

PREFACE

A High Level Panel of Experts¹ was convened by the Director General of FAO in 1998 to review and advise on the activities of the Economic and Social Department (ES) of FAO. The panel recommended *inter alia* that research priorities in the Agriculture and Economic Development Analysis Division (ESA) should be directed at the systematic identification of major current and emerging issues for policy and economic analysis and of gaps in the state of knowledge regarding those issues. The panel also recommended that the process of identification and prioritization of issues draw on the rich experience and work at the country and regional levels of the decentralized policy assistance capacities of FAO and, more generally, on the presence of the Organization in countries and regions.

In implementing the panel's recommendations, a consultation was launched with all the FAO Regional and Sub Regional Policy Teams and out-posted Economic and Social Department staff. The main instrument of the consultation was a questionnaire structured around "major trends " affecting food , agriculture and rural development namely : (a) changes in the role and functions of the state and implications for food and agriculture (b) trade liberalization, globalization and increased reliance on regional blocks (c) poverty, inequality, food insecurity and emergency prevention and relief (d) population growth, urbanization and related

¹ The panel members were: Chair: Dr. Alberto Valdés, Senior Adviser, the World Bank, Washington D.C., USA. Vice-Chair: Dr. Assia Bensalah Alaoui, Professor of International Law, Rabat, Morocco. Members: Dr. Ke Bingsheng, Director General, Research Center for Rural Economy, Ministry of Agriculture, Beijing, China; Dr. Per Pinstrup-Andersen, Director General, International Food Policy Research Institute, USA; Dr. Ruth K. Oniang'o, Professor of Food Science and Nutrition, Nairobi, Kenya; Dr. Benjamin H. Senauer, Professor of Agricultural and Applied Economics, Minnesota, USA.

changes in demands on agriculture and the increasing pressures on natural resources and the environment (f) research and technology development and inequality of access.

The responses to the questionnaires were discussed within FAO and reviewed by outside experts in order to complement the views expressed by the field and propose a limited number of issues which could be the object of in-depth analysis. The selected in-depth analysis papers were commissioned to specialists in the respective fields and were presented and discussed in a mini-symposium held in Berlin in August 2000, during the meetings of the International Association of Agricultural Economists.

The final outcome of the various steps described above constitutes the material of the present publication on “current and emerging issues” which includes (a) a chapter containing a synthesis of the consolidated responses to the questionnaire of internal consultations enriched with the various suggestions and (b) in depth reviews by experts of the following issues : (i) new trends in development thinking and implications for agriculture and rural development sectors; (ii) rural poverty: causes, characteristics, and alleviation strategies with emphasis on Latin America; (iii) institutions, reforms and agricultural performance; and (iv) migration and poverty issues.

AN OVERVIEW OF THE CONTENTS

In the introductory chapter “**Summary of Results of the Survey**” Viciani, Stamoulis, and Zezza present a synthesis of the responses to the CUREMIS questionnaire. Several important issues for research emerged from the survey on each one of the thematic areas included in the questionnaire, and are summarized in this chapter. What constitutes perhaps the most striking result of the survey exercise, however, is the overwhelming importance that all respondents, regardless of geographic origin or field of specialization, attached to the issue of poverty and its implications for food security. This represents in itself an important indication about one key criterion that should guide future research priority setting for FAO and other institutions. What also constitutes an interesting feature of the

survey, is that the responses received reflect in fact two quite different types of gaps: the first is a possible gap in the state of knowledge. The second concerns a gap in the communication and practical relevance of research generated in the research establishment to those involved in policy decision making in developing regions. The latter gap is no less relevant than the former, as its filling would just as well contribute to more informed policymaking.

In their paper **“New Trends in Development Thinking and Implications for Agriculture”** (intended as a “chapeau” or issues paper), Maxwell and Percy review the current consensus (or conventional wisdom) with respect to the Food Agriculture and Rural Development (FARD) sectors among major contributors in the policy debate (FAO, World Bank, and IFPRI) and then place it in the context of the general development discourse. From a long list of potential themes, the paper focuses on thinking about (a) poverty, social exclusion and sustainable livelihoods, (b) globalization, (c) the ‘Post-Washington Consensus’, and (d) aid. Is thinking on the FARD sectors regarding (a) to (d) “in step” with the trends in general development thinking? To what extent and what type of adjustments are needed in our thinking about FARD? The main conclusion of the paper is that current thinking on the range of development issues above, challenges the existing consensus on FARD but in evolutionary rather than in revolutionary ways. Discussions on FARD should pay increased emphasis on: non-material dimensions of (rural) poverty; social vulnerability; the role of informal social protection systems; the more effective use of “rights” approaches; assessing the impact of globalization on rural dwellers and global public goods; the pace and sequencing of liberalization (market and institutional reforms); identification of successes and failures in applying the new “instruments” or “technologies” of aid and donor-recipient partnerships.

Despite the increased importance that poverty in general has received in the last few years, rural poverty has not assumed the prominence it deserves (given its extent and severity) in the development discourse either at the national level or that of international development agencies. In their paper **“Rural Poverty in Latin America: Recent Trends and New**

Challenges “ Valdés and Mistiaen discuss several issues related to rural poverty giving specific examples from case studies in the Latin America region. Thus, the paper discusses poverty measurement and characteristics of the rural poor (location, occupation, income sources, demographic characteristics). The discussion of the determinants of poverty points to the lack of access to productive assets; lack of concentrated economic activity where the poor live; immobility of rural population due to lack of skills; lack of social spending. Some of the evidence presented in the paper points to the beneficial effects of overall growth on the poor, the negative effects of agricultural “taxation” on poverty, and the importance of migration opportunities. In terms of household-level determinants, the paper points to the negative effects of family size and dependency ratio, and to the low returns of education in farming. The paper also points to the “synergy” among public goods and services in increasing their impact (the benefits of ‘bundling’ of services). The following are proposed as elements of a research agenda: (a) understanding better who the poor are and why they are kept in poverty, (b) better understanding of the role of rural non-farm activities and how to promote them in areas where the poor live, (c) better understanding of the special conditions of women and indigenous groups, (d) better understanding of the poverty-resource degradation nexus, (e) getting a rural rather than just agricultural focus on the analysis of poverty, (f) implications of decentralization for poverty, and (g) the role and functioning of rural factor markets.

In his paper “**Institutions, Reforms, and Agricultural Performance**” P. Bardhan focuses on the role of institutions in facilitating or impeding development. An important issue in this context is the persistence of dysfunctional institutions. Economies of scale, learning and network externalities and mental models or social norms are indicated as possible explanations for the “gap” between existing institutions and those more “fit”. Why do reforms which could, if implemented, be beneficial to all parties often get “blocked”? The paper points to several major factors: lack of credible commitments by governments; diffusion of and uncertainty about potential gains associated with the change; fears of changes in the relative bargaining positions of transacting parties following reforms.

Those concepts are then used to examine the role of institutional arrangements in carrying out land reform and pricing and marketing reforms in agriculture. For instance, in the case of land reform, the fear of loss of political power, bargaining strength and collateral by landlords may be an obstacle to land re-distribution which “could increase the pie” for all. In turn, the paper takes up the issue of sequencing of reforms and the importance of building coalitions (among public, private and civil organizations) and of providing compensation in order to build alliances in favor of reforms. Finally, the paper points to a research agenda on issues related to institutions : (a) a comparative-historical studies identifying which institutional arrangements can account for the differences in development performance of countries, (b) the gender dimensions of agricultural reforms, (c) the role of intellectual property rights in affecting agricultural growth, (d) the importance of re-distributive conflicts and their impact on growth and productivity, and (e) the importance of institutional mechanisms for water distribution and pricing.

The following facts promise to put migration on the top of the development agenda of the 21st Century: (a) the world’s migration out of rural areas is accelerating; (b) the most populous countries are also among the most rural. Recent debates in several developed countries on how to face the new wave of migration from the developing world shows that the issue is here to stay. Answers to important questions such as what triggers migration, how productivity in rural areas is affected, and the role of remittances are far from unanimous. Migration policies in migrant destination countries are in the middle of political controversy. Those are some of the issues dealt with in the paper “**Migration: New Dimensions And Characteristics, Causes, Consequences and Implications for Rural Poverty**” by J. E. Taylor. The paper proposes the “New Economics of Labour Migration” as the framework of analysis of migration issues. The NELM framework of analysis is characterized by its richness in explaining the multiplicity of factors which underlie the decision to migrate and the possible effects of migration on both migrant origin and destination economies. According to the NELM the decision to migrate is taken by a household according to the incentives and constraints it faces. Migration

and the remittances it generates have both positive and negative effects on the welfare of rural households and communities, which vary by type of household/community and overtime (short versus long run effects). Thus, in the short term, loss of labour to migration may reduce agricultural production, but in the longer run, migrant remittances may increase household access to assets by alleviating credit constraints resulting inter alia in increased agricultural production and household incomes. Migrant remittances may have wider effects on the income of the rural communities (including on distribution) and on poverty through expenditure and input-output linkages. And yet, according to the paper the migration-poverty nexus has been under-researched. Further research is needed as to the long and short-term effects of migration (and remittances) on agriculture, poverty, food security and income distribution. The effects of migration on labour markets necessitates research on appropriate technologies for migrant-sending areas which duly take into account migration's impacts on labour and capital availability. Local economy-wide modelling is suggested as an appropriate empirical tool to analyse migration's impacts on rural communities.

It is important to underline that this investigation into “Current and Emerging Issues for Economic Analysis and Policy Research “ was not intended to sketch a research agenda for FAO . As the organization is not primarily a research body, it could only cover a small part of the identified research needs. Rather, the paper is to contribute to the overall objective of identification of research priorities among the scientific community and those more directly involved in development policy.

Jacques Vercueil²

Kostas G. Stamoulis

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² Jacques Vercueil is Director and Kostas G. Stamoulis is a Senior Economist, Agriculture and Economic Development Analysis Division (ESA), Economic and Social Department FAO, Rome.