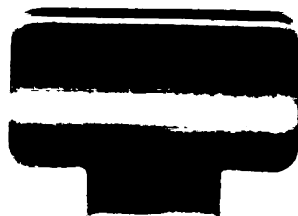


IICA
SDC-A1/SC-
2000-01
Ed. Em.

The New Rurality

Series: Conceptual Documents





Sustainable Rural Development in the Context of a New Reading of Rural Reality

“The New Rurality”



Series: Conceptual Documents

Panama - Panama City

March, 2000 N. SAC-001

IICA
SDC
no. 2000-01
Cd. 111

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March, 2000

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The new rurality / Inter-American Institute for
Cooperation on Agriculture. Sustainable Rural
Development. -- San José, C.R. : IICA, 2000.
35 p. ; 23 cm. -- (Conceptual Documents Series / IICA ;
no. 2000-01)

ISBN 92-9039-452 8
Publicado también en español

1. Desarrollo rural. 2. Política de desarrollo. I. IICA.
II. Título. III. Serie.

AGRIS
E14

DEWEY
307.72

3v10972

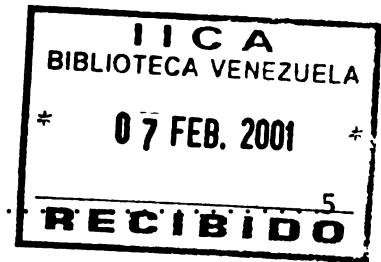
Conceptual Documents Series No. 2000-01
March, 2000

00002369

**This document has been created in the framework of the Gender and
Sustainable Rural Development project IICA/ASDI**



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INTRODUCTION

The social, economic, cultural and political changes that are in progress as a result of globalization affect agriculture and the rural environment.

These changes present opportunities and challenges and also take the form of new demands which can contribute to improving unjust and environmentally unsustainable conditions that constitute urgent problems for our society.

An approach to the realities of rural existence that takes into account territorial factors and the interrelationship between urban and rural localities – with the many options that such a view offers, both in the agricultural and non-agricultural spheres – gives us abundant opportunities to contribute to development from the rural sector and to strengthen democracy as suggested by the Heads of State and Government at the Summit Conferences of the Americas.

The Inter-American Institute for Cooperation in Agriculture's (IICA) Sustainable Rural Development Directorate is technically and professionally committed to a reinterpretation of the new rural world of the Americas and its potential for sustainable rural development. IICA is calling for an open, participatory and inclusive dialogue and inviting contributions from rural producers, both men and women, union leaders, representatives of civil society and the private sector, intellectuals, public servants, technicians, and other professionals from different countries, as well as representatives of international technical and financial cooperative organizations. This paper, presents a general examination of the process in question.

The paper presents a general description of the agricultural and non-agricultural facets of the rural world, briefly examines the international context in which they exist, and suggests opportunities and limitations which the current situation presents. It also sets out the reasons for thinking in terms of a New Rurality at this historical juncture with its particular objective realities. It describes the foundations on which the new realities of rural existence lie and the importance of examining such factors. It takes a bird's-eye view of the history of rural development in the Americas up to the proposed concept of sustainable rural development itself, taking into account elements that bear on institutional structures. Finally, it sets forth basic strategies for a new concept of sustainable rural development and a proposed agenda that includes the basic elements necessary to further a process of affirmative action, in order to make it possible to place sustainable rural development within the context of the new reality of today's world.

This work revives the importance of international technical and financial cooperation in terms of a coherent vision that increases utility, produces synergy and places value on additional efforts to solve the problems that Latin America faces in this area. It points out the relevance and importance of having IICA, as the organ of the Inter-American system specializing in agricultural development and rural well-being in the Americas, continue working on the technical aspects of development and the administration of sustainable rural development programs and projects. IICA hopes to strengthen its activity throughout the Hemisphere in order to contribute to policy development, funding, and the process of dialogue aimed at mutual technical coop-

eration and an international presence in such a way as to make its concern and commitment visible in the context of the new agreements and agendas in which development becomes an indivisible whole.

The Directorate of Sustainable Rural Development of IICA acknowledges and expresses its appreciation for the invaluable contributions and support received in preparing this document, through a participatory, open and inclusive process aimed at providing a fresh interpretation of the realities of our

rural areas and at formulating an up-to-date vision of sustainable rural development and the measures needed to make it a reality.

Development is an ongoing process that calls for the commitment of many stakeholders. We therefore invite you to continue to make progress and seek sustainable solutions for the construction of a better world.

*Clara Solís-Araya
Director of Sustainable Rural Development*

1. THE NEW RURAL SCENARIO OF THE AMERICAS

Humanity faces a need to overcome existing economic, social, political and environmental imbalances. Social organization, knowledge and technology have contributed to unprecedented growth in the global economy. There are, however, persistent and increasing conditions which limit human development and threaten the stability of the ecosystem.

According to the Economic Commission for Latin America and the Caribbean (ECLAC), in Latin America and the Caribbean, poverty* affects 39% of all households (209.3 million people), including 98.3 million living in extreme poverty. In rural areas 73.9 million people live in poverty, with 46.4 million of these living in extreme poverty.¹ Economic growth from 1991 to 1996 was moderate, unstable, and insufficient to create jobs for the entire current and emerging economically active population.² The Inter-American Development Bank (IDB) considers the magnitude of the inequalities in income distribution to be a cause for concern, with a fourth of total national income received by only 5% of the population, and 40% by the wealthiest 10%. Moreover, indicators of such wealth concentration in urban and rural areas show similar levels in almost all countries.³

Latin America and the Caribbean contain 8.5% of the world's total population. The region has a tremendous wealth of natural resources: 23% of the world's arable land, 17% of its pastureland, 23% of the planet's forests (46% of the tropical), 31% of water

runoff and 19% of potential hydroelectric power. However, the forests are being lost at a rate of 0.7% annually, arid zones cover 22% of the region, and there is a risk of losing between 100,000 and 450,000 species if the increasing deforestation continues.⁴ A recent UNEP⁵ report indicates that the region has the largest reserves of arable land in the world, but that degradation of the soil is threatening most of this resource. On the positive side, many of the region's nations have the potential to halt their greenhouse gas emissions by conservation of existing forests and by reforestation and also to supply environmental services such as the provision of sinks⁶ for carbon dioxide and the conservation of biodiversity. Such activities have emerged as new opportunities for sustainable rural development.

Along with the threat to land resources, there is also growing pressure on the region's fresh water supplies found primarily in the rural areas. Fresh water is a finite resource, essential for life and economic activity, including agriculture. However, productive activity based on current unsustainable production patterns is noticeably damaging the quantity and quality of this resource.

These social, economic and ecological issues, as well as issues of a political, institutional and cultural nature, are inextricably linked with the sustainability of development and have increasingly become a focus of attention by political and administrative authorities within national governments, civil society, the private sector, and international financial and technical organizations.

The Heads of State and Government at the Earth Summit have recognized these development concerns and made new policies and

* The **poverty line** is defined in terms of income that is inadequate to provide daily nutritional needs and other basics, while the extreme **poverty line (indigence)** is defined in term

programs setting up a transition toward sustainable development.⁷ Leaders of the Hemisphere at the Summits of the Americas have signed similar agreements attempting to balance environmental concerns with renewed efforts to more adequately meet the needs of the population. They have repeatedly put the strengthening of democracy, the promotion of prosperity, the eradication of poverty, and the assurance of sustainable development on the inter-American agenda as primary objectives.⁸

At the same time, Latin American states have made multilateral agreements constituting a new set of rules governing trade relations. These new rules carry important implications for policy making and for the support provided to rural economies. The agreements made at the Uruguay Round of the GATT governing trade in goods, services and intellectual property rights are an example of the new direction of international policies. Specifically, the agreement on agriculture regulates subsidies for agricultural products and the aid that governments may provide for rural economies.⁹ It does not prohibit subsidies, but leaves maneuvering space for governments to address the demands of productive sectors—in the case of agriculture, to improve productivity and efficiency or to take appropriate measures to aid the rural population (Agreement on Agriculture, Annex 2).¹⁰

Globalization entails challenges and possibilities. The globalization of the economy offers opportunities and incentives for the development process while at the same time bringing risks and uncertainty. Because of this process of globalization and the growing interdependence that rules the economic, social and environmental spheres, the problems that countries cannot effectively deal with alone are ever more numerous.¹¹ Globalization is an ongoing process, and its effects depend on

the decisions and actions of states. Hence, globalization should be a choice that promotes opportunities for development, favors productive investment, and reduces imbalances in wealth and well-being. It must be recognized that today's realities are still far from fulfilling such expectations.¹² However, there is a growing level of institutional awareness, information and proposals which attempt to more equitably address globalization and which hold out promises for the future.

Faced with this situation, changes are occurring in the world of international organizations, and assumptions about development are being reexamined. The World Bank, for example, is discussing the adoption of an "integral development framework" and the construction of new international financial architecture, where macroeconomic and financial factors will be considered along with structural, social and human factors.¹³ The proposal includes the adoption by the states of a definite rural development strategy. The United Nations says that there have been profound changes, especially since the end of the Cold War, bringing into question some habitual forms of confronting development challenges.¹⁴ The present historic juncture is favorable for the discussion and negotiation of proposals to overcome imbalances in development. The conquest of poverty, the sustainability of development, mutual support between trade, development and the environment, a new international financial architecture, treatment of the foreign debt, and the creation of new institutions for global governance are among the priority issues on the international agenda that are closely linked to rural development.

The need to overcome the negative impact and unsatisfied expectations associated with the economic reforms of the last two decades

on the one hand, and the challenges of an approach calling for sustainable development on the other represent a new opportunity for the rural world, opening the door to a vision of development driven principally by the rural world itself as well as an opportunity to contribute to the growth of democracy in the Hemisphere's societies.

The historical development of the American continent has been closely linked to agricultural development "which has financed a great deal of the industrialization effort in America and the urban areas of the Hemisphere.¹⁵" Agriculture still plays an important role in gross domestic product, especially when the value added through industrial processing is taken into account. It is estimated that the agroindustrial processes and the processing of agricultural products represent on the order of 20% of total GDP. This, along with agriculture itself, represents for most Latin American countries between 25% and 50% of GDP.¹⁶

In addition, new demands are increasingly emerging from the rural world in connection with the continent's territorial assets in biodiversity and natural resources. There is also an increasingly felt need to use the rural landscape as a recreational resource, while the demand for products to fill non-traditional market niches is growing.

It is eminently clear that the rural world of the Americas has been evolving. We are faced today with a new rural scenario based on the character of the land, making it possible to take a view of human settlements and their relationships as part of a rural-urban continuum. This is reflected in the progressive development of non-traditional agricultural activity as well as non-agricultural activity in the rural areas. Profound innovations have taken place: new approaches to production, such as the cultivation of bioenergy and medicinal plants, crafts, rural tourism, forestation,

organic agriculture, sustainable agriculture, small-scale animal husbandry, rural service enterprises, and greater integration of farm production and marketing processes. Manifestations of such changes are currently evident in the countryside, the city, and abroad.

In short, there are social, economic, political and ecological changes in progress that affect agriculture and the rural environment and also involve new demands from society. These changes are being accompanied by new opportunities.

Small and medium-sized agricultural producers, rural growers and peasants, and especially those groups that are most vulnerable, such as members of indigenous peoples and marginalized inhabitants of rural areas, find in these opportunities important doors to economic and organizational development that can increase their level of economic, social, cultural and political organization, and hence their standard of living. Sustainable rural development, in the context of a new understanding of the rural, also offers large agricultural producers and marketing enterprises opportunities for responsibility, commitment, and participation. Increasing demands for food, raw materials, jobs, and the conservation of natural resources make it essential to take advantage of these opportunities.

This entire new conceptualization of the rural world is connected with (a) increased production, productivity and food security, (b) the fight against poverty in the interest of justice, (c) land conservation and a new attention to cultural values that strengthen national identity, (d) the development of a new agricultural and rural culture that facilitates the conservation of biodiversity and natural resources, (e) increased levels of participation to strengthen the development of democracy and rural citizenry, and (f) the development of

actions to make visible and encourage the participation of women, indigenous groups, and young people in the process of national development.

The establishment of sustainable rural development policies by the various countries is

indispensable in creating a response to the realities and opportunities offered by the New Rurality. These policies in turn must be centered on human development and take advantage of existing human, physical, natural, social and cultural capital and the historical and archeological heritage.

2. THE NEED TO CONCEPTUALIZE THE NEW RURALITY

The rural scenario is changing. Hence, the nature of what constitutes rural must be rethought, and public and private-sector policies affecting the rural world must be reformulated. The development of new concepts to deal with rurality, timely and relevant actions within the context of this new vision, and proposals and concrete measures toward a sustainable mode of development make up the spirit of the "New Rurality." There are several important reasons for this new conceptualization:

The accentuation of imbalances in the rural environment

Economic growth, though it has permitted the improvement in various indicators of education, health, infrastructure, etc., has not led to a substantial alleviation of poverty, injustice, and the continuing degradation of natural resources on global or continental levels.

Over the past two decades the international community has begun asking questions about these conditions, adopting the notion of sustainable development and taking new measures¹⁷ in recognition of the fact that sustained economic growth is fundamental and necessary to create a broader base for development. In the 1990s, the debate on develop-

ment has also been fed by a review of economic reform policies. New concerns about development have emerged, generally focusing on an integrated approach,¹⁸ and positing a need for new concepts of rurality and new ways of thinking about the action that is to flow from the new conceptual framework. A favorable atmosphere has been created for repositioning rural issues on national and international agendas (where they had previously been less prevalent) and for moving toward a "New Rurality" within a framework of sustainable development for rural, national and international communities.

The need to generate income and fight poverty

The Heads of State and Government of the Americas have stated that it is politically intolerable and morally unacceptable for some sectors of our populations to be marginalized and not to participate fully in the benefits of development. Almost half of the Hemisphere's population still lives in poverty. Consequently, and in recognition of the fact that overcoming poverty continues to be the greatest challenge confronting our Hemisphere, they have agreed on measures aimed at eradicating poverty and discrimination.¹⁹ Among the mechanisms mentioned for

this purpose are broader participation by the poor in the region's economies, access to productive resources, sufficient support for networks providing social security, greater investment in human capital²⁰ and support for local initiatives.

The Medium-Term Plan 1998-2002 of IICA, states that the challenge of improving agricultural competitiveness must be consonant with a realistic strategy to reduce rural poverty and improve living conditions in the rural areas.

Unemployment and underemployment contribute to perpetuating poverty and weakening democracy. Labor and jobs are an appropriate and worthy sphere in which to accomplish the work of overcoming poverty and advancing the cause of social integration. The creation of full productive employment is a basic objective behind the main global agreements on development.²¹ The Heads of State and Government declared their dedication on this subject at the 1994 Summit of the Americas, saying, "Aware that widely shared prosperity contributes to the stability of the Hemisphere and to lasting peace and democracy, we recognize our common interest in creating job opportunities that improve incomes, wages and working conditions for all our peoples."

The hope is that rural agricultural and non-agricultural employment will contribute more decisively to generating income for rural communities through the formulation of development policies which also take into account the growing feminization of agriculture.

Attention to these issues by financial organizations is gaining momentum. The IDB is devoting new financial resources to projects that support microenterprises, agroindustrial production, and social development; and the World Bank, in its vision of a "world free of poverty" (a basic institutional promise), is

providing funds and cooperation for rural development. Similar efforts in the area are being carried out by organizations such as the United Nations Food and Agriculture Organization (FAO) and the International Fund for Agriculture Development (IFAD). One example is the Rural Development Interagency Group, where the efforts of the IDB, IICA, ECLAC, IFAD, FAO and GTZ come together in solidarity.

Recognition of the existing development potential of the rural environment

Though the rural environment has large and urgent imbalances, it also contains remarkable physical, cultural, human and social capital.²² A sustainable rural development approach accompanied by innovative action can generate viable solutions by taking advantage of the extraordinary opportunities offered by this capital and by local, national and international participation. A renewed focus on energizing the rural societies, social organization, knowledge, and technology created by human endeavor can direct those potentials toward a type of development centered on the human dimension, and particularly on the activity of the rural citizenry. This implies a need to empower the social and economic players in the rural areas so that they can have access to opportunities and mechanisms that enable them to become involved in formulating development policies for their own regions, working toward an improvement in national income distribution and overcoming the problem of poverty.

The growing importance of development based on territorial units

The territorial dimension, or spatial factor, is acquiring greater importance in the effort to

formulate and implement development policies more effectively in accordance with the participatory processes of decentralization, democratization, municipal autonomy, and local development.

The concept of territory has wide-ranging and multidimensional implications, including territorial appropriation and the formation of regions and reserves. Since territory involves geographical, political, administrative, and ecological elements, it calls for integrated planning units and development initiatives, especially in rural areas.²³ This spatial dimension of development requires a regional approach, taking the form of rural areas that include population centers of varying sizes and concentrations which play essential roles in the functioning of the rural economy, particularly in relation to agriculture.

Also, the greater interrelationship of the rural and the urban must be recognized, along with the fact that the rural consists of more than agriculture and thinly populated areas. A territorial-based view of the rural world allows for a multiplicity of activities, linked to the development of agriculture, agroindustry, crafts, services, tourism, culture, and the conservation of biodiversity²⁴ and natural resources, i.e., of the local and global ecosystems that support life and productive activity. All of this is conceived of in terms of an inte-

grated vision of society and its multiple activities and relationships.

IICA's Medium-Term Plan 1998-2002 is based on this philosophy and uses an approach which it calls "rural spaces," a social and political approach in which social and economic relationships clarify opportunities that allow for the efficient focusing and allocation of resources.

Sustainable rural development in terms of the "New Rurality" perspective implies a need to formulate policies involving the conceptualization, strategies and priorities of national, regional and local development. Policies must take into account the implications for the agricultural/trade complex and relationships with economic reform programs and policies, governmental reform, macroeconomic policies, and other factors that affect the rural environment. This means incorporating into the decision-making process considerations that relate to sustainable rural development by formulating policies, planning actions, and managing development in a manner based on territorial units which include diverse areas, such as watersheds, wetlands and coastal zones, local political/administrative units, borderlands, fragile ecosystems, protected areas, nature preserves and corridors, and other such categories determined by use and/or nature.

3. BASIC FOUNDATIONS OF THE "NEW RURALITY"

The relevance of the discussion about and the movement toward a "New Rurality" is supported by various widely accepted ideas and considerations:

Human development²⁵ as the central objective of development

The Heads of State and Government of the world at the Earth Summit stated in the

Declaration of Rio that human beings are the center of concerns related to sustainable development and that all peoples have the right to a healthy and productive life in harmony with nature. It was also stated that the right to development should be exercised in a form that responds fairly to the developmental and environmental needs of present and future generations.²⁶ The Heads of State and

Government of the Americas have continually reaffirmed their determination to move toward sustainable development and to implement the decisions and commitments expressed in the Declaration of Rio and in Agenda 21, and they stated at the 1994 Summit of the Americas that their ultimate objective was to better satisfy the needs of their people.

Similarly, the United Nations Development Program states that development must be centered on human beings. Thus, it specifies that economic and social development and protection of the environment are interdependent components of sustainable development which are mutually reinforcing and provide a framework for achieving a better quality of life for all.²⁷

Strengthening democracy and the citizenry

The Summit of the Americas has shown clearly that the fundamental policy priority in the Americas is the strengthening, effective exercise, and consolidation of democracy.²⁸

Within this context, the challenge of overcoming imbalances in development provides a unique opportunity for the democratic view of political and social organization to be applied in the interest of a more equitable distribution of the benefits of development, a mitigation of popular disillusionment, and a bulwark against the current indifference on the part of citizens concerning questions of public good. In this and future decades, sustainable development and the strengthening of democracy constitute necessary commitments that can inspire the building and consolidation of institutions for democratic governance in our countries. These institutions should promote human development and

guarantee a decent quality of life for the vast populations of the rural world.

The building of a just, equitable, and secure future with democracy requires the full participation and exercise of citizenship by all inhabitants and their organizations – hence, the call from the heads of government in the Hemisphere to strengthen representative participatory democracy.²⁹

In this political context, there is a basis for national and international efforts for sustainable rural development and for envisioning and building a New Rurality in the Americas.

Economic growth with justice

Economic growth is increasingly considered a necessary means rather than an end in itself or the only goal of development.³⁰ It is now thought of as signifying sustained, necessary growth, requiring rapid progress, especially in developing countries, as a means of combating poverty and environmental deterioration. Sustained economic growth based on an integrated approach is thus essential in order to widen the resource base for development, and hence also for economic, technical and social change.³¹

A just economic growth includes a political dimension; it is defined and advanced by sectors of society according to their power within society. Hence, improvements in justice and equality require greater political empowerment of those least benefited by former economic progress.

The Heads of State and Government of the Americas have declared that “economic growth with justice” is an important element in the implementation of the Plan of Action for the Sustainable Development of the Americas. Thus, at the international level they

promote continuing effective measures to assure that the international economic and financial system supports the growth of local economies and their sustainable development in order to achieve greater social justice.³² This assures an increase in purchasing power for food and tradable goods by sectors previously excluded and constitutes a virtually unique opportunity for growing demand. Also on the international level, there is a recognition of the need for countries to improve access to markets in accord with the stipulations of the World Trade Organization (WTO) and other agreements. On the local level, there is an attempt to encourage full participation by the private sector, in particular medium-sized, small and microenterprises, as well as other forms of productive organizations.

In the international discussion of these issues, governments and broad social sectors at the United Nations and other international forums are examining the reform of the international financial and economic systems as well as the role of the Bretton Woods institutions.³³ In this context, the World Bank speaks of "the integral framework of development," where macroeconomic and financial matters are considered in conjunction with structural, social and human factors.³⁴

The sustainability of development

All the countries of the Americas demand progress in the development of their societies, but not any type of development. Increased international awareness of the economic, social and ecological dimensions of development as well as new conceptual and institutional advances have given the definition of development an increasingly sharp focus, which puts the priority on satisfying the needs and rights of present and future generations without jeopardizing the ecosystems which sustain life on Earth.

The challenge is to find the necessary balance that can improve the quality of life and the standard of living of the inhabitants of the various countries within the limits imposed by local, regional and global ecosystems.

Thus, sustainable rural development, expressed in the construction of a New Rurality, requires that innovative approaches to development and international cooperation be developed to support productive economic and commercial activities in the rural environment without incurring heavy financial debts detrimental to overall development. At the same time the right to development must be reconciled with the conservation and restoration of natural resources and the environment which constitute the fundamental basis for the development of economic activity in rural areas, principally in the form of agriculture.

Sustainability necessarily entails the conceptual and operational integration of developmental and environmental issues in the before-and-after processes of decision-making and evaluation, starting from the concept of developmental sustainability, sustainability of public and private-sector policy, and sustainability of development programs which affect rural areas.

Such considerations have been evident in international negotiations since the 1970s. They gained force, commitment and action at the Earth Summit in 1992, at the summit conferences of the Americas, and at other global and regional gatherings, and have been affecting institutional structures since 1990. The World Bank, in recent years, has been developing the concept of the integral development framework, a holistic view that seeks a better balance in policy making, emphasizing the interdependence of all the elements of development, namely, social, structural,

human, environmental, economic, financial, and governmental.³⁵ The new international financial architecture for development, analyzed in various forums (WB, IMF, ECLAC, UN, IDB), is based on the interdependence of macroeconomic and financial factors along with structural, social and human factors.

Sustainable rural development beyond the compensation and assistance approach

Sustainable rural development is based on the conviction that there are extraordinary potentials and opportunities in the existing world. It implies confidence in the possibilities of internal development accompanied by an atmosphere of international cooperation in the technology, economics and social spheres with special emphasis on trade, finance and knowledge exchanges. It means creating programs of economic, political, social, cultural and educational development that facilitate qualitative and quantitative changes in the environment and in human beings themselves. In other words, it means staking the future on an approach to development based on the potentials of every country with full participation by the subjects and agents of the societies involved.³⁶

It is the responsibility of national governments to provide or acquire the tools and access needed to make the productive and commercial undertakings of rural society viable and to permit the creation of competitive advantage through a well coordinated process.

Social capital as a support for development strategy

The sociocultural and institutional dimension is considered an integral part of the concerns

and resources involved in sustainable development in general,³⁷ and in agriculture and the rural world in particular.³⁸

Rural culture must be nurtured and strengthened in order to support local development initiatives. This culture is the product of various ethnic groups, past experiences, and ongoing rural and peasant communities. Likewise, rural culture represents values, forms of organization and solidarity, expressions of the democratic spirit, ethics, productive systems, technologies, beliefs, and esthetic and artistic expressions which give local communities identity and diversity.

On the other hand, institutions, in the broadest sense of the word, comprise the social structures, political institutions, rules, organizations, and the interests and motivations of the actors on the economic and political stage, and constitute the very essence of social capital. Thus, it is essential to take a comprehensive view of this dimension in order to push forward the new interpretation of rural life and achieve better results in development.

In the Americas, the importance of the forms of social organization (for example, social networks and informal participatory mechanisms) —and particularly their institutional expressions—are recognized as central to models of democratization, decentralization, and the strengthening of municipal and regional government. A strong and diverse civil society, organized in different manners and in different sectors, gives democracy a deep and lasting foundation. Similarly, a vigorous democracy requires broad participation in public affairs by all sectors of society.³⁹

4. RURAL DEVELOPMENT IN THE AMERICAS

In the last 50 years, Latin America has experienced a variety of processes as part of the modernization of agriculture. Initially, the impact of industrialization or of the expansion of export sectors aggravated the crisis of agricultural structures. The evolution of these structures generally reflects a bimodal model that comprises commercial agriculture, is inclined to specialize in raw materials for industry and export products, and includes peasant agriculture, which is generally limited to producing food for the domestic market and for self consumption. Recently, we see a political, technical and participatory process which offers new alternatives for agriculture and rural development within an orientation based on sustainable development. This new interpretation of rurality has resulted in important international commitments that have an impact on the national level in the areas of trade, environment, and the generation of interest in rural development.⁴⁰

In the 1950s and 1960s, state intervention took place within the framework of import-substitution policies and the enlargement of the domestic market. In agriculture, these policies translated into incentives for the modernization of large operations and into programs to develop the rural economy, including land reform. This was the mode of intervention practiced by the state, involving a political understanding with the disadvantaged sectors of the rural world. This path was used to energize the rural economy, encourage the development of the domestic market, and improve living conditions for large segments of the rural population.

In the 1960s and 1970s, rural life was affected positively by development policy –of which the green revolution was a central component– oriented primarily around diver-

sifying production and raising profitability. Land reform and development policies were forms of state intervention and were part of the import-substitution model. A dual policy crystallized, encouraging the productivity of commercial agriculture to supply industry and export markets on the one hand, while supporting the rural population in order to contain rural-urban migration and supply the domestic market with inexpensive food.

The 1980s witnessed the effects of recession and a foreign debt crisis. Under the conditions laid out by the international banking community (which was buttressed by the so-called Washington Consensus⁴¹ and the intensification of the trend towards economic globalization), the state was pushed to make dramatic economic reforms. The general direction was to give free rein to private enterprise and the free market, to minimize the economic and social role of government, and to open the economy to international capital and competition. In agriculture, policies were directed at stimulating exports, importing foodstuffs, and eliminating subsidies in order to encourage competitiveness. In this process, budgets for development programs and production support systems were cut, and assistance for the poorest sectors of the rural population was drastically reduced.

In the 1990s, the challenges, impact and implications of globalization and the modern technological revolution have meant a search for new alternatives for rural development, particularly in agriculture, and especially in view of the fact that poverty persists (with more evident manifestations in the rural world) alongside social exclusion and the degradation of natural resources.

There is a growing consensus around the world, especially in the last decade, that sus-

tainable development must satisfy the needs of today's generation without compromising the ability of future generations to satisfy their needs.⁴² This sustainable development, from the economic, social, political and ecological perspective, demands changes in economic, fiscal, trade, energy, agricultural, and industrial policies, and consequently in policies relating to agriculture and rural development.⁴³ The international community, in various negotiating processes, has undertaken ethical, political, juridical and programming commitments aimed at sustainable development.

This idea has been expressed in IICA's Medium-Term Plan 1998-2002, taking the form of an express commitment to support member states in achieving sustainable development in agriculture and in the rural world, and supporting their aspirations to be leaders in creating an integrated transformation of agriculture in the Americas, a transformation that is a necessary condition for sustainable development.⁴⁴

5. SUSTAINABLE RURAL DEVELOPMENT IN THE NEW RURAL CONTEXT

Rural development is to be seen in the context of the efforts of the global, hemispheric, regional and national communities to move toward sustainable development for society as a whole, from the local to the global level. Such efforts bring with them the potential to strengthen democracy through practice by broad sectors of the population, particularly in the rural world.

Reality in the Americas must not be ignored, and agreements and political will cannot be ignored. It is our responsibility to create innovative forms of sustainable development in the framework of representative, participatory democracy.

In this context, we conceive **sustainable rural development** as a:

Human-centered transformation of rural societies and their land areas with specific policies to overcome social, gender, economic, institutional, and ecological imbalances, and seeking to increase opportunities for human development

The changes required for sustainable rural development are thus conceived in a democratic spirit whose values are behind the political agreements made primarily during this decade within the Hemisphere, within Iberoamerica, and between Latin America and Europe.

As expressed by the Heads of State and Government of the Americas, the challenge implied here entails changes in the structure of agricultural and rural institutions, a process of reflection and of creating innovative alternatives – new institutional responses – in order to carry out the political mandate to better satisfy the needs of the population, especially women and those groups that are most vulnerable.

The premises behind this notion of sustainable development in regard to the imbalances in the developmental process still hold true today, particularly for the rural communities. There millions of human beings still live in poverty amidst great natural resources which are, however, in danger of deterioration or extinction. The economic disparities both within these communities and between them and the rest of the country

and the global community continue. Nonetheless, the basic premise of sustainable development is that despite these imbalances these areas contain vast human and social capital with a right to development.

The recognition of today's rural reality entails a commitment that cannot be delayed by those institutions and organizations with decision-

making power. Such players must focus greater attention on the diverse dimensions of development in the rural setting, on the problem of economic, social, political and environmental efficiency, and on the empowerment of the existing stock of rural capital. They must thereby reposition the rural world on national and international agendas and promote renewed international cooperation to stimulate development.⁴⁵

6. INSTITUTIONAL STRUCTURES FOR THE NEW RURALITY

The adjustment policies undertaken in the 1980s led to the reduction of the state apparatus. The effects of these reductions on rural development had relatively greater effects than on those measures directed at encouraging production and agricultural productivity.

Policies relating to rural well-being which had historically been linked to policies of assistance and compensation were sharply curtailed by the agreements coming out of the Washington Consensus.

At the same time, as a result of international policies aimed at consolidating democratization and democratic participation, the processes of governmental decentralization were strengthened with a strong component of municipalization and the development of new organizations in civil society. This process marked a tendency toward the consolidation of non-governmental organizations which became the chief mechanisms through which international cooperation for development was channeled.

In the particular case of municipalities, there was a displacement of the functions of the central government toward local government, with a lack in most cases, and particularly in the rural setting, of the necessary training and

institutional development. As for the NGOs, they progressively took on in practice the role of attending to the social problems of the community. Similarly, there was a lack of recognition of existing, long-standing rural institutions which offered real opportunities and mechanisms for social participation.

While the presence and activity of workers' organizations, guilds and unions diminished, solidarity movements and mutual aid organizations moved very energetically to fill the void.

More recently, as a result of changes in thinking about national needs in relation to development, especially the realization that economic growth does not necessarily mean well-being, the role of the state is again being reconsidered. New ideas are being discussed to envision the state in a new form in which it has more evident reflections at the local level with more effective energizing and development at both the central and municipal levels and with organizational schemes based on more integrated and complete pictures. Thus, the new institutional structures need to be created to handle an "integral framework for development," which is to say, a sustainable mode of development. In terms of institutional structures, we should distinguish between the institutions and the organi-

zations,⁴⁶ which, through the process of claiming their rights, can change the institutions that govern the various relationships in society.

In civil society, discussion has also begun about the need to empower the agents of development, stressing this defining element in relation to the activities of NGOs in providing "support for development." This means the strengthening and development of horizontal linkages between organizations of people in the process of transforming and constructing their own reality, i.e., recovering historically recognized and widely accepted and agreed-on schemes of relationship.

In the context of sustainable rural development, this implies the emergence of new territory-based institutional structures to articulate and promote the processes of transformation demanded by the new rural scenario. Specifically, there is a need for governmental structures to support rural development by means of policies based on the multiple points of view inherent in the New Rurality. The inclusion of multiple actors ensures forceful, energetic and timely action by rural municipalities in support of new policies as well as recognition of the participation and

organizational development of rural social forces in the economic, cultural, environmental and political spheres. This is intrinsically connected with the development of human capital and the use and strengthening of existing social capital.

In the international context, institutional structures for the new rural scenario require relations between public and private institutions. The resulting dialogue and interrelationships lead to the regional positioning of sustainable rural development in the discussion of development as a whole, relating economic growth, equality and justice, and the sustainability of the environment. Such a structure allows new international policies to incorporate the rural as a priority issue in discussing new agendas.

IICA's Medium-Term Plan 1998-2002, regarding the institutional adaptation of sustainable development in agriculture and the rural world, makes it clear that the institutional changes sought through the cooperation provided by the Institute are to advance the construction of institutional systems whose decision-making processes are more participatory and become a source of support for needed changes.

7. BASIC STRATEGIES FOR SUSTAINABLE RURAL DEVELOPMENT

Sustainable rural development requires a strategic vision based on the premise that governmental policy is formulated in conjunction with and is part of an effort shared by civil society, the various branches of government, and the market in the project of nation building. This vision, or strategic approach, stresses a consideration of the substantive elements that concern the functioning of the economy and the society in the rural environment. Government policy,

meanwhile, is understood as those elements of the national agenda that go beyond the areas of concern of specific institutions and beyond the terms of office of specific governments, legislatures and judicial figures.

The promotion and adoption of national strategies enhance opportunities for sustainable rural development insofar as the organizations demand, negotiate, or agree on being included in development agendas.

Some basic strategies for Sustainable Rural Development are:

The reduction of rural poverty

Poverty, ethically intolerable, politically unacceptable, and largely rural, reflects the inability of past development plans to overcome injustices and imbalances in the system. Credibility will not be awarded easily to proposals which simply promote democratic values and institutions in the Americas but allow large sections of the population to be excluded from the benefits of development⁴⁷.

Society, governments, and the international community should, as they have agreed, deal with poverty, especially extreme poverty, and provide real opportunities for access to production and marketing tools and resources in order to make development into an instrument for overcoming the present imbalances. The primary task is a matter of reducing economic and social disparities and encouraging the development of human capabilities in such a way that inequalities are diminished to such a point that they remain in a range acceptable to the human spirit.

Integrated territorial planning

It is essential to conceive and apply efficient models of decentralized and democratic territorial planning that take into account the various factors of productive, social, cultural and ecological development in rural regions or environments with their multiple interrelationships with urban centers, the nation as a whole, and the international community.

International agreements insist on resolving conflicts over land use in light of the degradation of this resource and the pressures that exist for alternative uses. Land resources

must be harmonized with the diverse needs of human beings: the need to produce food, establish human settlements, create infrastructure, protect fragile ecosystems, and set aside areas of importance to the archeological, cultural, and historical patrimony.⁴⁸

Increasingly, countries and local communities are employing this integrated approach of territorial planning, with participation by the organizations and inhabitants of the geographical areas in question.⁴⁹

The development of social capital

Development as a whole is shaped by combining and thus optimizing natural capital, financial capital, human capital and social capital,⁵⁰ all of which must be taken into account in formulating development strategies.

The rural sector contains social and cultural structures that reflect solid historical processes of nation and community building. These structures represent an enormous fund of experience in building today's institutions as they did in the past, and it is important to draw upon them in forging new institutions, this time for sustainable development.

Strengthening of the multisectoral economy

We must emphasize the fact that sustainable rural development means more than social development in the countryside and the conservation of natural resources. It is essentially an increase of opportunities for production and trade which in turn will help finance further development in the rural environment.

The multisectoral dimension involves human resource strategy, investment, funding, infrastructure development, and other elements that support the development of agriculture and the rural economy, thereby encouraging complexes of activities based on agricultural as well as non-agricultural activities. It means repositioning the rural world within the overall economy, with a greater presence for rural organizations and their activities in the process of decision making.⁵¹

The development of competitiveness and productive efficiency

Economic globalization, multilateral trade agreements, quality standards, environmental concerns, food safety standards, and changes in consumer demand represent the new reality. In order to respond competitively to the opportunities, challenges, and threats of this new market economy, producers and other agents of development must address the issues of productive efficiency, increased productivity, wider markets in both the domestic and international arenas, and improvements in the technological and management capabilities of human resources.⁵²

Furthering decentralization and institutional development

The process of decentralization and the further strengthening of territorial-based institutions with increased levels of popular participation constitute strategic elements in fostering democratic governance and the efficiency of rural development programs. The participatory planning and management of local, microregional, and watershed development in the rural area thus require the involvement of institutions, organizations, and actors at the local level in order to succeed in creating sustainable development and fortifying democracy.

The Summits of the Americas process promotes administrative decentralization and the strengthening of regional and municipal authorities. Also, the international community promotes the formulation and administration of local forms of Agenda 21 with broad community participation and participation of local authorities⁵³ as an opportunity and forum for forging a sustainable model of development.

Differentiated formulation of and approach to policy

The heterogeneous character of rural society, its systems of production, and its ecological environment and culture suggest that differentiated policies should be formulated to address the reality of differences in viewpoints, logic, and thinking that this diversity entails. Such a focus is essential in order to respond appropriately and take advantage of the particular conditions, potentials, and demands of each group that is a component of rural society.

In regard to the agribusiness sector, the planning process must take into account the different interests, potentials and relevant characteristics of large, small, and medium-sized farms as well as of forest enterprises, small family farm businesses (especially those dedicated to agroindustry), and local industrial and service entities.

Within this socioeconomic framework and differentiated approach to policy formulation, it is necessary to execute actions explicitly focused on and favorable to developing the potentials and participation of the most vulnerable and excluded groups in rural society: specifically, women, rural youth, and disadvantaged ethnic groups. New development policies must thus take into account the desire for equity, the gender perspective, age

differences, respect for cultural diversity,⁵⁴ existing socioeconomic inequalities, and the rights of all citizens.

Without minimizing the importance and contributions of all groups and productive enterprises in the rural environment and the need to formulate policies appropriate to each, it is especially essential to take into account the interests and participation of rural youth, women, and family farm enterprises.

Increasing opportunities of access to productive resources to achieve equity

One of the chief objectives of the New Rurality is to implement a process of integrated multisectoral growth that will break the barriers that currently block the access of the rural community to productive resources (land, water, public goods and services, rural funding, technical assistance and technology). Governments working in conjunction with civil society are the primary agents responsible for initiating and strengthening political processes that ensure access to those elements indispensable for active participation for those groups previously excluded from participation and therefore from the benefits of economic growth and development.

Territorial-based political, social and institutional development. Participation

Territory-based development includes activities to empower rural civil society and to provide support through institutional structures. Successful efforts toward sustainable development require active participation by all groups and their organizations: women, young people, indigenous peoples and their societies, local communities, non-governmental organizations, growers, local authori-

ties, workers and their organizations, trade, industry, and the scientific and technological community⁵⁵.

The goal is to encourage the creation and strengthening of opportunities and mechanisms for participation, from the local to the global level, in formulating, executing and monitoring development policies and planning. This endeavor calls for involvement in the creation of new institutions and, at the same time, guarantees the continuation of those existing institutions that favor and encourage sustainable development, especially in the rural environment.

The incorporation of the environmental dimension in development. The sustainable management of natural resources and fragile ecosystems

Despite increased awareness about environmental sustainability and new measures to conserve natural resources and ecological systems, the tendency to consider economic, social and environmental factors separately still prevails in the decision-making process.

In the context of economic globalization, competitiveness has taken on an importance of the first magnitude. Within this framework environmental issues and, more recently, food safety concerns have become key elements in building competitive advantage. Thus, individual countries, regional blocs, and nongovernmental organizations, including business firms, are incorporating environmental awareness into the formulation of their public policies and management schemes. Market factors as well as the growing national and international body of rules and standards require rapid response by managers, workers, and the general public in terms of including environmental factors into economic and social decision making. The

rural world, in particular agriculture, is capable of creating innovative competitive advantages based on the environmental sustainability of their goods, services, activities and processes, as can be seen in Canada's agriculture and demand for environment-friendly products. The opportunities are great, as are the risks. While environmental costs should eventually become part of the price of goods, in the meantime, management, technology, and production in the rural world must be upgraded.

In addition to food production, rural areas provide human society with a variety of environmental services: fresh air, soil creation, water, biodiversity and scenic beauty. Such services should become part of the economy, valued and paid for through fair systems of transfer that facilitate environmental sustainability while providing alternative sources of income for the rural population.⁵⁶

In summary, it is now absolutely essential to incorporate into development schemes the environmental management and the sustainable use of land, sea, and coastal natural resources, especially fragile ecosystems such as hillsides, watersheds, and islands. Moreover, the active participation of all the diverse sectors involved in agriculture and rural development is required. Special mention of this theme was made by the Small Island States in Development, sixteen of which are located in the Americas.⁵⁷

Dealing with natural disasters

The frequency and impact of natural disaster are increasing, resulting in loss of life and the degradation and loss of productive resources, particularly in rural areas.

Greater emphasis needs to be placed on this issue in development policies, plans and pro-

grams. Specifically, resources should be allocated to improve the capabilities, at the national and local levels, for predicting, preventing, mitigating and managing natural disasters and environmental accidents in order to lessen their impact on people, the ecosystem, and the rural economy.

Rural labor strategy

Work and full productive employment are basic components of sustainable rural development and human identity, and constitute a viable means of overcoming the impoverished condition of millions of Latin Americans. Specific actions are required to use technology, production and business management appropriate to existing social and cultural conditions, while creating ties between economic growth and social development.⁵⁸ Without real work and employment opportunities in the rural setting, poverty, migration, and environmental deterioration will continue.

Just as environmental assessment is now being included in numerous projects and activities, organizations dealing with the rural environment should incorporate methods evaluating the impact on labor (job elimination) created by various policies, programs, international agreements, and technologies. Although there is a notable difference in the magnitude of the labor problem in Latin American and the Caribbean and the situation in the European Union, it is worth noting that the EU has made job creation a priority objective.⁵⁹

The globalization of the economy and other activities continues to progress and is being consolidated as a reality of the twenty-first century. Likewise, the mechanisms and instruments of integration are being perfect-

ed. Before this reality, hemispheric leaders have expressed the desire to strengthen this integration as well as to create appropriate and efficient measures to protect the basic rights of the working class.

Following the outlines laid out by the Summits of the Americas, the Heads of State and Government have entrusted those responsible for labor policies with two important tasks: to modernize State labor administration and to oversee the labor dimension within the context of economic globalization. Within this context, particular attention is to be paid to labor standards in agreements covering the integration of the Americas.

Labor policy is of particular importance to rural areas where unemployment and low wages often perpetuate poverty and lead to migration. Therefore, the continuing negotiations concerning labor on the national, regional, and hemispheric levels must be sure to integrate rural labor concerns within plans for the modernization of national labor policies. Thus, a rural labor strategy must be incorporated with other regional economic, social, and juridical initiatives which are of particular interest to rural development.

Articulation of rural development with globalization

The interdependence implied in globalization involves the need for specific action to link rural development with international trade and with agreements and institutions that contribute to the sustainable development of rural societies. International agreements on trade and development⁶⁰ recognize this, but action coming out of these processes must be monitored and followed up if promises are to be fulfilled.

Although globalization is a reality, we can still influence its shape. It is, after all, a human creation, and its benefits can be made to reach broad majorities of the population, transforming globalization as it now exists into a globalization based on human solidarity. Support for the rural world, its values, and its identities represents a valuable resource for influencing today's globalization process. Thus, the process is two-way. The rural world is not simply one more element to uncritically and uncreatively adapt to the world market. Rather, it is the source of new inclusive visions that can influence the future direction of globalization.

8. THE AGENDA FOR SUSTAINABLE RURAL DEVELOPMENT

Initiating a dialogue and increasing public awareness

A new consensus must be created, and public awareness concerning development and the rural reality must be expanded through Hemisphere-wide, national, and local dia-

logues. Such interchanges further intellectual progress and the formulation of policies and operational frameworks for the construction of sustainable rural communities. Likewise, the participatory exchange of ideas augments the processes of decentralization, regionalization, and municipal reinforcement.

Fostering education

A transition toward sustainable development implies changes in attitude and the development of new capabilities. Expanded educational facilities, both formal and informal, are essential for sustainable development, especially in rural communities. Such facilities must be present at all levels of a national education system in order for individuals and rural societies to understand their environment and develop latent capabilities. Education and training must be reoriented to address the new demands of sustainable development in the rural world and be especially directed towards the leaders, technicians, and professionals who work in the rural environment.

New values and new modes of human behavior are needed to build institutions and organizations that will make up the new institutional structure required for sustainable development. Education, in this regard, plays an unquestionably important role.

Strengthening cooperative networks for development

Sustainable rural development is an unfolding process which requires increased capabilities on the part of populations and their organizations. These capabilities include the human, scientific, technological, organizational, and institutional potentials inherent in the rural, national and international communities. Although not yet sufficient, there already exists a body of knowledge, choices and experiences that can be used to address the challenge of the future.

The greater part of the road has yet to be traveled. Interchanges between people must be encouraged, and local, national and interna-

tional networks must be strengthened for the dissemination and transfer of science and technology. Success depends upon the sharing of experiences and mutual support among public and private organizations, professionals and academic institutions, rural organizations, peasants, women, young people, and members of indigenous groups, all of whom have an interest in promoting sustainable rural development. These networks will provide support for regional cooperative activities and will serve as a source of strength in future international negotiations.

Information for decision making

Every person and organization is a user and carrier of information – data, statistics, experiences, and knowledge. The recording and dissemination of this information are useful for providing the conceptual framework necessary for decision-making on policy and action related to sustainable rural development. The recording of and access to such information must be improved in order to nurture a scientific/empirical vision of the New Rurality. Cooperative networks are a useful tool for this purpose.

Reorientation of international cooperation (technical and financial)

The challenge of sustainable rural development puts the role of international cooperation in broad terms; it considers the needs of the various countries and the obstacles to development in the international environment, primarily in the areas of trade, finance and technology. The first great responsibility is to support changes that are necessary to create an international climate favorable to development. In order to take advantage of the visions offered by the New Rurality, it is therefore necessary to participate and encourage changes in the Millenium Round on trade

and to forge openings within international financial organizations to fund development initiatives and better resolve the external debt issue.

Secondly, the agents of international cooperation must work with governments, private enterprise, and relevant social organizations to increase national and subregional capabilities related to sustainable rural development. Among the aims are the participatory formulation of national development projects to be presented to the international community, the strengthening of economic and commercial dynamics leading to the opening of new markets, the development of new products and services, and the establishment of new trade mechanisms to benefit both producer and consumer. Likewise, it is necessary to create new marketing relationships between the producer and small, medium, and large businesses on both the national and international levels and to expand productive and service options into such areas as organic farming and tourism.

Support in developing policies and programs for Sustainable Rural Development

New scenarios require new approaches to policy and action. There is a need to work with the various countries and their organizations (both public and private) in tandem with other development efforts in order to discover appropriate forms, institutions, and policies to implement the initiatives of Sustainable Rural Development. Norms of international cooperation must be established to facilitate exchanges between countries so that they can share successful experiences and innovations.

It is essential to recognize that international action for sustainable rural development must

be based on a renewed, broader and multi-sectoral vision, and not on the idea of a problem to be solved through traditional institutional structures. Relationships must be created with the various public and private organizations and forums that influence change in the rural world. At the same time emphasis must be placed on the principle that the membership of these international organizations is constituted by the States themselves and that greater democracy and civil society is included.⁶¹

IICA hopes to do more than provide administrative and technical assistance to development projects aimed at sustainable development and the alleviation of rural poverty. There is a need for a stronger inter-American dialogue and mutual cooperation so that the region can act together in international negotiations. This process is indispensable if sustainable rural development is to attain a level of commitment and ongoing presence in the sphere of international mechanisms, policy making, and financial decision-making.

Support for international institutional change

IICA remains a specialized organ of the Inter-American System for agriculture and rural well-being. Its presence and renewed influence in international forums, mechanisms, and organizations dealing with trade, credit, cooperation, technology, environment and development, is basic for the progress of international institutional changes to encourage a new vision of rural development in the Americas. This task entails the need to influence and support the development of rural development programs by international institutions (global, hemispheric and regional), to constantly update changes in the international environment, and to further relationships of

cooperation with the officials, departments, and upper levels of international institutions whose decisions have an impact on sustainable rural development.

In this context, the strengthening of a new form of relationships among international organizations is a basic necessity. One example of such a possibility is offered by the Rural Development Interagency Group which unites the efforts of ECLAC, IBD, IFAD, IICA, FAO and GTZ. Likewise, the Inter-American Board of Agriculture (IABA), which oversees

the activities of IICA, is following this spirit and recognizes the importance of interagency cooperation which enriches and increases the value of international technical and financial efforts. In its Tenth Ordinary Meeting, celebrated in October 1999 in Salvador de Bahia, Brazil, this organization worked with the Interagency Group for Rural Development in the elaboration of a proposal: An Agenda and Action Plan of Action for Financing the Rural Economy and the Struggle Against Poverty.

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- 5 United Nations Environment Programme. 1999. *Global Environmental Outlook 2000*. Chapter: Latin America and the Caribbean. September 17, 1999. Available on line at www.rolac.unep.mx.
- 6 A sink is any process, activity or mechanism that absorbs a greenhouse gas, aerosol, or a precursor of a greenhouse gas from the atmosphere. (United Nations Framework Agreement on Climate Change).
- 7 The United Nations Conference on the Environment and Development, (UNCED), known as the Earth Summit, brought together 172 governments, which approved three agreements: Agenda 21, the Rio Declaration on the Environment and Development, and a Declaration of Principles relating to forests. More than 150 countries also signed two binding legal instruments (the Framework Agreement on Climate Change and the Biological Diversity Agreement), and the Convention to Combat Desertification was distributed for later signing and ratification. These agreements provide a framework for programs and legally binding commitments related with a vast number of human activities, including protection of the atmosphere, conservation of biodiversity, the fight against desertification, water resource management, and the encouragement of sustainable rural development, among others.
- 8 The Summit of the Americas process has approved the following: at the first Summit, in Miami, 1994, the Declaration of Principles, "Pact for Development and Prosperity: Democracy, Free Trade and Sustainable Development in the Americas" and the Plan of Action; at the Sustainable Development Summit in Santa Cruz de la Sierra, Bolivia, 1996, the "Declaration of Santa Cruz de la Sierra and Plan of Action for the Sustainable Development of the Americas;" and at the second Summit of the Americas, in Santiago, Chile, 1998, the Declaration of Santiago and the Plan of Action.
- 9 The Agreement on Agriculture obliges governments to reduce allocations for subsidies, grouped in this case in two categories: green and amber. The "green box" subsidies are those permitted subsidies to which commitments to reduction are not applied, and which meet the requirement of creating no distortions in trade or production. The countries may resort to this rule to defend governmental support for agriculture and rural development.
- 10 International Trade Center (UNCTAD/WTO (ITC); Commonwealth (CS). 1995. *Guide to the Uruguay Round for the Business Community*. Geneva: ITC/CS; p. 257.
- 11 UN. 1997. *Development Program. General Assembly; Resolution A/RES/51/240, Annex 1*. October 15, 1997. New York; p. 4 (paragraph 7).
- 12 Idea expressed in the speech of the President of Brazil at the opening session of the meeting of Heads of State and Government of Latin America and the Caribbean – European Union. Rio de Janeiro. June 28, 1999.

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- 16 *Ibid*
- 17 The reference is, among other processes and agreements, to the United Nations Conference on the Human Environment, Stockholm, 1972; the process of study and discussion "Our Common Future" (1987) by the World Commission on the Environment and Development, the Brundtland Commission, established by the UN in 1983; the Earth Summit, 1992, and its agreements, principally Agenda 21; global processes in the UN context, which have led to legal conventions on various environmental and development matters, world summits with their declarations and plans of action; regional, Iberoamerican and Hemispheric processes, including, in the latter category, the Summits of the Americas, their agreements, goals and mechanisms.
- 18 Objective 2. Promotion of development based on an integral approach in the form of the Development Program adopted by the General Assembly of the United Nations. Resolution A/51/240. Paragraph 44 says, "To follow an integrated approach in human-centred development and achieve sustainable development, growth in itself is not enough." Also, according to the "Proposal for a Framework for Integral Development" (preliminary document for discussion) by James D. Wolfensohn, President of the World Bank (1/21/99), "The framework for integral development that I propose offers a broader picture of development. We cannot adopt a system in which macroeconomic and financial questions are considered independent of structural, social and human ones, or vice versa." More specifically, and in reference to strategy for rural areas, he says, "Taking account the fact that in the majority of countries poor people are concentrated mainly in rural areas, it is important for governments to establish a coherent rural strategy."
- 19 Summit of the Americas. 1994. Declaration of Principles and Plan of Action. The eradication of poverty and discrimination in the Hemisphere constitutes a basic objective of the entire process of the Summits of the Americas.
- 20 The Declaration and Plan of Action of the second Summit of the Americas places special emphasis on the formation of human capital. The first chapter of the Plan, on education as the key to development, emphasizes the principle of equity in education, understood as the creation of conditions for the entire population to have opportunities to receive educational services of quality, appreciably reducing the effects deriving from social and economic inequality, disability, ethnic, cultural and gender discrimination.
- 21 Agenda 21, Chapter 3, The Fight on Poverty, and Chapter 14, Encouraging Sustainable Agriculture and Rural Development, posits the need for initiatives in the area of jobs and income generation in order to alleviate poverty; World Summit for Social Development, Declaration (third commitment) and Plan of Action (Chapter 3); Summit of the Americas, 1994, Plan of Action, Chapter 3; Summit of the Americas, 1998, Plan of Action, Chapter 4.
- 22 The document construes social capital as comprising institutional structures in the broadest sense, including social structures, political institutions, rules of the game, organizations, and the interests and motivations of the actors on the real economic and political stage.
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- been documented, such as those presented by the following: Jara, Carlos. 1997. *Local Sustainable Development. Experience of Pernambuco, Brazil*. IICA-BMZ-GTZ-Holanda/Laderas, Central America; IICA-BMZ/GTZ. 1997. ARIDAS Project. A strategy for the sustainable development of northeastern Brazil; Sepúlveda, Sergio; Edwards, Richards. 1997. *Sustainable Development, Agriculture, Natural Resources and Rural Development*. IICA-BMZ-GTZ.
- 24 Biological diversity is defined in the Convention on Biological Diversity as the diversity of living organisms from any source, and includes intra-species diversity, inter-species diversity, and the diversity of ecosystems. The term biodiversity, in addition to biological diversity, denotes traditional knowledge and the need to protect it. National legislation, such as in Costa Rica and other Central American countries, addresses the difference between biological diversity and biodiversity.
 - 25 The original definition of human development appeared in the UNDP Human Development Report of 1990: "Human development is a process of expanding people's options." Since then, with progress toward global consensus, the definition has been refined. In 1994, the Human Development Report expanded the definition to make it broader, and spoke of "sustainable human development" as development that not only generates economic growth, but also distributes its benefits equitably, regenerates the environment rather than destroying it, and empowers people rather than excluding them from the arena. It is development that gives priority to the poor, expanding their opportunities and options, while contributing to their participation in the decisions that affect their lives.
 - 26 United Nations Conference on the Environment and Development. 1992. Principle 1 and 3 of the Declaration of Rio on the Environment and Development.
 - 27 UN. 1997. Development Program. General Assembly. Resolution A/RES/51/240, Annex 1. October 15, 1997. New York; p. 14 (paragraph 46). The Summit of the Americas of 1994, in its Declaration of Principles, heard the Heads of State and Government say that "Our ultimate objective is to better meet the needs of the population, especially women and those groups that are most vulnerable, including indigenous populations, the disabled, children, the elderly and minorities."
 - 28 Summit of the Americas. 1994. Plan of Action. I. Strengthening of Democracy.
 - 29 The participation of society and its organizations as a basic aspect of sustainable development is explicitly recognized in Agenda 21, which points out the need to strengthen participation by different important groups in society, including women, indigenous peoples, and farmers. The strengthening of democracy as a basic element in sustainable development is also mentioned in Agenda 21, Chapter 2, paragraph 2.6; in the Alliance for the Sustainable Development of Central America; in Bases for Alliance for Sustainable Development; and in the Declarations of the Rio Group, the Iberoamerican Summits, and the recent Summit of Heads of State and Government of Latin America and the Caribbean and the European Union.
 - 30 Starting with the report *Our Common Future*, 1987, by the Brundtland Commission, and going on to include the agreements of the 1992 Earth Summit, the UN Development Program, 1997, and the agreements coming out the Summit of the Americas process, this can be seen to be the case.
 - 31 UN. 1997. Development Program. General Assembly. Resolution A/RES/51/240, Annex 1. October 15, 1997. New York; pp. 13 and 14 (paragraphs 43 and 44).
 - 32 Summit on Sustainable Development, Santa Cruz de la Sierra, Bolivia, 1996, "Declaration of Santa Cruz de la Sierra and Plan of Action for the Sustainable Development of the Americas." The Declaration posits "Equitable economic growth" as a guiding principle of the Plan.
 - 33 UN. Towards a new international financial architecture. Report of the Task Force of the Executive Committee on Economic and Social Affairs of the UN. Final Version, January 21, 1999.
 - 34 Wolfensohn, James. Proposal for a Framework for Integral Development (preliminary document for discussion). Communication of the President of

- the Bank to the Executive Directors, the management and personnel of the World Bank Group. January 21, 1999. Available on the World Bank website.
- 35 World Bank. Comprehensive Development Framework: Questions and Answers. September 13, 1999. Available on line at World Bank: www.worldbank.org/CDF.
 - 36 The emphasis on development rather than on compensatory and assistential measures in rural development is reflected in the dimensions of the instruments required: "The main instruments of agriculture and sustainable rural development are the reform of agricultural policy and land reform, the participation of the population, the diversification of income, the conservation of the land and better management of inputs. The success of agriculture and sustainable rural development will depend in great part on the support and participation of the rural population, governments, the private sector, and international cooperation, including technical and scientific cooperation." (Agenda 21, Chapter 14, Encouraging Agriculture and Sustainable Rural Development.)
 - 37 The authentic dedication and participation of all social groups will be of decisive importance in effectively achieving the objectives and producing the policies and mechanisms agreed on by governments in all the areas of Agenda 21. In addition, one of the basic requirements for sustainable development is broad participation by the public, expressing its views as a part of the decision-making process. (Agenda 21, Section III, Strengthening the role of the principal groups, Chapters 23 to 32.)
 - 38 The Medium-Term Plans of 1994-1998 and 1998-2002 deal with the process of human and institutional transformation.
 - 39 Summit of the Americas. 1994, Plan of Action. I: The Preservation and Strengthening of the Community of Democracies in the Americas, section 3. The strengthening of society and community participation. Summit of the Americas, 1998. Plan of Action. II: Preservation and Strengthening of Democracy, Justice and Human Rights, section 3, Civil Society, and section 5, Strengthening of Municipal and Regional Governments.
 - 40 The results of this process include the governments' agreements on agriculture at the Earth Summit, such as Chapter 14 of Agenda 21: Encouraging agriculture and sustainable rural development; the conventions on desertification, biological diversity and climate change; the agreements on agriculture and sustainable forestry adopted by the heads of state and government of the Americas at the Sustainable Development Summit; the addressing of agriculture, forests and rural development by the Central American Alliance for Sustainable Development, the Amazon Cooperation Treaty, the North American Agreement on Environmental Cooperation, and the Plans of Action of the world summits on social development, women, sustainable development of developing small island states, human settlements, etc. The participation of civil society in these governmental processes is to be noted, as well as its participation in other independent processes that have addressed and come to agreements on forests, food security, sustainable agriculture, desertification, biodiversity, etc.
 - 41 The so-called Washington Consensus was the decision of the international financial organizations to push a package of reforms in the member/client states which included, among other policies, control of inflation, trade liberalization, the reduction of the public-sector deficit, and the privatization of state enterprises.
 - 42 The concept was developed by the World Commission on the Environment, the Brundtland Commission, as the central thesis of its report *Our Common Future*, in 1987. Its recommendations led to the decision by the UN General Assembly to hold the Earth Summit in 1992, and to other processes of global and lesser reach, including, at the regional level, the Summits of the Americas.
 - 43 Pronk, Jan; Haq, Mahbubul (co-chairs). 1992. *The Report of The Hague: From Concept to Action*. The Hague Symposium, November 25-27, 1991. The symposium gathered 40 distinguished thinkers from around the world as a contribution to the Earth Summit process.
 - 44 The Medium-Term Plan 1998-2002 provides the following notion: "...the sustainable development of a country, and ultimately, of its agriculture

and rural environment, is to be thought of as the result of a multifunctional and diachronic process in which competitiveness, equity, sustainability and governance are articulated and shape each other."

- 45 By way of illustrating the multi-dimensional aspect of policies in other parts of the world, consider the Future Objectives of Common Agricultural Policy of the European Union. (Agenda 2000): Improve the competitiveness of the Union with lower prices; guarantee the safety and quality of foods for consumers; ensure stable incomes and an adequate standard of living for the agricultural community; make methods of production ecologically sound and respectful of the well-being of animals; integrate environmental objectives in the tools used; attempt to create alternative employment opportunities and incomes for farmers and their families.
- 46 North, D. 1990. *Institutions, Institutional Change and Economic Performance*. New York: Cambridge University Press.
- 47 The main global, hemispheric and subregional agreements give salient priority to poverty. Agenda 21 has a chapter on the fight against poverty and indicates that the long-term objective of everyone's having sustainable means of subsistence should be an integrating factor thanks to which policy simultaneously addresses questions of development, sustainable resource management and the elimination of poverty. Thus, the World Summit for Social Development and the United Nations World Conference on Women approved strategies to promote social integration, productive employment and the eradication of poverty. The Summit of the Americas recognizes that our Hemisphere has large segments of society, particularly women, minorities, indigenous populations, refugees and displaced people, who have not been enabled to participate fully in economic life. Hence, they affirm their commitment to the objective and actions aimed at "the eradication of poverty and discrimination in our Hemisphere." They are supported in this effort by the strategies contained in the "[Commitment to an Alliance for Development and the Fight to Overcome Extreme Poverty]" adopted by the OAS General Assembly and the Inter-American Program to Combat Poverty and Discrimination.
- The latter, agreed on in 1997, is under the responsibility of the Inter-American Council for Integral Development, CIDI, an organ of the OAS.
- 48 Specifically, Agenda 21, in Chapter 10, which deals with an "integrated approach to planning and control of land use" and Chapter 14, on "encouraging agriculture and sustainable rural development," deals with this issue. Similarly, the Plan of Action for the Sustainable Development of the Americas, 1996, chapter on "agriculture and sustainable forestry, Initiatives 7, 11 and 12."
- 49 For example, the nine member countries of the Amazon Cooperation Treaty have established a program of ecological/economic zones. Their national environmental plans and regional development plans, supported by international organizations, include provisions on the alternative use of land as a resource, and an integral approach to land legislation. Similar situations exist at the level of local land planning, generally managed by municipalities.
- 50 Social capital is judged to act as an element making human capital, ecological capital and financial capital viable, being the medium in which they exist and develop. Social capital is manifested in institutional structures, in the broadest sense of the word "institution," i.e., comprising social structures and values, rules of the game, political consensus, organizations, and the interests and motivations of the actors on the economic and political stage. In the political sphere, the World Summit for Social Development at Copenhagen in 1996, stresses, in its fourth and sixth commitments, the encouragement of stable societies by means, inter alia, of respect for cultural diversity and promotion of our common and individual cultures. It recognizes the importance of the cultural aspect of development. The Declaration of Principles of the first Summit of the Americas recognizes the diversity and heterogeneity of our resources and cultures, and expresses the conviction that we can further the interests and values that we share by building firm agreements.
- 51 The Medium-Term Plan 1998-2002 mentions the importance of rural spaces, production and mar-

keting chains, and the interactions among them, as operational components of the systemic outlook which, along with a strategy of integrated transformation, underlie the cooperation services which IICA offers.

- 52 Initiative 10 of the Plan of Action for the Sustainable Rural Development of the Americas 1996 promotes the establishment of programs in education, information, training and research, and the sharing of the best practices in order to encourage the development of innovations in agricultural technology, which includes models in the field of integrated farming systems, with an emphasis on productivity, profitability, efficiency and environmental protection.

It should be mentioned that the concept of competitiveness is in the process of being redefined. In Europe, the new thinking is that to the list of factors contributing to the competitiveness of "costs" should be added key "non-cost-linked" factors such as intangible investments, the efficiency of a cooperative network among trade partners, the quality and image of products, and the ability of business people to differentiate among these products. These new dimensions of competitiveness go hand in hand with a concern for jobs and the quality of life. (B. Coriat. [The New Dimensions of Competitiveness: Toward a European Approach]. The IPTS Report. June, 1997.

- 53 The second Summit of the Americas adopted agreements oriented toward strengthening democracy, and included a set of measures for the strengthening of municipal and regional governments. This includes the transfer of government functions from the national level to the local level, the improvement of local management capabilities, and the sharing of experiences with the support of multilateral and bilateral cooperation organizations. Various international initiatives also support the definition and unfolding of local forms of Agenda 21, both urban and rural (Ministry of the Environment, United Kingdom. 1994. Associations: In Practice. Conference Report "United in Change," September 1993). Also, Agenda 21 1998-2002, adopted by the UN in 1997, urges active support for local forms of Agenda 21, and encourages campaigns to provide support to overcome the obstacles that these initiatives face.

- 54 World, Hemispheric and regional agreements include many mandates dealing with women, the gender perspective, young people, indigenous peoples and cultural diversity (Agenda 21, Chapters 24, 25 and 26; Beijing Declaration and Platform of Action, Fourth World Conference on Women; fourth fifth and sixth commitments of the World Summit for Social Development; and agreements of the Summit of the Americas process, 1994, 1996 and 1998.

- 55 Agenda 21. Section III. Strengthening of principal groups, Chapters 23 to 32. In this regard, the follow-up mechanisms associated with Agenda 21 in the annual sessions of the UN Sustainable Development Commission assess progress and problems with the participation of organizations from civil society. In other words, there is an opportunity for the representatives of rural communities to express themselves in this global forum. Meanwhile, the first Summit of the Americas, Plan of Action, section 3, addresses the strengthening of society and community participation; the Plan of Action for the Sustainable Development of the Americas emphasizes public participation, specifically in Initiative 13 of the chapter on sustainable agriculture and forestry; and the second Summit of the Americas, in connection with the strengthening of democracy, incorporated a section on civil society which, among other things, asked governments to promote dialogue and alliances between the public sector and civil society and with the IDB and other international organizations in order to develop programs to strengthen civil society and mechanisms for public participation.

- 56 Costa Rica is a source of interesting experiences, which makes it a leader in this field, especially in terms of carbon dioxide sinks and the sale of certificates on the international market, as well as in ecological tourism and bioprospecting. See Espinoza, Nelson; Gatica, Javier and Smyle, James. 1999. El Pago de Servicios Ambientales y el Desarrollo Sostenible en el Medio Rural. [Payment for Environmental Services and Sustainable Development in the Rural Environment.] RUTA-IICA. San José, Costa Rica.

- 57 The Special Ministerial Conference on Agriculture held by the Small Island States in Development and celebrated in Rome on March 12, 1999,

adopted a Declaration and Action Plan (approved in June 1999) with five main agreements, three of which are directly related to sustainable agriculture and the management of natural land and sea-coastal resources.

58 This requirement for economic growth has been recognized globally and within the Hemisphere (Agenda 21, Chapter 3, Fight against poverty; World Summit for Social Development, 1995, third commitment; and Summit of the Americas, 1994. Declaration of Principles.

59 Commission of European Communities. 1997. Agenda 2000 For a Stronger and Broader Community. Brussels; p. 11. The document speaks to EU domestic policy, and emphasizes first of all "[establishing the conditions for sustainable growth and job creation]."

60 In the policy area, Agenda 21, Chapter 2, on international cooperation to accelerate sustainable development in developing countries, provided for a package of measures contained in the program for the encouragement of sustainable

development through trade; the first Summit of the Americas, Declaration of Principles, in its objective of promoting prosperity through integration and free trade, says that "[a key to prosperity is trade without barriers, without subsidies, without unfair trade practices, and with a growing flow of productive investment." In the field of international trade, the preamble to the agreement that created the WTO, states that the relations between members in the area of trade and economic activity should tend to raise standards of living, achieve full employment and considerable volume, and consistently raise real incomes and effective demand while increasing production and trade in goods, making it possible at the same time to achieve optimal use of the world's resources in conformity with the objective of sustainable growth, protecting and preserving the environment.

61 This process has already advanced in some organizations such as IDB, where the participation into policy-making decisions from Non Governmental Organizations, public enterprises and different Estate institutions has increased.

GLOSSARY

CIDI	Inter-American Council for Integral Development (OAS)
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	United Nations Food and Agriculture Organization
GATT	General Agreement on Tariffs and Trade
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IDB	Inter-American Development Bank
IFAD	International Fund for Agriculture Development
IICA	Inter-American Institute for Cooperation on Agriculture
IMF	International Monetary Fund
MTP	Medium-Term Plan (IICA)
OAS	Organization of American States
RUTA	Regional Unit for Technical Assistance
UN	United Nations
UNCED	United Nations Conference on the Environment and Development, known as the Earth Summit
UNDP	United Nations Development Program
UNEP	United Nations Environmental Programme
WB	World Bank
WTO	World Trade Organization

**This book was printed at IICA
Headquarters in Coronado,
San Jose, Costa Rica, in March 2000
With a press run of 2000 copies**





Sustainable Rural Development

CIDER

Panama - Panama City