

CAN EXTENSION CONTRIBUTE TO RURAL POVERTY REDUCTION? SYNTHESIS OF A SIX-COUNTRY STUDY

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with Malin Beckman**

Abstract

The paper summarises the results of a cross-country study on agricultural extension and its potential contribution to poverty reduction. The study emphasised the importance of livelihoods contexts, including the roles of vulnerability, labour markets, and the state, in determining the rural poor's ability to take advantage of conventional extension strategies. The study examined the interrelations between wider rural development policies and agricultural extension. It also examined recent trends in the decentralisation of government services and support to producer organisations, and their relation to extension strategies. The study concludes that a much broader, and more carefully differentiated, approach to extension is required.

Research findings

- *The rural poor face exceptionally high transaction costs and considerable risks in gaining access to production and trade opportunities; in addition, many are exceptionally vulnerable and are more in need of safety nets rather than production-focused interventions.*
- *Labour markets are of exceptional importance to rural livelihoods, and extension activities must enhance these markets' capacity to serve the poor.*
- *Rural development policy must incorporate more of a sector-wide perspective, but policy implementation is often hampered by weaknesses in local governance and fragmented interventions created by donors.*
- *It is important to look beyond agricultural extension to a more inclusive livelihoods extension.*

Policy implications

- *Extension needs to address vulnerability as well as productivity and to offer new options from which poor households can choose according to their circumstances.*
- *The design of extension strategies must take account of differing degrees of market integration, which determine the degree to which the poor can take advantage of market opportunities.*
- *Extension strategies need to differentiate between highly- and weakly-integrated areas and acknowledge the need to take difficult decisions between supporting production strategies, on the one hand, and broader-based livelihood extension, on the other.*
- *Extension should offer a wider range of services, some focused on support to production and others focused on wider livelihood support, targeted according to an analysis of a particular area's market integration, degree of vulnerability, and production prospects.*

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Acronyms

NAADS	National Agricultural Advisory Services
NGO	Non Governmental Organisation
NR	Natural Resources
PEAP	Poverty Eradication Action Plan
PMA	Plan for the Modernisation of Agriculture
PRSP	Poverty Reduction Strategy Paper
SL	Sustainable Livelihoods

CAN EXTENSION CONTRIBUTE TO RURAL POVERTY REDUCTION? SYNTHESIS OF A SIX-COUNTRY STUDY

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1 INTRODUCTION

This paper is a summary of the results of a study of how extension can contribute to poverty reduction, commissioned by the Neuchâtel Initiative¹ and based on research in Bolivia, Colombia, India, Nicaragua, Uganda and Vietnam. The major concerns are how extension policies must be seen in a wider context of rural poverty reduction, the realities of livelihoods, and the existence of a range of public and private extension providers. More complete treatment of the subject can be found in Farrington et al. (2002).

Much current work urges extension reform in the sense of privatisation and removing state subsidies. In contrast, this study urges a much broader view of the role of rural extension. On the one hand it applauds efforts to diversify and privatise extension where possible, particularly in areas well integrated with markets. On the other hand, it defends the continuation of some forms of 'subsidised' extension, but under much different criteria than the previous production-focused strategies. It urges this type of extension to concentrate on more marginal areas, to take account of the diversity of rural livelihoods, to be innovative in its organisation and use of communication technology, and to develop the capacity for strengthening the demand side of extension.

The next section introduces some of the basic features of rural livelihoods (including the importance of labour) and examines how the nature of markets, the state, and vulnerability must be taken into account in extension provision. Section 3 examines the challenge of linking extension policy to broader rural development policy. Section 4 examines some of the issues relevant to the implementation of such policies, particularly with reference to experience in the case study countries. Section 5 outlines responsibilities for governments and donors who wish to pursue these strategies and Section 6 offers brief conclusions.

2 THE RURAL POOR: STATES, MARKETS AND VULNERABILITY

This section is about the nature of poor people's livelihoods and the environment in which they operate, and the ways in which the content and form of extension should take this into account. The section looks at: poor people's livelihood strategies and the influence of transaction costs, risk, and vulnerability; the important influence of labour markets on income poverty, and how technological change promoted by extension can change labour market conditions; various aspects of market integration and the influence of this on the design and differentiation of extension; and the

appropriate role of the state in extension. It concludes by emphasising the extent to which extension should address vulnerability as well as productivity; and diversification for coping as well as for thriving.

Vulnerability-assets analysis

This study accepts the value of 'vulnerability-assets' analysis of the kind underpinning sustainable livelihoods approaches. These stress that the poor draw on a range of assets, which they either own or can access, in order to achieve a range of livelihood outcomes (going beyond income to include greater well-being, increased voice and reduced vulnerability). To do so, they pursue a range of livelihood strategies, often managing a 'portfolio' of part-time activities, and changing the composition of the portfolio in response to emerging needs, opportunities or constraints. Part of the outcome of these strategies (such as higher income) will be consumed; part may be re-invested to replenish or strengthen their livelihood assets, and part may be used to reduce vulnerability. The types of strategy they can pursue are influenced by policies, and by formal and informal institutions and processes. Of crucial importance to the poor is *access*, not only to assets, but also to the benefits provided under, for instance, government programmes. Such benefits can be either production-oriented (e.g. subsidies, credit, training) or protection-oriented (e.g. pensions, access to health facilities).

Rights-based approaches to development have recently gained ground. They explore how citizens' entitlements across several areas – civil and political, but also social, economic and cultural – can be claimed and defended. Whilst intellectually coherent, these approaches have no inherent mechanisms for prioritising public expenditure in resource-scarce situations. Sustainable Livelihood (SL) approaches can help in resolving difficulties of prioritisation. Such approaches identify the current livelihood strategies and objectives of the poor, in the context of vulnerability, the influence of policies, institutions and processes, and current levels of access to assets and entitlements. They are therefore well-placed to identify – from the wide range of entitlements nominally available to the poor – which ones, if immediately available, could make the greatest difference in allowing them to seize opportunities or remove constraints in the context of their intended livelihood outcomes.

There are four further aspects of poverty which merit brief mention here, given their centrality in what follows:

- The high transaction costs faced by the poor in

production and trade: these impact disproportionately on the poor due to access problems caused by weak infrastructure, poor organisation and adverse local power relations. Appropriately focused extension involves providing more complete knowledge of alternatives and likely outcomes.

- The high risk facing the poor of breaking out of traditional patterns of production and associated social systems, which may provide some social protection, but are often deeply exploitative; again, although extension cannot directly provide a solution to such dilemmas, it can help by promoting greater awareness of the potential returns and risks associated with alternatives.
- The high priority given by the poor to protecting themselves against vulnerability. This may place limits on the extent to which they are prepared to engage in the types of productive activity that extension usually promotes. Furthermore, the poor do not progress on a simple linear path from vulnerability to accumulation: those apparently accumulating in one season might well be barely coping in the next.
- The limited impact that production-focused interventions can have on the destitute, and the need to supplement these by safety nets, especially where the poor – such as the chronically sick, the old, and those caring for large numbers of dependents – are unable to sell their labour, as well as where chronic conflict, HIV/AIDS and other factors have led to systemic collapse.

What do these concepts suggest in relation to extension? They suggest, first, that agricultural and rural development strategies have to be located in the context of the rights and livelihood aspirations of the poor; second, that production and protection strategies have to complement each other; and, third, that an extension approach which is geared broadly to livelihoods contexts rather than narrowly to crop or livestock production contexts is more likely to be of benefit to the poor.

Labour markets

Much can be understood about changing patterns of income poverty from analysis of labour markets. Extension is a major influence for change in this area, and an understanding of its impact on the livelihoods of the poor requires awareness and analyses of the relationships between technological change and labour markets.

Where there is widespread seasonal unemployment, an increase in the volume of work available at current wage rates (or in the case of family farms, additional seasonally-focused farm enterprises) can raise the overall incomes of the poor. This is the rationale of employment-generation schemes, such as 'food for work' or 'cash for work', which have the added advantage of being self-selecting, insofar as the better off will (by definition) already have higher returns to labour than the poor, and will not work for the basic minimum wage. These have become almost a regular

feature of labour markets in, for instance, India, especially in the off-season, and in low-rainfall years. They are also often mobilised in response to extraordinary events, such as natural disasters, where normal labour markets are not functioning.

The situation is more complex where technical change within existing farm enterprises is concerned. New technology may be promoted on the grounds of reducing drudgery, but one person's drudgery is another's employment lifeline, and care must be taken not to displace labour through such innovation where there is little prospect that it will find comparable employment (or, in the case of family labour, where family income and well-being is, in aggregate, diminished as a result).

The labour dynamic within farm-family households may be particularly complex. Providing that sufficient income is generated for desired consumption and investment levels, some withdrawal of family labour from farm activities is to be expected as incomes rise, and allows that labour to be reallocated to preferred productive or household-reproductive activities, or to leisure. Further, benefits to society at large may be enhanced if (relatively well-off) family labour is withdrawn and (relatively poor and otherwise underemployed) casual labourers' time is substituted.

Market integration

The degree to which the poor can take advantage of markets is one of the key variables affecting the design and differentiation of extension strategies. There are several elements to be considered, including the potential of globalisation, the organisation of local markets (including spatial characteristics), and the way these aspects affect perceptions of regional viability.

Trade theory predicts that, since developing countries have a relative abundance of unskilled labour, freer trade should increase demand for exports embodying large inputs of unskilled labour, thus increasing employment, raising wages and reducing poverty. However, Killick (2000) argues that increased world demand is most buoyant for products embodying skilled labour and relatively advanced technology. Globalisation is likely to have little positive impact on the poor in developing countries. A wide range of factors (many associated with market failure) prevents the rural poor from responding as well as they might to emerging market opportunities, including scarce market information, poor infrastructure, weak institutions and their inadequate access to assets such as education, land, water and finance. Kydd et al. (2000) emphasise how larger farmers in more favoured areas are likely to have superior access to knowledge, credit and markets. In short, globalisation is creating different threats and opportunities in different contexts, which can be loosely dichotomised into areas that have relatively good access to markets for goods and services, and those where market penetration is limited due to poor infrastructure, weak governance and other factors (such as insecurity). Markets for labour follow the same pattern to some degree, but are exceptional insofar as seasonal (or permanent) migration creates bridges

between weakly and well integrated areas (and even countries).

Even for domestic trade, market access, both for inputs and outputs, is likely to be weak and expensive in the remoter areas of poor countries. Furthermore, the poor face additional expense in the form of transaction costs – obtaining information, building up relations of trust, obtaining inputs and getting their produce into mainstream markets. Reduction of these costs requires investment in infrastructure, information services, and other means of reducing market imperfection. Among the indirect effects are certain implications for extension design, including the need for greater integration of extension into processing structures; relating extension priorities to infrastructure investment; supporting para-extension workers in the context of demand-driven models, and other options discussed in Section 4.

If the characteristics of remote areas make it difficult to contemplate agricultural trade, what about the possibilities for non-farm livelihood options? There are tensions between those seeing substantial opportunity for non-farm enterprise even in more remote areas (e.g. Bryceson, 2000; Ellis, 2000) and those taking a more austere view of the possibilities (e.g. Wiggins and Proctor, 2001).

In addition, conventional views of the relations between rural and urban space are being challenged. Satterthwaite (2000) concludes that there is a great diversity in the characteristics of location within both rural and urban areas, but that the borders between rural and urban are more fluid than had previously been supposed. Whilst these views are of some interest to those who can currently afford to commute between rural and urban areas, they are of less interest to the majority of rural poor, who live in the more remote areas only weakly integrated with markets. However, what *is* of interest to them is the spatial pattern of urban settlement: more (and closer) small towns undoubtedly offer better prospects to them than a smaller number of large and more distant cities, and there is considerable scope for developing appropriate policies and instruments in support of such settlement patterns.

It is also important to note that perceptions among some governments (especially in Latin America) that some rural areas are 'non-viable' in any context other than subsistence production, has led to abandoning these areas to a combination of subsistence production and labour emigration (see Bebbington, 1999). In practice, a significant proportion of rural residents has adopted multi-locational strategies to diversify income. Migration has become an important 'solution' to the stagnation of links between the local economy and markets, as households retain a rural homestead while increasingly relying on remittances from relatives in cities and in wealthier countries. Negative tendencies have, however, also emerged, where social alienation and weak state presence have led to chronic violence and a shift to illicit livelihoods through drug production, smuggling and kidnapping. These forms of 'obnoxious markets' (Kanbur, 2001) are taking hold due to

weakening state capacity to provide basic public services, such as policing. Our view is that, whilst there may indeed be advantage in some areas in promoting emigration, even remote areas are rarely devoid of all possibility of enhanced productivity. Policies should be designed that facilitate partial reliance on agricultural production (e.g. niche products, or staples) so that households can take advantage of whatever possibilities are available for multi-locational livelihoods.

To summarise, market conditions correlate closely with the spatial dimensions of development: the more remote areas – largely coinciding with those thought to have low agricultural potential – already contain the majority of the rural poor and will be particularly disadvantaged by poor access to information, or to increased demands for skills, inputs and markets under globalisation. These present different livelihood options to the poor compared with areas of higher productivity – which, although in some cases distant from metropolitan areas, are generally served by better physical and social infrastructure. Difficult areas are more likely to be characterised by vulnerability-reduction strategies among the poor, by social structures which deny the poor their entitlements and rigidify existing disparities, and by tendencies towards long-term migration.

The role of the state

As markets are assumed to take increasing responsibility for service provision, the role of the state is increasingly examined. Neo-liberal views on the role of the state are that it should facilitate and regulate private activity, and not engage directly in any production or service activity that might be taken on by the private sector. These views have led, for instance, to widespread pressures to privatise parastatals engaged in product marketing or input supply, since, in principle at least, the private sector should be willing to take these over. The reality, particularly in sub-Saharan Africa, has been very different: the dearth of private sector actors having adequate capacity to take on logistically complex operations has tended to lead to replacement of state by private monopolies, and often to partial collapse of service provision. One perceived role for the state, therefore, is to correct market failure; another is to finance the delivery of those goods and services which the private sector has proven unwilling or unable to supply.

These potential roles have attracted considerable debate. There are large areas of discretion over how and how far the state might make good market failure – whether through relatively low-cost interventions such as those linked to information provision, or through higher cost options such as provision of infrastructure. The level of opportunity cost of any funding applied in these ways will be a major determinant of the type and level of state action.

As far as the provision of public goods and services is concerned, the degree of state involvement will again be limited by the availability of funds, but one of the key questions concerns organisational configurations for service delivery. As will be discussed below, the

state faces chronic problems in providing services, especially to remote areas. This has led to two types of innovative arrangements: one in which the state funds private commercial or non-profit organisations to deliver services ('contracting out'); the other in which non-state organisations (commercial or non-profit) 'contract in' the state either formally, or informally as when, for instance, they cover the transport and subsistence costs for extensionists to visit remote areas.

There is also the question of the balance of investment of public resources between areas which are well- and poorly-integrated into markets. To shun efforts to correct market failure or to finance provision of public goods or services as a 'distortion' or 'subsidy' is excessively simplistic. Our view overall is that considerable investment in poorly integrated areas is justified, but at levels and in ways which do not unduly impair the competitive advantage of well-integrated areas, and that new forms of extension service have a substantive role to play in such areas.

There is also the question of how to structure decisions over investment in service provision and other measures to correct market failure for the less integrated areas. As a minimum these should be taken on an agriculture sector-wide basis. But much necessary investment (such as in roads or telecommunications) will also need to be linked in with wider rural development policies. Further, in decentralised systems, there will be a need for coherence of investment decisions between central and local government if, as appears desirable, low income farmers in remote areas are to be buffered from some of the (perhaps increasingly) extreme interactions between demand and supply and are to be given at least some opportunity to compete with better placed producers in supplying growing markets.

In order to deliver extension in the poorly integrated areas, it will be important to assess the capacity and commitment of the state to deliver services, or to form pro-poor partnerships with commercial or non-profit organisations. Considerations of decentralisation, governance and accountability in this context suggest a number of questions that help define the options for improved extension services. These include:

- *Political decentralisation*: is local government living up to widely-held expectations that it can become more responsive to the needs and opportunities of local people than can a more distant and less accessible central government?
- *Administrative decentralisation*: how far do agriculture departments, and extension services in particular, still deliver centrally-designed programmes? If they have the flexibility to design their own programmes in a decentralised way, how far do they elicit the views of local people on priorities, and how far do they respond to these?
- *Governance and accountability*: does decentralised public administration report only to head office, or have measures been taken to ensure its accountability to local government?
- *Civil society organisations* (including producer and trade associations): is there any effort to strengthen

these? Do they have a formal role in overseeing the performance of service providers? Do they have (or desire) a role for themselves in identifying sectoral needs and priorities, articulating these to the state and/or themselves providing advisory and related services, either independently or in partnership with government?

The vulnerability context

Vulnerability reduction is increasingly recognised as a central aspect of rural development policy. There is a need to revisit the relationship between dealing with hazards and shocks, and more mainstream objectives of increasing production and productivity. Where vulnerability is greatest, the basic tools applying development policy are in many cases weak, absent or coopted by uncivil society or illegal market forces. In some contexts, policy formation must address the void of state and formal market institutions, rather than simply plan how to improve upon the system.

An important aspect of poverty is level of exposure to risk of natural disasters. Among the poor, concerns for mitigating such livelihood shocks have often greater impact on livelihood strategies than efforts to increase production. In Nicaragua, the landslides associated with Hurricane Mitch raised awareness and public debate over the fate of these fragile environments and the nature of vulnerability to natural hazards. Willingness has increased to subsidise extension inputs for watershed management. Mainstream agricultural policy, however, still suggests that investment be concentrated in more 'viable' areas and on farmers with the resources to take advantage of market opportunities.

Vulnerability often takes many other less extreme forms: one is that attributable to the seasonality of agriculture, often with severe lack of income earning opportunities in the off-season. Covariance among different forms of risk is another – in some settings, farm enterprises may all be equally vulnerable to low or poorly-distributed rainfall, hindering the effectiveness of local coping strategies. But much vulnerability is socially rooted: in some contexts the poor are denied access to the resources (such as irrigation water) which might reduce the risk of crop production; in other cases, unless they have the right contacts or are able to pay bribes, they may be unable to claim risk-reducing entitlements made available by the state. HIV/AIDS also threatens social, economic and institutional stability. It has implications not only for overall levels of agricultural production as labour is withdrawn, but also for the very presence of civil servants (such as extension agents) in many areas.

Coping, thriving and diversification

It is important to recognise that the poor construct livelihood strategies not just on the basis of the constraints they face, but also on the basis of assets, options and entitlements. These allow them to cope with – at times thrive in the face of – difficulties of the kinds outlined above. Their livelihood portfolios are generally diverse. However, their individual circumstances will determine whether they are

diversifying out of desperation (for instance, having lost their land) and so see diversification as a coping mechanism, or whether diversification represents a means of accumulating assets and escaping from poverty.

The vast majority of rural development interventions are justified on the basis of contributing to thriving. The need to show a positive internal rate of return on investment has meant that thriving is in many cases taken for granted to be the justification for extension – but this is limited to areas where thriving is a genuine option. NGO efforts and food security programmes have more generally emphasised coping, as have many projects initiated after major crises. This alternative set of priorities is based on the belief that thriving will not reach everyone. Thriving is contingent on the availability of roads, markets and institutions.

Much current discussion is devoted to the subject of livelihood diversification. The potential advantages of on-farm diversification are well-known: it can help in reducing the seasonality of cash flows and demands for labour; help in using capital assets more fully, help in reducing co-variate risk, and (especially where non-staples are introduced) help in stimulating new processing and marketing opportunities. Clearly, diversification into portfolios dominated by low-risk, low-return activities is unlikely to address poverty reduction objectives adequately. Here extension can have a role in helping assess both the resilience and returns from various strategies.

Several caveats about diversification are in order. The first is that the *promotion* of diversification as a policy objective may be misguided. Rather, diversification is important to at least some households, but in different ways and at different times. All households need new livelihood options that they can consider, so a policy of *offering new options* as relevant as possible to people's circumstances is an appropriate policy goal. People can then choose for themselves whether to diversify or specialise on the basis of these, and can select appropriate combinations of them according to whether they are coping or accumulating. A second point is that trajectories out of poverty are rarely linear, so that continued support over some time is likely to be necessary before the poor and the vulnerable non-poor gain a sound economic foothold. Third, that the economic epicentre of many poor households will shift over time from more remote to less remote rural areas, and from rural to urban areas.

Summary

The changing range of livelihood strategies pursued by poor people, and the particular influence of transaction costs, risk and vulnerability on them, implies an extension approach which is geared broadly to livelihood contexts rather than narrowly to crop or livestock production. Extension needs to address vulnerability as well as productivity, and not to over-promote diversification but to offer new options from which poor households can choose according to their circumstances. Extension, by promoting technological change, is a major factor influencing changing labour

markets and thus income poverty. The design and differentiation of extension strategies must take account of the differing degrees of market integration globally and locally, which determine the extent to which the poor can take advantage of markets. In our view, the appropriate role of the state in making good market failure and in service delivery is to devise coherent plans for involvement in infrastructure and service delivery in poorly integrated areas, but without impairing the competitive advantage of well-integrated areas, in which new forms of extension service, more reliant on private funding and delivery, have a substantive role to play.

3 LINKING AGRICULTURAL AND RURAL DEVELOPMENT POLICY

This section is about how wider policies interact with extension policies. It looks at the importance of sector-wide approaches and mainstreaming poverty reduction; the need to consider the effect of policy changes on rural labour markets; and various policy approaches to dealing with 'non-viable' areas.

Sector-wide approaches

Acknowledgement of the multi-dimensional nature of poverty and a closer integration of many poor countries into the global economy bring new challenges to policy formulation: policy needs to incorporate a more sector-wide perspective and be linked into a coherent institutional framework from the global to the local. The case study countries demonstrated variable performance in this regard. Both Uganda (see Box 1) and Vietnam (see Box 2) have made progress in inter-linking policy and mainstreaming poverty reduction. Nicaragua has a more fragmented (and increasingly by-passed) policy environment, although increasingly frank and direct dialogue among government, civil society and donors after Hurricane Mitch is bringing these issues to the forefront. Bolivia and Colombia are characterised by a shift from highly centralised to highly decentralised forms of government, in which many of the issues of co-ordination between central and local, and matters of local governance (local level public spending prioritisation, local revenue-raising, etc.) are not yet fully resolved in ways reflecting poor people's own priorities. A recent strengthening of local government in India adds a further dimension to an already federal system, but the public administration has successfully resisted most attempts to make it more accountable to local government. India has a long tradition of poverty-focused initiatives, but these have tended to be centrally-designed and funded, albeit increasingly with inputs from the States, and have had a very mixed performance, attributable variously to poor design and to widespread corruption and political interference in implementation.

Whilst an appropriate policy environment is important, an understanding is also needed of how to approach so called 'poor performers'. There are examples of countries, such as Nicaragua, where corruption, weakened civil service institutions, politicisation and parallel structures created by donors

Box 1 Agricultural and rural development policy in Uganda

Uganda has been able to develop a joined-up policy portfolio, though much of it is yet to be properly tested through implementation, through the co-ordinating efforts of the Ministry of Finance, Planning and Economic Development, donor coordination, the increasing integration of participatory poverty assessments, and the tendency towards increasing consensus among a range of other stakeholders. Poverty eradication is the primary government policy focus. The Plan for the Modernisation of Agriculture is a core sector-wide strategy for the implementation of the Poverty Eradication Action Plan (which acts with modification as a Comprehensive Development Framework and the Poverty Reduction Strategy Paper (PRSP)) and is at present being rolled-out. A further indication of the integrated policy process is the way in which the National Agricultural Advisory Services programme is following that of broader governance and capacity-building initiatives focusing on local government.

effectively mean that the legitimacy and institutional capacity to use policy decisions to influence praxis are not present. In these cases the sum total of projects (especially aid-financed) sets the tone for the prevailing policy narrative. These contexts are where a sectoral approach is most needed, but where the preconditions for such an approach in terms of government ownership, legitimacy and implementing capacity are not present.

Labour markets

Policy needs to be sensitive to likely impacts on employment and incomes in rural areas, not least because the poor will rely for their livelihoods wholly or in part on the sale of their labour – this is important both in relation to staple crop production and to opportunities for diversification. The case study countries have had different experiences.

In India, the focus of public support for agriculture is highly contested, and policy switches have had profound implications for labour markets. A large number of jobs was created on medium-scale farms in the early part of the Green Revolution, and this undoubtedly helped to spread benefits to the poor, but many of these were lost as government succumbed to pressure to support the introduction of combine harvesters by farmers who had tired of the difficulty of managing migrant labour gangs. On a smaller scale, microwatershed rehabilitation policy is particularly enlightened in allowing local government and village assemblies control over the design and implementation

of rehabilitation. However, decisions here are again contested: villagers prefer labour-intensive construction methods which maximise employment opportunities. Officials – sometimes for the possibilities it offers of illicit diversion of funds – prefer to engage contractors, who in turn generally use mechanised construction methods. Migrant labour has long been part of the livelihood portfolio of the rural poor. However, in many areas migrant labourers are exploited by a small number of intermediaries who arrange contracts, accommodation and transport, and hold back extortionate payments for these from the wages due. Government has little interest in regulating this market since migrants potentially disturb the calculation of district-level poverty-targeted benefits, as well as causing difficulty for urban planners by settling spontaneously.

Using a livelihoods approach, Nicaragua's Strengthened Poverty Reduction Strategy (interim PRSP) has looked at how the poor employ their assets and concluded that a focus on labour markets should be central to poverty alleviation. The strategy emphasises that poverty is primarily a rural phenomenon and the primary way to escape it is to exit from agriculture. This is based on the recognition that the least poor areas are those with access to labour markets. Those still relying mainly on basic cereal production have the highest levels of malnutrition. Despite these findings, mainstream agricultural policy pays very little attention to labour markets, concentrating instead on increased production and productivity. The resulting mismatch between overall policy which recognises the importance

Box 2 Poverty and agricultural policy in Vietnam

Poverty reduction is the overarching policy goal in Vietnam and there has been considerable success during the past decade. Broad-based economic growth and structural reforms intended to promote employment and exports are seen as the main means of reducing poverty. Part of the success of this strategy has been due to the relatively even distribution of resources nationally.

The main achievement during the 1990s has been an enormous increase in rice production for both food security and export. However, its decreasing profitability has led policy to shift to supporting rural industrialisation based on agro-processing and small-scale rural enterprise. There is a large rural work force of people who are underemployed on their small landholdings and constitute a large demand for supplementary income generation activities.

The PRSP now being developed involves a broader approach to poverty reduction, recognising that structural reforms may not have a positive poverty reduction effect for everyone.

For example, rural industrialisation is a distant goal for the mountain areas. Programme 135 is a large poverty reduction programme targeting mainly ethnic minorities in remote mountain areas. Funds are largely mobilised from domestic private resources through the sale of bonds, and allocated on the basis of cross-sectoral commune development plans. There is a strong role for the commune in the monitoring and implementation of activities and investments.

Ultimately, these poor mountain areas are seen as having potential for export production, despite their remoteness. However, so far insufficient attention has been given to developing sustainable production systems for local food security, and this had made people in these areas very vulnerable to changes in export market conditions.

of labour markets in poverty alleviation and specific agricultural development strategies is a clear example of the difficulties in expecting the Heavily Indebted Poor Country/Poverty Reduction Strategy Paper process to introduce livelihood perspectives into sectoral thinking.

In Uganda, food deficit households engage in both local labour markets and migration, so that although the employment benefits of agricultural policy are important, they are not perhaps as important as in some other countries in sub-Saharan Africa. Initiatives that focus on developing the private sector or producers' organisations have been criticised for their lack of poverty focus, but in reality have the potential to create a substantial volume of rural employment.

In Vietnam there are two obstacles in the way of relating poverty alleviation to labour markets. The first is the existence of a faith, particularly within central political circles, in 'modernisation' – in the sense of large-scale capital-intensive production – as the path to general prosperity (assumptions shared by most of the case study countries). This faith discourages specific attention to the employment and other impacts of such technology and alternative pro-poor options. The other obstacle is the propensity (in some ways certainly justified) to equate poverty with mountainous areas where own-account production still dominates, which carries with it a tendency to overlook the large and rapidly growing population of landless labourers and farmers with poor-quality land in and near high-potential areas.

In relation to labour markets, the case study countries highlight the importance of:

- acknowledging, analysing and strategising around the indirect effects on the poor of agricultural and rural development policy, particularly in terms of labour opportunities;
- ensuring greater coherence between the recognition of the importance of labour markets that is emerging in overall poverty alleviation goals with the production and 'modernising' focus of many agricultural policies;
- applying a spatial analysis to poverty and labour markets that recognises the relationship between poverty and isolation, and also includes a focus on the situation of labourers and marginal producers who live in higher-potential areas.

Vulnerability reduction

Vulnerability reduction is potentially an important aspect of public rural development policy. However, insofar as it is treated at all, it is usually seen more as an aspect of social policy than of production-focused policy, so that potential synergies between the two spheres of policy are lost.

Triage is a useful concept for facing the questions surrounding how to integrate a concern for vulnerability into the formulation of rural policy, including both social and production-focused policy. Triage is defined as 'the principle or practice of allocating limited resources, as of food or foreign aid, on a basis of expediency rather than according to moral principles or the needs of the

recipients.'² This usage of the term stems from battlefield medicine, where casualties are sorted according to those who will survive without treatment, those who will probably not survive at all, and those in-between for whom treatment will yield greatest impact. Even though triage is a word rarely used in rural development studies, it has nonetheless been a *de facto* guide for many investments in service provision. In effect, many rural people have been left out of mainstream rural development policies because they are seen as 'too poor' to participate, or simply because they have been labelled as members of a 'vulnerable group', and thus represent a welfare or humanitarian problem rather than being participants in a development process. By taking such policy formation practices out of the closet, focusing on triage is a useful way of shedding light on the practical and ethical choices to be made in prioritisation, and for placing this prioritisation within the broader context of rural development policy. If by adopting a triage approach some areas are treated as 'non-viable', what then are the implications of this for our broader goals and values? This question is central to analysis of whether the direct and indirect implications of extension for the 'poorest of the poor' are to be included in formation of poverty alleviation policy.

This review suggests that production-focused service delivery directed solely at the poor *as producers* in isolated areas will yield low and probably diminishing returns. Thus, triage may suggest abandoning many current efforts to support own-account production by the poor. If triage is rejected, then the corollary is that the costs of such efforts must be acknowledged as a long-term subsidy rather than a short-term support measure, out of which poor farmers will suddenly flourish. Greater realism is needed in addressing, for example, how to support production in areas heavily affected by HIV/AIDS, where the challenge is not to deal with mere temporary market failure, but with systemic collapse.

The realistic and pragmatic perspective that emerges when triage is taken out of the closet enables us to look beyond the poor as own-account producers, and differentiate better between various impacts of technological change on the poor, which are:

- direct (i.e. on the poor as own-account producers);
- indirect (e.g. on the poor as labourers or consumers);
- or
- difficult to define at the outset (e.g. on the formation of community-based organisations, and the expression of demands by the poor).

Triage is also a useful concept for specifying how far down the poverty line one can hope to reach with a given type of intervention. As such, it highlights a number of difficult policy trade-offs that are rarely addressed in planning service delivery. As costs rise relative to production benefits with small or isolated producers, the question becomes one of the relative appropriateness of direct, indirect or undefined interventions (e.g. between subsidising input supply, marketing, organisational support or finance).

The case study countries highlight four ways in which policy can try to address vulnerability more effectively. Begin with a thorough risk assessment in order to avoid or modify programmes that would otherwise increase vulnerability. Take a realistic view of why areas remain marginalised (remoteness, prevalence of natural disaster, chronic insecurity) and focus policy accordingly. Emphasise political inclusion and economic integration in areas suffering chronic political instability, in order to break the cycle of conflict often brought on by inequality. Strengthen and add to, rather than substitute for, local coping mechanisms and nascent development processes.

Summary

There are three areas in which wider policies for rural development and extension policies need to be integrated in order to achieve effective, broad-based rural poverty reduction. First, the multi-dimensional nature of poverty and increasing global economic integration imply the need for sector-wide approaches and mainstreaming poverty reduction. Second, because labouring is an important component of poor people's livelihoods, all policy needs to be sensitive to likely impacts on employment. Third, policy needs to take an explicit and realistic view of why particular groups and areas remain marginalised and focus accordingly.

4 IMPLEMENTING PRO-POOR EXTENSION POLICY

This section looks at how pro-poor extension policy can be implemented. There are various challenges: ensuring extension policy is set within broader pro-poor policy; transferring responsibility for extension services to decentralised local authorities; the potential role of farmers' organisations; how to implement livelihood-oriented extension; and broadening the frame of extension to consider the needs of the entire production chain and the different actors within it.

Extension in pro-poor policies

A seemingly obvious, but often overlooked, aspect in joining up extension with broader pro-poor efforts is to place extension explicitly within poverty-reduction policies. Coherent policies are the best basis for demonstrating to extension agents that pro-poor efforts will be recognised and rewarded within their institutions (and not seen to be 'deviations' from modernisation efforts). Whereas poverty alleviation has certainly received increasing attention from both governments and donors, these policies have generally filtered down to field-level structures in an uneven manner, if at all.

In Vietnam, a commitment exists to engage the local bureaucracy in poverty alleviation and (particularly in disaster prone areas) vulnerability reduction. In some areas local government and quasi-civil society institutions (such as cooperatives and mass organisations) have gone further than policy decrees in addressing poverty. Despite this commitment, many such efforts fail to actually reach the poorest. Whilst agriculture is seen as a priority in these efforts, the limits of growth-focused investments for actually impacting on poverty have often been ignored.

In Nicaragua, the commitment to poverty alleviation through agricultural development is less clear, and is strongly donor-driven. Agricultural policy promotes production and productivity increases and gives few direct signals to extension of how to address the broader needs of the rural poor. Instead, poverty is relegated to food security programmes and various projects as an add-on to the main policy thrust.

In Uganda, an explicit link is drawn between poverty reduction and the modernisation of agriculture. Overarching government policy is articulated in the Poverty Eradication Action Plan (PEAP) with the Plan for the Modernisation of Agriculture (PMA) as a core sector-wide approach to pursue poverty eradication. One of the key investments of the PMA will be through the new National Agricultural Advisory Services (NAADS) programme, making extension an important element in the poverty eradication strategy. Yet the links between poverty eradication and extension are as yet only vaguely articulated in the NAADS documentation. The NAADS programme will need to be learning-intensive and there are moves to build poverty monitoring into programme design, particularly in terms of the representation of women and the poor in programme governance, and the direct benefits captured by the poor.

India has a very large number of poverty-focused schemes and programmes, but these are generally implemented by agencies other than public extension services, which tend to work in a highly compartmentalised fashion. This places a high premium on (hitherto largely unsuccessful) efforts to promote convergence.

The case study countries highlight three needs in order to ensure extension policy is set within broader pro-poor policy effectively:

- the need to draw explicit links between pro-poor policy and the role of extension, though these may be both through direct and indirect effects;
- the need to learn about how the poor benefit in different ways from investment in extension (as producers, consumers, labourers, citizens);
- the need specifically to analyse the mix of signals and incentives that are sent to frontline extension staff (e.g. objectives such as poverty alleviation, modernisation and aggregate production increase), and how these staff interpret their roles and priorities.

Decentralisation

Decentralisation would seem to be the policy reform trajectory with the greatest potential for reorienting incentive structures for pro-poor extension. Subsidiarity could be presumed to provide opportunities for local actors, particularly the poor and those supporting the interests of the poor, to adapt policies and programmes to the complex and diverse nature of poor people's livelihoods in a given area.

In essence this requires placing extension, which is under line ministry control in most countries, under local authorities. In practice, neither officials nor local politicians have shouldered these new burdens effectively. Their own sets of political and practical

incentives and capacities suggest other priorities. Voters may want infrastructure, health and education services. Urban demands tend to dominate. When rural issues are addressed, immediate priorities are usually natural resource licensing and taxation, often to generate income for expanded service provision roles and/or reduced transfers from central government.

Civil servants may resist the possibility of closer scrutiny if they are made formally accountable to local government. But there are also more valid reasons for their resistance: extension workers see agriculture ministries as their principal pathway for career advancement and as a main source of technical backup. They may also (validly from Latin American experience at any rate) fear the politicisation of their technical corps if it is brought under local government.

In most of the case study countries there have been some moves towards decentralisation of extension, the most radical experiment being in Uganda, where the focus is on incrementally deepening decentralisation and promoting greater private sector involvement in the delivery of extension. Here, there is a positive process of linking the decentralisation of extension to broader capacity building, planning and budgeting, and to popular participation at decentralised levels. Districts and sub-counties will only be able to qualify for participation in the NAADS programme when they have attained a certain local government capacity. The NAADS programme remains faced with the challenge of building links at these levels to complementary components of a sector-wide approach, such as rural financial services. This may be one area around which problems emerge when trying to build sector-wide thinking at decentralised levels, when components are working at different paces or with various priorities. With proper phasing and local planning this may be addressed. Much of the sector-wide PMA will be implemented through decentralised planning processes which will identify the key constraints at the local government level and help remove these constraints through 'joined-up' public sector interventions.

The situation is more fragmented in Nicaragua, where municipalities are faced with a myriad of projects underway in their areas of jurisdiction with different requirements and procedures. Evidence shows that the more urban and wealthy municipalities generally fare better than the rural and poorer municipalities in managing their expanding powers and responsibilities (Larson, 2001) and are better at taking into account rural issues than the primarily rural municipalities (*ibid.*). This can be attributed to two factors. First, the landslides that accompanied Hurricane Mitch created a new awareness of the dangers to (even urban) communities caused by environmental destruction on the slopes above populated areas. A political will to prevent future disasters has thus emerged that is notably lacking in many rural areas where the problem is more distant and the cost, relative to existing resources, is seen to be overwhelming. Second, the wealthier urban municipalities have the human resource capacity and critical mass to think strategically about rural-urban linkages and their role in development.

In Vietnam, official structures are in many respects still strongly centralised. Local officials have, however, often taken initiatives beyond their formal authority in order to promote rural development actively. This so-called 'fence-breaking' was a major stimulus behind the first wave of reforms initiated in the late 1980s. It is still common for local government, extension and mass organisations to initiate rural development projects together. Poverty alleviation is a frequent objective, though over-optimistic assumptions of the distributive effects of productive growth tend to limit actual impact.

Part of the reason for weak decentralisation in many countries lies in the lack of resources with which to implement new policies within local structures. A common finding in all the cases was the tendency for decentralised levels to have extremely limited human, financial and logistical resources. This has often meant that decentralised responsibilities greatly exceed local capacities, particularly with regard to extending authority and services beyond the urban centre. Local governments have reacted to decentralisation by struggling to define how they will prioritise use of their resources in relation to their expanded responsibilities.

There are growing indications that local government may be more interested in generating revenue from the rural areas in the form of taxes and licensing fees, than in contributing to poverty alleviation (Ellis, 2000). Decentralisation is often suspected as masking a disengagement from state responsibilities and a dismantling of rural service provision. This may be an accurate perception. In many countries decentralisation of responsibilities has not been matched by provision of funding or control over tax revenues, and operational budgets for extension providers have generally been hit hardest. Rhetoric regarding alternative resource mobilisation has not been matched by serious efforts to establish such mechanisms or to analyse how a local political commitment to extension inevitably must compete with other priorities.

In Colombia, even though financial resources have been made available for new extension activities, the lack of human resources has limited the capacity for absorption and the ability to compete for access to such funding. Weak human capacity may also mean that extension providers lack the skills to identify and implement viable production priorities (e.g. Bolivia). This is most true in poorer areas, where human resource capacity is weakest due to the difficulties in recruiting and retaining qualified staff.

A related factor influencing the impact of decentralisation on incentives for pro-poor extension is the ability of local authorities to deal with pluralism. To be effective, pro-poor incentive structures must be embedded within a number of different organisations. Local authorities often lack the knowledge, skills and legitimacy (often due to corruption and politicisation) with which to influence these agencies, much less to coordinate their efforts. Over-optimistic assumptions that local authorities have the credibility and capacity to assume a leadership role are central to many plans for the decentralisation of extension.

Tendler's (1997) research in Brazil concludes that decentralisation's impact on incentives for field staff often relies on strong, clear and focused policy guidance from central levels. This is echoed in the successful experience in Vietnam, as well as in the reasons for the limited impact of decentralisation in Nicaragua. Without a strong and consistent vision as to what extension should be doing, there is a danger that mid-level actors respond to other incentives (including their own personal rent-seeking). In India, while messages and policy guidance from the centre are strong, they are often irrelevant to poor people's needs, monitoring systems are weak, and even the limited attempts to ensure more accountability of extension workers to local government have been strongly resisted.

Increasing voice: the role of farmers' organisations

It is often expected that producers' organisations will provide a 'voice' for the poor, both by placing pressures on extension providers and by providing and facilitating services for their members and other producers. The fundamental problem is that poor farmers are rarely members of these organisations. This raises questions regarding the commitment and capacity of these organisations to reach and represent the poor.

In Uganda, farmers' organisations are receiving support from a range of NGOs and donor agencies. There are also several commodity-specific farmers' associations at national and local levels. Heavy support has been given to developing advisory services within farmers' organisations for the benefit of their members, but high expectations of achieving cost-sharing of extension services among producers have not been met.

Despite hopes that producers' organisations will contribute to poverty alleviation, little has been done to draw poorer farmers into cooperative arrangements (of various types) from which they can benefit through greater economies of scale, bargaining power and a stronger voice. Some of those supporting district farmers' associations in Uganda argue that these should work with producers having 'potential', and so impose a form of triage. Experience suggests that, in any case, many of the 'poor with potential' and 'vulnerable non-poor' are likely to be excluded.

Initiatives to strengthen producers' organisations and the NAADS programme in Uganda are also important steps to place more power in the hands of producers. Sensitive implementation of the NAADS programme in the construction of farmers' groups and fora may perhaps create opportunities for channelling the voice of the poor in agricultural development. The risk is that governance mechanisms for the NAADS that depend on social capital may not act in favour of those who have least access to it.

Vietnam is following a collaborative model of extension, where local government has overall control over extension activities in the districts with primarily public funds. The range of actors in extension is broad, including public extension and related services, mass organisations, village organisations, farmers' groups, cooperatives, private entrepreneurs, state and private

input supply companies, etc. There is no clear distinction between state and civil society. The mass organisations operate with considerable independence, but are still accountable to the local People's Committees. There are advantages and disadvantages in the close relationship between the community organisations and local government. On the one hand there is an institutional structure for communication between supply and demand for services, giving people more chance of influencing supply than they would have individually. However the mass organisations risk spending most of their time mobilising for state policy decisions already made, at the expense of their role as a channel for popular demand.

The Bolivian case illustrates how an appropriate pathway was chosen from central/decentralised and public/private options. Given the non-viability of public extension provision in the sparsely-populated lands of eastern Bolivia, the research and extension services re-modelled themselves to provide advice and information to a range of 'intermediate users' of technology, including producers' organisations, NGOs, and commercial agencies. This approach cost government little, indirectly reached most remote areas, had adequate technical back-up from research, drew on innovations practised among farmers themselves, and encouraged farmers to make demands on the technology system through the intermediate organisations.

Livelihood extension

If we look beyond agricultural extension *per se*, and instead consider *livelihood* extension, i.e. how the poor may benefit from technological change as producers, consumers, labourers and as rural residents, then the concept of triage noted earlier raises other options.

Triage may mean a decision to give up efforts to support subsistence producers in their production strategies, and instead look at ways to support the creation of other rural employment (on-farm and non-farm) and migration. In addition, the consideration of livelihood extension can also mean that, for example in Uganda, provision of counselling to market-oriented women's groups on domestic violence has positive spin-offs in terms of social capital formation, positive functioning of groups and income generation. In Nicaragua, it has resulted in, for example, efforts to limit pollution of water sources by coffee processing units, sanitary controls on dairying, and control of rabies spread by vampire bats.

Here is a nexus of rights-based and sustainable livelihoods approaches, as the right to basic health and human security *perhaps* become extension objectives, on par with the traditional focus on production issues. Livelihoods and rights-based approaches to understanding and alleviating poverty are meaningless if they do not question traditional assumptions regarding the scope of extension. We do not suggest that extension agencies themselves should take on such broad tasks. The challenge is one of coherence, whereby extension services are seen as part of a broad range of actors that address (or could address) the impact of technological

Table 1 Potential scope of extension

	Domains		
	Production	Production context	Wider livelihoods
Advisory services	<ul style="list-style-type: none"> crop and livestock husbandry farm management 	<ul style="list-style-type: none"> use of natural resources in relation to agriculture wider environmental issues marketing processing producers' organisation 	<ul style="list-style-type: none"> alternative livelihood opportunities improving access to natural resources for the poor social safety nets power relations and institutional landscape law local and national level planning of agricultural and NR 'futures' reduced vulnerability in relation to the above
Institutional support	<ul style="list-style-type: none"> promotion of farmers' organisations or cooperatives for input acquisition, information access, veterinary services, phytosanitary services, etc. 	<ul style="list-style-type: none"> promotion of groups for joint action in NR management promotion of farmers' organisations for marketing, processing, certification, etc. 	<ul style="list-style-type: none"> promotion of groups to exercise small farm 'voice' in planning NR 'futures', in accessing NR, and in accessing alternative livelihood options and the requisite skills
Production services	<ul style="list-style-type: none"> seeds agrochemicals irrigation water production 	<ul style="list-style-type: none"> in relation to above 	<ul style="list-style-type: none"> in relation to above insurance schemes consumption credit

change on the rural poor through better information. Extension agencies should not enforce sanitary controls or do nutritional monitoring, but they should adapt their roles to the *de facto* 'extension' that other actors engage in.

Even if one restricts analysis to a narrower income-based view of poverty, our case studies show that extension usually only promotes livelihood options that are related to own-account farming. Either extension is seen as having nothing to offer (for non-farm strategies), or the positive externality of employment generation from support to large-scale production is such a vague and minor priority in agricultural policy that little attention is paid to it when judging a given technology. Poor people, on the other hand, take a broader view. A livelihoods approach to analysis of extension priorities may point to new ways to ensure that efforts are more congruent with the strategies of poor people themselves to cope and to thrive.

Extension priorities can be seen as falling into two general categories in relation to livelihoods: helping poor people to *cope* with their vulnerability; and helping them to 'escape' from poverty and *thrive*. The latter consists of commercialisation, market participation and increased income. The former is dominated by security, subsistence and safety nets.

Many thriving-oriented initiatives focus on non-traditional commercial crops that require close supervision and market information flow to ensure quality, timeliness and transport. High levels of extension inputs have proved essential to maintain quality and ensure that products are available according to market demand. NGOs and producers' organisations are establishing collection and processing centres, which provide packages of extension, inputs, processing and marketing.

Many NGO efforts and food security programmes emphasise coping strategies that are unrelated to

commercial production. This is due to both normative objectives and because projects are often initiated after major crises, when coping strategies tend to become higher priorities for donors searching for 'good exits' from humanitarian assistance. It is also based on the belief that thriving will not reach everyone. Even the indirect employment impacts of thriving strategies are contingent on the availability of roads, markets and institutions. However, a realisation is emerging that coping strategies need to be supported, even for those who lack these prerequisites, despite the fact that the support mechanisms are not necessarily 'sustainable'. Market solutions alone will not lead to inclusive development.

A mix of subsidised and unsubsidised strategies is needed that will often combine coping and thriving and integrate various aspects of the scope of extension (highlighted in Table 1), though not necessarily in the same institution.

Vertical integration of extension

Livelihood extension must look beyond the farm and the 'community' to help producers and those who have left or are leaving agriculture to integrate farming into production chains and changing patterns of rural-urban socio-economic relations.

Wiggins and Proctor (2001) advance a number of arguments regarding the diversity of rural areas, proposing a typology based on proximity to cities and the quality of natural resources. They argue that, for peri-urban areas, the policy agenda is essentially set by the nature and pace of urban development. For less remote rural areas, it remains that of promoting the integration of urban development into a market system; whereas the options are more limited in remote rural areas, especially where the quality of natural resources is poor. Drawing on location theory, they further argue that urban areas enjoy the advantages of proximity to

both customers and other producers which are denied to rural areas. For these reasons, rural areas in developing countries have a comparative advantage in only a limited range of activities: those related to primary production (farming, forestry, fishing and mining), some processing of primary products, some types of tourism, and possibly some crafts. They see limited prospects for the rural non-farm sector (other than localised service provision) since most productive activities can be undertaken more efficiently in towns, and products then transported out to rural areas, though there may be opportunities for rural industrialisation. Easier transport and improved communications are unlikely to allow rural areas a comparative advantage in sectors where it did not exist earlier. Indeed, their main effect may be twofold: first to reduce the cost of transporting manufactures from the urban areas, and second to improve knowledge of distant opportunity and increase the mobility of some members of rural households, thus increasing the opportunity for multi-locational household livelihood strategies, consistent with the trend in this direction noted by Ellis (2000) and Bryceson (2000).

Producers are not the only actors who have agricultural training and advisory needs, though they remain the main focus of extension initiatives. The knowledge and skills of others, such as input suppliers, distributors, stockists, extensionists, producers, traders, and the patterns of interaction among them are critical for addressing market inefficiencies. Better linking the various actors and agencies will increasingly draw on the potential of ICTs and support the development of a centrally-placed, accessible critical mass of administrative, market and agricultural services.

The case study countries highlight the importance of:

- recognising the broad scope of extension in building links between extension and poverty reduction;
- redefining extension's justification based on an acknowledgement that poor people are more than just producers (or labourers), often having other service or advisory needs in order to mitigate the risks that they face and support inclusive development;
- realising that the motor for vertical integration may not come from extension to producers alone, but from other actors in the commodity chain;
- analysing and supporting the information, advisory and skill needs of a wider range of actors in and around the agricultural sector, not only producers;
- re-assessing the roles of demand and supply sides in the provision of extension and other services, considering these within the wider infrastructural and other requirements for addressing the 'poverty of place', and developing district towns as a principal locus of interaction between demand and supply sides.

5 GOVERNMENT AND DONOR OPTIONS FOR MORE PRO-POOR EXTENSION

The importance of market integration in determining the design and differentiation of extension strategies has been a key theme in this paper. Another key theme has been the need for government to recognise explicitly

its capacity and commitment to servicing rural areas. Here, we use these two variables to distinguish various government and donor options for more pro-poor extension.

Highly integrated areas

In these areas, governments with adequate resources and a commitment to responding to the needs of poor people are likely to be able to move successfully away from universal publicly-funded extension provision, limiting public involvement to facilitation and regulatory functions. For example, state regulation may be needed for the delivery of public goods such as health, safety and environmental services; and state funding (but not delivery) may be needed to address remaining aspects of market failure, such as rehabilitation after natural disasters. This leaves government to finance gaps in advisory services and possibly start-ups in niche enterprises, which have high initial transaction costs.

Governments with a weaker commitment to responding to poor people's needs may move in this direction, but such governments are characterised by top-down approaches and reluctance to give up traditional roles. There may be conflict between central government and more progressive local government.

Weakly integrated areas

Where governments have the resources and commitment, substantial public funding of extension – and possibly some delivery – is generally justified in these areas, but with an emphasis on co-operative institutional arrangements such as public/private (both commercial and NGO) partnerships, and on strengthening linkages with other institutions affecting the rural space. For example, supporting civil society organisations to make demands on the public sector, or pushing for provision of new infrastructure to help farmers take advantage of market opportunities. Extension approaches should be context-specific, and address vulnerability and the wider livelihood context as well as productivity. They might include: promoting new information and communication technologies to reduce rural information gaps; or promoting low-risk niche enterprises.

Governments with a weaker commitment to responding to poor people's needs may publicly fund extension, but again are likely to be characterised by top-down approaches (unlikely to work in partnership with other organisations), gaps, irrelevancies and non-sustainability in remote areas.

No matter how committed they are, poorly-resourced governments will have to rely on partnership arrangements. Poor, weakly committed governments may end up largely neglecting weakly integrated areas, running the risk of alienation and chronic violence taking hold.

Donor role

For governments with commitment and adequate resources, the areas where donor support are likely to be most useful are:

- trade negotiations: action to address Northern

protectionism, promote regional free trade, and build up developing country trade negotiating capacity

- planning: assisting with and building capacity for agricultural sector planning, especially in the context of Sector-Wide Approaches and Poverty Reduction Strategies; testing new models and approaches for extension delivery;
- infrastructure: assisting with major infrastructure projects;
- skills development: within government, producers' and trading organisations; functional literacy and numeracy for poor people.

For governments with a weaker commitment to responding to poor people's needs, donor support could encourage greater responsiveness by assisting capacity building in local government; supporting civil society organisations that can make demands on the state; and piloting alternative extension approaches.

For committed but poorly-resourced governments, budgetary support may be the most effective option. Where both commitment and resources are lacking, extension for poor people in remote areas is unlikely to be sustainable, so support for other options such as out-migration, safety nets, and risk-mitigating development programmes may be the best option.

6 CONCLUSIONS

This paper has outlined a number of ways in which extension can impact on poverty reduction.

Poor people pursue a changing range of livelihood strategies; transaction costs, risk and vulnerability have a particular influence on them. This implies an extension approach geared broadly to livelihood contexts rather than narrowly to crop or livestock production. Employment is particularly important for the poor: extension, by promoting technological change, is a major factor influencing changing labour markets and thus income poverty. Extension needs to address vulnerability as well as productivity; and, rather than over-promote diversification, offer a range of new options from which poor households can choose according to their circumstances.

The differing degrees of market integration globally and locally determine the extent to which the poor can take advantage of markets; the design and differentiation of extension strategies must take this into account. The state has a role to play in making good market failure and in service delivery: considerable investment in poorly integrated areas is justified, but without impairing the competitive advantage of well-integrated areas, in which new forms of extension service have a substantive role to play.

Wider policies for rural development and extension policies need to be integrated in order to achieve effective, broad-based rural poverty reduction. The multi-dimensional nature of poverty and increasing global economic integration imply the need for sector-wide approaches and mainstreaming poverty reduction. Because labouring is an important component of poor people's livelihoods, all policy needs to be sensitive to likely impacts on employment. Policy also needs to

take an explicit and realistic view of why particular groups and areas remain marginalised and focus accordingly.

There are various challenges for implementing pro-poor extension policy: ensuring extension policy is set within broader pro-poor policy; transferring responsibility for extension services to decentralised local authorities; using farmers' organisations effectively; how to implement livelihood-oriented extension; and broadening the frame of extension to consider the needs of the entire production chain and the different actors within it.

Government and donor options for supporting more pro-poor extension are determined by the degree of market integration and of government capacity and commitment to servicing rural areas. A common theme, whatever the context, is the need to build capacity in and improve linkages between the wide range of public and private institutions that affect the rural space.

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ENDNOTES

- 1 The Neuchâtel Group is an informal group of donor organisations established to consider options for support to agricultural extension. It is named after the town in Switzerland where the original meeting was held among European bilateral donors. The group has since expanded to include multilateral donors and meets on an annual basis.
- 2 Collins English Dictionary, 1991, HarperCollins Publishers, Glasgow

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