	Approved	1,209,780	No	No	No	Red Internacional de Metodologia de Investigacion de Sistemas de Produccion	24	March 2004	Grants will promote more equitable and effective rural development and natural resource use through institutional change in Mesoamerica, the Andes and Brazil through case studies, master's theses and concept papers and dialogue.							
Social Learning for Adaption																		
Course																		
Learning together: impressions & reflections on the 2006 CBNRM course in Beijing, China																		
Call for Proposals																		
Completely open dialogue requested around social learning																		
Research Projects																		
Adaptive Policymaking for Agriculture and Water Resources	India, South Africa & Canada	RPE	Approved	1,000,000	No	Yes	Yes	International Institute for Sustainable Development of Canada /	48	March 2005	Project examines how policies can contribute to community adaptive response and resilience resulting from uncertainty of climate change on agriculture & water resources.							

Building Capacity for Social and Gender Analysis in Asia: An Umbrella Program Phase I	South & SE Asia	RPE	Approved	655,000	No	Yes	Institute of Anthropology Uni Laval / International Centre for Tropical Agriculture / Chinese Academy of Sciences	36	March 2002	Support and training to integrate social analysis and gender analysis into natural resource management projects and the sharing of learning with others.
Building Capacity for Social and Gender Analysis in Asia: An Umbrella Program Phase II	Asian Region	RPE	Approved	869,810	No	Yes	Institute of Anthropology Uni Laval / International Centre for Tropical Agriculture / Chinese Academy of Sciences / Asian Institute of Technology	40	March 2005	No description – presumably a continuation of the above.
Collaborative Watershed Management of Natural Resources	Ecuador	MINGA	Approved	745,200	No	No	Grupo 'Randi Randi'	30	March 2003	Participatory management of El Angel Water Catchment in Carchi Province, Northern Ecuador. Aim is to consolidate experience, up-scale to larger Mira hydrological system and expand approach to two similarly sized watersheds in different provinces.
Community Based Natural Resources Management: Towards Centres of Excellence in Asia										
Small Grant Program Fondo Mink'a de Chorlavi Phase I	Latin America and Caribbean	MINGA	Approved	449,600	No	No	Red Internacional de Metodologia de Investigacion de Sistemas de Produccion	48	June 2005	Stimulate learning in organisations involved in natural resource management, poverty alleviation and rural development in LAC. Project will assist 50-60 organisations by supporting 30 research and action research projects. Document and disseminate lessons.
Sustainable Management of Common Natural Resources in Mongolia Phase III	Mongolia	RPE	Approved	366,400	No	No	Mongolia Ministry for Nature and Environment	36	July 2004	Formation of community herder groups and establishment of pasture co-management teams. Project aims to up-scale earlier interventions & empower local communities for efficient & sustainable natural resources.