

Final remarks/conclusions by Felix von Sury, Director IC

Ladies and Gentlemen
Dear Friends

I have been given the task to conclude this seminar. This is a honour, a pleasure and at the same time a challenge. The harvest of today has been very rich, which makes it impossible to summarize it all. We have also moved on different levels, on the macro-level in the beginning and on the level of localized case studies just now in the group discussions. More questions have been asked than answers given. I shall still attempt to select a few important points, which have come up during the day and elaborate on them.

Reduction of Poverty, the role of Rural Development: **Poverty and Rural Development have been the two poles of all our discussions.** Poverty itself is a multifaceted term and entire days could be spent on defining poverty and it is and remains important to characterize and quantity poverty. But - may I ask - is the attempt of people, who are not poor, who have most probably not been poor before and who will hopefully never been poor, to get a grip on the term poverty, to use benchmarks, indicators and impact studies not sometimes an excuse? Starvation, discrimination and suffering are absolute terms, which should make us act even without being measured. Most of us who are here, who are in one or the other way engaged in development have early in our careers been touched and moved by injustice and misery. It is essential for our success and that of our institutions in fighting poverty that we who have made development our profession and therefore, professionalised poverty reduction, always find back to our original convictions that **this cannot be, this has to change, something must be done about it !**

With this I come to the most important concern. There is a basic agreement that poverty is not acceptable and that something must be done about it. **But what needs to be done?** One thing, which struck me most today is that for most statements there was a counter statement:

- We need innovations
- More funds have to go in rural development and cooperation
- In rural development farmers **are** the private sector
- Poverty is a pressing problem
- Local systems are most effective in poverty reduction
- Sustainability is required
- No need for new recipes but courage to keep a line
- Too much money at a time does not favour the poor
- The rural poor have to be protected from an exploitative private sector
- Poverty reduction needs patience and perseverance
- Traditions can also be anti-poor
- Institutions do not need to be permanent, they come and go

These seeming contradictions are an indication that the reality is complex. They also show that the theory is one thing, the practice, the application – as it was stated many times today - another, more difficult thing. As in many other domains there is not **“one truth”** about poverty. But what is important, there is **knowledge**, there are **best practices** on which we can build further.

Unfortunately the discussion about what needs to be done is nowadays often polarized between two camps. Ravi Kanbur, the economist who in 2000 left the World Bank Development Report on Poverty in a controversy, in a recent paper attempts to describe these two groups: the “Finance Ministry Group” as he labels it, made mainly out of economists and representatives of IFI and the “Civil Society Group” made mainly out of non-economists and NGO representatives. Kanbur wouldn’t call one group the “growth is every thing camp” and the other group the “antigrowth” camp. It is widely accepted that growth is a requirement for poverty reduction. Kanbur does not think that any of the groups is wrong or ill motivated, but he states that differences in positions relate to differences in perspective and frameworks. These differences concern three key features: aggregation, time horizon and market structure. The “Finance Ministry Group” has a macro- and longer-term perspective and a more theoretical approach while the “Civil Society Group” has more of a micro and short-term view and a perspective nurtured by practical sometimes anecdotic experiences. Why do I emphasize these polarized positions as they are so typical in debates about poverty, distribution and right policies ? ***Because I found that today’s presentations and discussions contained a fruitful dialectic debate but avoided an unproductive polarization.***

There is a danger that in view of the complexity and size of the poverty problem and torn between the macro and the micro-perspective we remain paralysed like the rabbit in front of the snake. But I think today’s event was proof enough that there are ways to act even between the macro and the micro, between global issues and localized problems.

The institutions organising today’s event, IFAD, SDC and IC, represent a middle ground between the big IFI’s and the typical NGOs. They do take sides for the poor but if it comes to action they do not preach extremes as it is easily done. Our institutions very clearly see the importance of changing national and global frame conditions and they respect the need of local action. ***But between the macro and the micro, opportunities and ways have been shown today, how to get things moving and how to empower people to leave the clutches of dependence and to defeat poverty.***

IFAD’s Rural Poverty report covers this middle ground very well by focusing on few essential prerequisites of a pro-poor strategy, which I shortly recall:

- Improving the access of rural poor to assets, which includes human assets like education and health but also productive assets, mainly land and water. IFAD particularly stresses the bias against women in the access to these assets, a bias which needs to be broken.
- Improving the access of rural poor to new technologies.
- Improving the access of the rural poor to fair and functioning markets; this includes inputs, products but also finances and last but not least labour.
- Decentralisation of institutions in order to make these institutions accessible to the poor and in order to directly link them to the institutions of the poor.

All presentations of today have given examples and reaffirmed these four essential elements of any pro-poor development work.

Let us come to the second part of the title of today’s seminar: ***rural development.***

This term has lost much of its glamour during the nineties because it is usually associated to the integrated rural development projects of the 70’s and 80’s whose results were – to say the least - mixed. But rural development has got a new meaning today with the reemphasis of development cooperation on poverty reduction. Three quarters of the poor live in rural areas and the great majority among them draw their livelihood from agriculture. Most stakeholders agree that the neglect of agriculture in national policies, in loan and aid programmes has to be

urgently reversed. **Agriculture** is meant in the larger sense including asset creation (roads, irrigation), emphasis on technology, land reform, and access to finance, markets and institutions. Only with such a mix get the rural poor a chance to get out of the vicious circles in which they are often caught.

If I may open here a bracket and shortly talk about an initiative that has unintentionally helped to further reduce attractiveness of investment in agriculture. It is the 20/20 target proclaimed at the Copenhagen Summit in 1995, i.e. that both recipient and donor countries should use 20 % of their budgets for basic social services. These targets are attractive and may have their political reasons, but while I was field-based in Nepal I found them clearly too simplistic. An investment in a rural road network with labour intensive methods can be a more lasting contribution to the health of the rural population than pouring money into an inefficient public health system. A well conceived rural road network additionally has many other benefits linked to improved accessibility and communication.

Rural development puts this term against urban development. Today we have not talked much about this important dichotomy.

I remember almost twenty five years ago in Ayacucho in the Andes of Peru I got a book to read from a colleague with the title: the **urban bias**. I don't remember the details of the content but of one thing I am sure of: the urban bias has persisted and has its objective economic, political and social reason. Rural areas are disadvantaged due to spatial dispersion, seasonality, natural risks, political disempowerment and bad services. The concentration of poor people in rural areas despite an increasing urbanisation means that the **cities with all their financial and political power can help themselves** (to put it in simple terms) and that governments and aid agencies have to consciously provide a counterweight to the almost natural tendency of urban bias by focusing their attention to the rural areas, the rural space as the World Bank calls it. We from the "Rural Family" have to make sure that in policies and budgets the rural areas which includes villages and small towns, as well as provincial centres get due consideration.

Let me come to the end.

What next? You may ask Certain of the questions raised today should continued to be discussed in fora of different levels. And we from Intercooperation are definitively interested and willing to contribute to such fora in areas where we have experiences and competences like: natural resources and the poor, technology issues, private sector involvement, financial services, decentralized institutions.

It seems also essential that within SDC there is no compartmentalization regarding poverty between the geographic divisions, thematic divisions, the NGO service and the multilateral department. This is too important a topic to be dealt with in a parochial way.

But in particular **with poverty action is more important than discussion**. In this sense I appeal to all of us to do what we are called to do in our positions, be it at the policy or at the operational level in advocacy or research, be it in a multilateral or bilateral institution or a NGO, be it as professionals or as citizens. Let us do well and with a pro-poor focus what we are called to do. And doing well as Mahatma Gandhi put it, means, to have in whatever we do that poorest of the poor before our eye and ask ourselves what our action means to her, to him and to their children.

Let us go about this with commitment and perseverance, but also with modesty and optimism!

I thank all who have contributed to the success of this seminar.

Thank you for your attention.