

Prepared for the
World Bank Rural Development Strategy Conference
19-20 March 2001
Cebu City Philippines

New RD Strategy of the World Bank. A Brief Reaction Paper

Isagani R. Serrano
Vice-President
Philippine Rural Reconstruction Movement

New RD Strategy of the World Bank. A Brief Reaction Paper

Isagani R. Serrano
Vice-President
Philippine Rural Reconstruction Movement



New RD Strategy of the World Bank. A Brief Reaction Paper



About time

THE BANK SHOULD NOT HAVE ABANDONED ITS past RD focus, to begin with. The new RD strategy paper seems to have missed this one lesson. The basic character of poverty in the world has not changed much since McNamara's time—it's been basically a rural phenomenon. The Bank's lending priorities since then might have much to do with the current state of world poverty.

A world free of poverty is a rural world freed from this condition. Cities, despite their own share of poverty, will always represent progress and prosperity. It is the progress and prosperity of towns and villages outside of the metropolis that will help cities keep up to that symbol, and reduce urban poverty to insignificance.

Correcting the portfolio

Agriculture+3 (natural resource management; rural roads; and rural water supply and sanitation) should have gotten the lion's share of the Bank's projects and lending volume long ago.

Since the Bank's RD strategy appears to correct a distortion in its portfolio, it bears close watching how the Bank will achieve even a modest target set in the RD Strategy's five year timeline.

There's no question the Bank can make the rural areas an attractive place to venture, risk, and make money for anyone with money to invest. But this also means that the Bank will have to create disincentives for public and private investors who naturally prefer the developed areas. This looks rather negative but it's a necessary tack to take alongside positive policies. Cities can and should finance any further urban improvement.

At bottom is the issue of inequality. Expressed in spatial terms, urban means disproportionate claims on food, education, health, shelter, communication, energy, opportunities for civic participation and cultural interactions, freedom of movement, amenities that make us happy and enjoy life. Rural means just the opposite, though romanticized by environmentalists as "refuge" from polluted brown jungles even as they themselves realize the transboundary nature of most ecological problems.



What's different this time

The revised strategy promises to be different. Holistic and pro-poor in contrast to general rural development and agricultural growth orientation. Focused on actions and outcomes rather than inputs and outputs. Longer-term and integrated in contrast to short-term and mere sectoral additionality. Recognizing the necessity of trade-offs instead of win-win scenarios only. Broader participation to include development actors other than mainly public sector. Increased focus on implementation and results rather than on project design. Better complementation of global agenda with local agenda rather than free standing global agenda.

While these formulations sound politically correct, it remains to be seen how they are to be spelled out in ways that address many of the same outstanding concerns for why anti-poverty strategies don't work as effectively as intended.

These concerns, outlined below, have been resonated many times over.

Equity with equitable productivity

One cannot help the suspicion that here again the Bank's new RD strategy remains captive to a productivity orientation, although increased productivity itself is a desirable goal. There's hardly any explicit assertion on needed state action to correct skewed land distribution. Nothing about any funding commitment for land acquisition or "landlord buyout" which most land reform programs amount to, anyway.

No question is raised on the "cheapness" of agriculture, though it talks of improving competitiveness. Production for selling looms large and it is not clear how food security can be secured this way.

Land reform and access to other assets

The Bank's pro-poor bias is somewhat ambiguous on prior basic issues that truly matter for the rural poor. Till now, as indicated in its lending portfolio and policy or the strategy paper itself, the Bank would rather leave it to the markets to redress land inequality and landlessness.

The Bank strategy is much clearer on equitable access to other assets, like water, microfinance, infrastructure, technology. Yet even on these, it may have to be extra sensitive about direct and hidden subsidies that favor the non-poor and non-rural at the expense of the rural poor.

Bias against real producers

A closer look at the production pipeline should reveal to us that those who grow our food usually suffer a double whammy. They get screwed on both ends of the pipe, so to speak. At the head, there's the high costs of land, water, seeds, farm machineries, interests on credit, etc. At the end, there's the pricing down at the farm gate, the high costs of storage or bringing the produce to the market

On both ends, we see the trader. The trader, usually an outsider or local rich, does not only possess the capital and leverage to price up or price down the value of real production. More, he or she is benefiting from the value gained out of easy access to opportunities, mobility, much of which are subsidized by taxpayers' money in one form or another.



Prices and subsidies

The 'cheapness' of the products of rural labor is neither friendly to the producer or to the environment. To have, say a karaoke set, a poor farmer needs several harvest cycles in a one-hectare farm, assuming no crop failure and good price. Likewise, a poor municipal fisher would have to catch hundreds of kilos of fish from an already seriously depleted fishing ground. Once cell phones swarm the countryside, an even more intense exploitation of labor and natural resources will be triggered.

The rich and urban consumers, the non-agricultural sectors, enjoy cheap prices that discount both rural labor and the land, water, forest resources. Some ways should be found and articulated in the strategy to deal with these negative externalities.

Why is it so easy to sink in money to further widen an already wide highway? Why is it so hard to spend for barrio roads, communal irrigation systems, post-harvest facilities, potable water, a rural clinic, a barrio school? Why must a highland dweller be made to pay for the amenities and convenience of the big city inhabitants?

These questions are not solely for the Bank to answer. To the extent that they are relevant to its new RD strategy, these questions need to be answered as they suggest lopsided priorities and distorted structure of existing subsidies. How these can be corrected is not very clear in the Bank's new strategy.

Globalization

The Bank's strategy seems to suggest only the good side of globalization, though many are now beginning to question its promised benefits. The downsides of this process appear to be played down, if not entirely left out of the picture.

This would make the Bank's RD strategy vulnerable to the criticism that its strategy is in reality merely a strategy to accelerate growth in the countrysides and to facilitate concentration of cheap rural products in the global marketplace. Worse, unwittingly or otherwise, the strategy becomes an instrument for prying loose the world's countrysides for exploitation by global corporate monopolists in food, seeds, feeds, machineries, biotechnology, and so on.



Complementation of global and local agendas

No doubt the new, like its predecessor, RD strategy is mindful of the global commitment to better the lives of 1.2 billion absolute poor of this world. Likewise it is also obvious that its strategic objectives are intended to help achieve the bundle of global commitments made in all UN conferences of the 1990s, now bundled up as international development goals (IDGs) in official development literature.

At once a caveat must be made. Negatively, complementation might be taken to mean hooking rural areas into the globalization process. Instead of fostering self reliance and self sufficiency, accelerating growth in the world's countrysides could make local communities more dependent on the global trading system. This means extending, instead of shortening, the so-called "food miles". Food security, or human security for that matter, must never be held hostage to the vagaries of negative globalization.

Localization of Agenda 21 and the Habitat Agenda is long overdue. This is an urgent task that complementation needs to address. If these agendas cannot be made to work at the local, it stands to serious question how any significant progress can be made at the global level. Poverty and inequalities, all the environmental hotspots, the people who must work together to address them are all located in some or other specific sites around this planet.

Local partnerships are a must. The "Rural Alliance" mentioned in the strategy paper, like its counterpart "Cities Alliance" where the Bank is also a part of, is certainly a good idea that must be made to work at the local level.

Not quite gender-sensitive

The strategy fails to make the women visible—an omission that certainly will not pass (perhaps, it's somewhere in the text?). In any case this should be corrected.

It goes without saying that women in poverty probably make up half, if not the majority, of the world's poorest. The data sets should be able to disaggregate this. The gender dimension of any RD strategy has to be located properly in the conceptual framework and articulated in the text.



In conclusion

The new rural development strategy is definitely a welcome development. It will be more reassuring if it can address the outstanding issues that continue to hold down rural societies to this day.

P R R M - C B I S
Philippine Rural Reconstruction Movement
Conrado Benitez Institute for Sustainability





About the author

Isagani R. Serrano is Senior Vice President and Board Member of the Philippine Rural Reconstruction Movement (PRRM). He's written for CIVICUS the following: *Civil Society in the Asia-Pacific*, 1994; *Humanity In Trouble But Hopeful* in CITIZENS, 1995; *Profile: Philippines* for CIVIC INDEX, 1997; *Coming Apart, Coming Together* in Civil Society at the Turn of the Millennium, 1999; *A Global Citizens' Commitment*, 1999. A community organizer, educator, writer, guitarist, 'farmer', and political prisoner for seven years during martial law in the Philippines. Trained in education and literature, community organization and development management. Holds a Master of Science in Environment & Development Education (MSc in EE/DE) from the South Bank University-London.

