

Ethical Issues in Promoting an “Agriculture for Development” Strategy for Sub-Saharan Africa

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Outline

- The 2008 World Development Report
- Factors that Condition an “Agriculture for Development” strategy in SSA
- 4 examples of ethical issues in the design of a strategy
 - Intergenerational tradeoffs
 - Which farmers to target? Resource allocation dilemma
 - Food price dilemma in an open economy
 - Subsidiarity
 - Who does what at what scale?
 - Who is accountable to whom and for what?

WDR 2008

- What is the WDR?
 - World Bank's "flagship publication"
 - Not an official bank policy document
- First focus on agriculture since 1982
- Process of developing the report

WDR 2008

- WDR's view of "Agriculture for Development"
 - 75% of poor are rural & engaged in agriculture in some way
 - Multiple & differing role of agriculture in:
 - Agriculturally dependent countries
 - Transforming countries
 - Urbanized countries

Pathways between agricultural growth, broader economic growth & poverty alleviation

- Direct participation in more productive farming
 - As family farmers
 - As farm laborers
- Indirect (linkage) effects
 - Increased employment and income in producing farm inputs and processing & marketing outputs (production linkages-- backward & forward)
 - Flows of labor and capital from farming to other sectors of the economy (factor market and fiscal linkages)

Pathways between agricultural growth, broader economic growth, and poverty alleviation

- Indirect (linkage) effects
 - Increased employment in producing consumer goods (consumption linkages)
 - Increased economic productivity due to better nutrition of workers and more efficient (less liquid) investment (productivity linkages)
- Lower prices for staples, which:
 - Raise real incomes of the poor
 - Help expand employment by holding down wage rates (wage good effect)

Pathways between agricultural growth and poverty alleviation

- Both direct and indirect effects depend both on technology *and* institutions, especially markets
- Experience of Green Revolution in Asia: *indirect* effects (especially the consumption linkages & wage-good effects) had bigger anti-poverty effects than the direct effects.

Is the Asian model appropriate for Sub-Saharan Africa?

- While same basic principles apply, structural differences between Asia and SSA imply that Africa's green revolution(s) will look very different from those in Asia, suggesting the need for some different strategies.

A few key structural differences

- Size & diversity, incl. gender
→ diversity of farming systems
- Spatial issues
 - 48 separate countries, many small
 - Importance of regional trade & transaction costs
 - National governance problems become regional
 - Scale & spillovers in research, education, policy

A few key structural differences

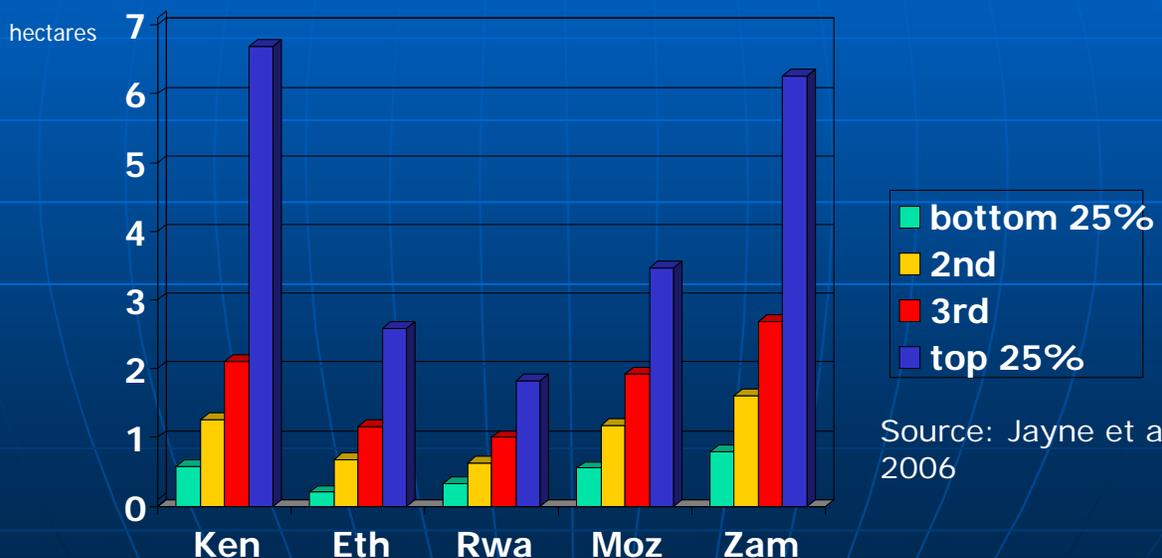
Population density & infrastructure density

- Irrigation density 1/5 of that of India in 1961
- Road density < 1/3 of that of India in 1961
- Major implications for technologies, markets, and capital mobilization

A few key structural differences

- Landlocked
 - High transport costs, high marketing costs, and risk
 - Intergenerational tradeoffs in financing transport infrastructure
- Economies and political systems are much more open now than in the 1960s, which raises questions about the strength of the indirect effects of ag growth on poverty reduction and about accountability

Diversity of smallholders: Small farm sector



Diversity of smallholders

- A minority of smallholders will be able to “farm their way out of poverty”
- Second group will likely remain in agriculture, but most of their income will have to come from off of their farms
- Third group will likely need to leave rural areas for jobs elsewhere

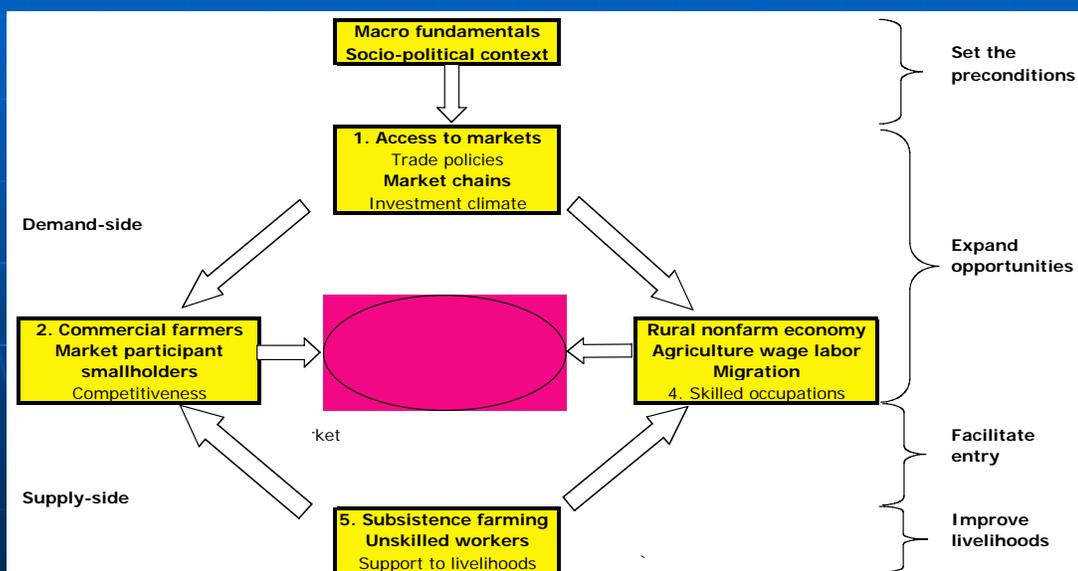
Diversity of smallholders

- To help those who can't farm their way out of poverty:
 - The *indirect* impacts of agricultural growth become extremely important for poverty reduction
 - Need complementary investments (e.g., in education, labor & land market improvements) to help the most resource-constrained move out of poverty agriculture
 - Good news: poorest are often neighbors to better off, strengthening potential linkages

Ethical dilemmas

- Intergenerational tradeoffs in investment for infrastructure
- Which class of farmers to target development resources? This raises a resource allocation dilemma
- Food price dilemma with open economy
- Subsidiarity:
 - Whose voice counts at what level?
 - Who is accountable to whom for what?

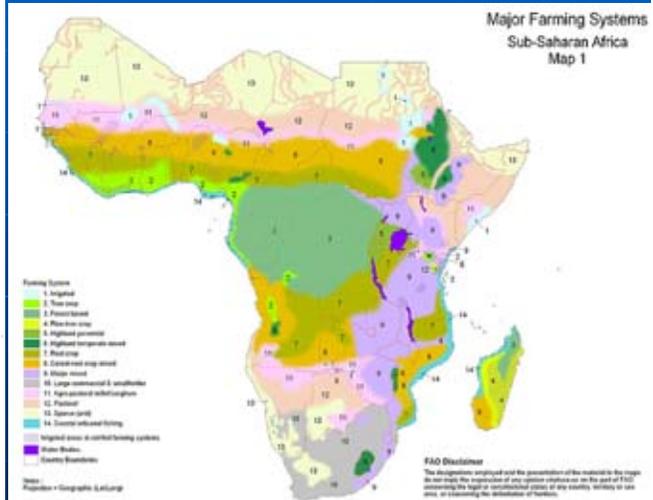
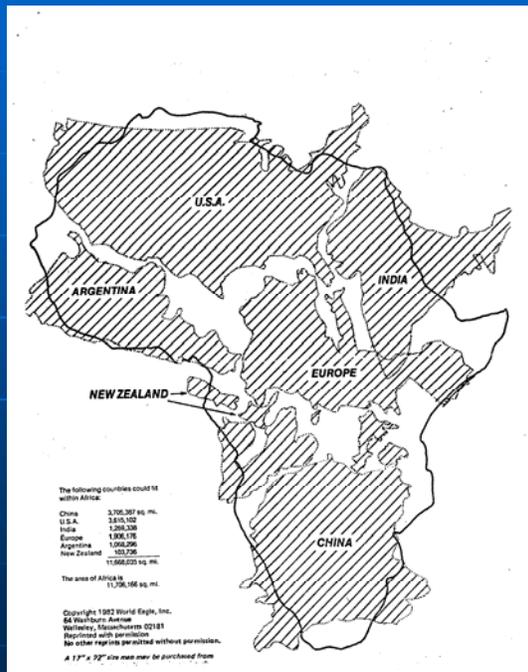
Five dimensions of an agriculture-for development strategy



Source: de Janvry, background document for WDR 2008

Africa's size & diversity

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Infrastructure Density

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- % arable land irrigated
 - India, 1961: 15.8%
 - Dev. Asia, 1961: 21.5%
 - SSA, 2003: 3.5%
 - Cost of increasing Africa's irrigation to India's in 1961: at least \$114 billion
- Road density:
 - India, 1950: 730 km/1000 km²
 - SSA, 2003: 201 km/1000 km²

WDR 2008 Contents: Chapters

- Overview
- PART I WHAT CAN AGRICULTURE DO FOR DEVELOPMENT?
 1. Growth and poverty reduction in agriculture's three worlds
 2. Agriculture's performance, diversity, and uncertainties
 3. Rural households and their pathways out of poverty

WDR 2008 Contents: Chapters

- PART II WHAT ARE PROVEN INSTRUMENTS IN USING AGRICULTURE FOR DEVELOPMENT?
 4. Realizing gains from trade, price, and subsidy policy reforms
 5. Bringing agriculture to the market
 6. Supporting smallholder competitiveness through institutional innovations
 7. Innovating through science and technology
 8. Making agricultural systems more environmentally sustainable
 9. Moving beyond the farm

WDR 2008 Contents: Chapters

- PART III HOW TO IMPLEMENT AGRICULTURE-FOR-DEVELOPMENT
- AGENDAS?
 10. Emerging national agendas for agriculture's three worlds
 11. Strengthening governance, from local to global

WDR 2008 Contents: Focus sections

- Declining rural poverty has been a key factor in aggregate poverty reduction
- What are the links between agricultural production and food security?
- Agribusiness for development
- Adaptation and mitigation of climate change in agriculture
- Capturing the benefits of GMOs for the poor
- Education and skills for rural development
- The two-way links between agriculture and health