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The World Bank's new development strategy

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The title proposed to me by the organisers, and which I accepted, is a good reflection of role assigned to this paper in this colloquy. It concerns examining how recent discussions on rural development at the World Bank will affect the context in which the training of future agronomists should be planned. Indeed, the World Bank is an important player in rural development but above all an excellent vantage point for observing international debate, for participating in it and appraising the evolution of the context mentioned above. This feature justifies the very simple plan of this communication. I shall examine in the first part the main components of the Bank's renewed vision of rural development. This recently proposed vision reflects, of course, the Bank's objectives at the service of its more than 180 member countries and also the means for action that it can use. These means are substantial but are naturally limited and it is important to identify them correctly. After this, the first part of the communication finishes with a short appraisal of the main trends affecting rural development prospects everywhere, as seen from the World Bank. The implications of the evolution of the context for the training of agronomists is discussed in the second part.

I – The world bank: a specific actor

The Bank is a specific actor because of its influence in economic development and also because it has become an important crossroads for information. A reminder of its general objectives and the resources that it uses is needed in order to understand this specificity. This is followed by the new vision of rural development put forward by the Bank. It will then be possible to make a brief review of the main trends affecting rural development today.

1. General resources and means that can be used

Reduction of poverty is still the essential objective of the institution. Its character as a financial body, the salary level of its employees and the fact that the Bank does business only with governments may make it seem paradoxical to some people that the main objective is the attacking of poverty. It obviously does not perform charity operations to alleviate extreme poverty, as is done by humanitarian organisations. Poverty is fought essentially by mobilisation of substantial financial resources, backing public authorities and influencing their decisions. This is in fact the attacking of poverty through the promotion of economic development whose fruits can be more evenly distributed and that can be sustainable. Nothing can be understood about the Bank's functioning unless the nature of this central objective is taken into account. The numerous institutional constraints that limit its scope of action should also be taken into account to understand the functioning of the Bank. This leads to a rapid examination of the tools that it can use, which can be grouped in three main categories: first, discussion concerning policies, then financial resources and finally support for institutional development. Because of the nature of the institution, its officials have access to political officials at the highest level. Above all, a feature that makes it unique is that the Bank has access to a very broad range of officials at the economic and financial levels, at the macro-economic level, and at the level of the highest political responsibility (prime minister or president) in all the client countries, and also to sector officials, in particular ministers and the main officials handling sector policies. Few institutions have access to such a broad range of officials. As a result, discussion of policies is effectively an important tool for the Bank. The latter also, of course, exerts considerable

influence through the funding that it can mobilise. This is its second intervention tool. I consider that it comes after discussion, especially since the explosive increase observed in private flows of international finance. Finally, the third tool is the promotion of institutional development. We know that this is a long-term job that was not considered to be essential in the past. However, it is essential and forms a central part of the Bank's activity. Personally, I consider that long term judgement of the Bank should be based on performance in this field.

2. A vision of rural development

A renewed vision of rural development and of the role that the World Bank can play to promote it has been developed in recent years. It was formally adopted by the Board of Directors and widely disseminated, especially at the World Food Summit two years ago. I was struck on this occasion by the extent to which the Bank's position was coherent with the international consensus expressed.

One may wonder about the reasons for which there is a return to rural development today while the rural development policies implemented in the past—especially in the pursuit of integrated rural development—have been such a failure. It seems to me that we are observing today a reaffirmation of the need to reach poor people in rural zones while taking past failures into account. Most of these resulted from inadequate appraisal of the difficulties of institutional development and the limits of existing governmental institutions. The stress currently laid on combating rural poverty by development reflects the conviction that the failure of the measures undertaken in the past does not call into question their objective, that is to say the reduction of rural poverty. This is an essential target if we truly wish to fight poverty, and the challenge to be taken up is that of the means to achieve a true impact on poverty. The new vision drawn up for this consists of a series of components. First of all, we have learned and now know that there can be no real, effective combating of poverty in rural zones without an appropriate economic policy both in the macroeconomic domain and the different sector zones. Policies for the promotion of economic growth and better use of the fruits of this growth must be combined, in particular by means of investment in social sectors, such as education, programmes for controlling population growth, health, etc.

The second component is the awareness of a new role for the state. The Bank is often presented as a liberal institution that wishes to eliminate the role of the state in the promotion of economic development. This is of course a very twisted caricature. The question is not the absence of the state but that of a better state. It must govern less in order to govern more, echoing the proverb «grasp all, lose all». The state—especially in developing countries—has experienced resounding failures when it has sought to replace private sector economic players, by even preventing their very emergence when they did not exist. We now know that their existence should be encouraged and that the state should not perform functions that can be much better performed in the market-regulated private sector. In contrast, we know well that there are many market failures and it is essential that the state should intervene to correct them. Allowing for its limited means in terms of financial and human resources and institutional capacity, the public authority must make a judicious choice of its areas of intervention. The distribution of public expenditure is the best indicator of the priorities awarded by governments to the various functions that the state should perform. Analysis of this public expenditure is a very good instrument for both judging the pertinence of the policies implemented and also for starting discussions with national officials concerning the possible improvements to the situation. National budgets are often burdened by subsidies that mobilise sometimes considerable resources but whose economic effectiveness is doubtful and that could be much better used to finance functions that only the state can perform.

The third ingredient of the new strategy is the promotion of autonomous bottom-up development. We know that there cannot be any development without a mobilisation of energy at a local level. Development must therefore effectively be bottom-up. The World Bank is well aware that it has a top-down bias as it can only make loans to governments or institutions designated by the national public authorities, with the loans being guaranteed by the state. The projects and programmes are designed to use and orient state intervention in such a way that it favours, encourages and supports individual initiatives instead of stifling them. This feature has been seen in recent years in two major areas: fiscal decen-

tralisation and the recognition of the essential role that must be played by civil society. The former is aimed at providing public authorities at local level with the financial resources necessary and hence a real choice of public expenditure in the domains that concern them directly and for which the information is most pertinent because it is local information. Essential progress in the increasingly recognised role of civil society has consisted of the promotion of partnership with the organisations of society, and especially NGOs which, in the absence of other bodies, can play an important role. However, it is clear that in the agricultural and rural field the NGOs should enhance, for example, the development of professional agricultural organisations and should above all not substitute these organisations as the legitimate, authentic spokesmen for farmers.

The fourth component is, as we have seen, the importance awarded to institutional reforms. In many countries, public institutions are too bureaucratic and subjected to rules concerning accountancy or administrative procedures that paralyse them and considerably limit their effectiveness as promoters of rural development. It is therefore necessary in most cases to implement reforms to 'de-bureaucratise' and decentralise and to give users an effective voice. Appraisals must be made more transparent and conditions established for the promotion and payment of staff that take their performance into account and not just their seniority. This is a long job and involves numerous participants. Difficulties cause much frustration which often discourages donors and other external partners. Nevertheless, these reforms are essential. One must therefore display patience and perseverance.

The fifth component is the strategic role of progress in agriculture. This factor has long been recognised but seems to have been forgotten today at many development agencies. Indeed, they have considerably reduced their financial support for agricultural research and even more so for advanced education and even for institutions for the extension and diffusion of technical information to farmers. Finally, there is widespread awareness that agricultural growth is necessary but not sufficient for the promotion of rural development and the Bank's vision takes this into account explicitly. This is why this vision includes not only the development of agriculture but also the development of the various sectors and in particular the social sectors that can contribute to reducing rural poverty.

3. Several major trends

I have said that the World Bank is a crossroads for information. On the basis of my experience at the institution, I can now propose a brief appraisal of several trends that are affecting the prospects of rural development everywhere.

Globalisation is obviously a major phenomenon and essentially the result of the globalisation of financial markets. It is a massive and probably irreversible phenomenon that reduces governments' room for manoeuvre and which must obviously be taken into account.

Two other major trends should be taken into consideration—the technical revolution in information and that in biology. The development of informatics, the Internet and microcomputers is radically changing the conditions for the performance of many occupations and has brought back to the forefront the influence of access to information and knowledge in the promotion of development. The danger of 'scientific apartheid' between north and south is considerable of course. However, this technical revolution also provides extraordinary opportunities for the renewal of practices and hence for progress. In biology, a true scientific revolution is in progress first of all, even if the very spectacular development of biotechnology has drawn much attention in both northern and southern countries, as can be seen from the ongoing debate in many countries concerning its ethical, economic and social consequences and especially genetically modified organisms. Whatever the development of this debate, it is nonetheless true that the real scientific revolution that has just occurred in biology is an essential feature of the new context of the combating of poverty in rural zones. The danger of 'scientific apartheid' mentioned above results from the fact that scientific and technological development—including that of biotechnology—takes place mainly in the northern countries, in developed countries, in both the public sector and above all the private sector. As a result, the southern countries risk marginalisation because they participate litt-

le in scientific progress in the public domain and also, perhaps above all, because the conditions for access to new technology have been radically changed by regimes for the protection of intellectual property, which made the development of technology in private enterprises less easily accessible to institutions in the southern countries. If care is not taken, the gap between northern and southern countries will widen considerably and deprive developing countries of the potential benefit of scientific and technical progress.

Another main trend, whose importance I would like to stress here, is much less recognised than the others. It is a key feature in the success of economic development and in the strategic capacities that can be developed by individuals and above all by both private and public sector institutions. These strategic capacities are those of adaptation to the changes caused by the trends identified above. Procedures providing tactical flexibility must be established since the precise evolution of the context cannot be foreseen. The only certainty is change. It is thus certain that the institutions, procedures and ways of doing things that are appropriate at a given moment will rapidly become obsolete. It is therefore necessary to be able to change within the framework of a strategic prospect, whence the notion of strategic capacity. In this respect, the Mediterranean countries, and in particular those to the south and east of the Mediterranean, seem to be particularly weak in their past ability to develop such strategic capacity.

II – The consequences for training

It must be admitted that on this point the views expressed here are more my own than those of the World Bank. It is true that my views have been considerably influenced by my ten years experience at the Bank. I have therefore benefited from the privileged crossroads for information that I mentioned before. However, my viewpoint is also certainly related to the fact that I used to be a teacher and that I am soon to become a teacher again. Please allow me to identify the training requirements of agricultural managers in the broad sense. I shall then underline a few pedagogical requirements.

1. The training needs of agricultural managers

My views are not original here and cover much of what has already been said. I would nevertheless like to stress that the initial training of researchers seems to me to be an important function of teaching in agronomy and that a large number of young researchers should be trained in the coming years. However, this flow of professional outlets will nevertheless represent only a small fraction of the agriculturalists to be trained. The second flow, concerning perhaps a larger number of persons, is that of officials working for the state and above all for other public authorities. Here, it is clear that the main aim is to train civil servants in their new, rapidly-changing role. There is not enough time here to discuss this in depth. However, two things are certain in training. The future civil servants must know how to develop their knowledge throughout their careers and learn to work in pluridisciplinary teams that include in particular legal specialists, economists, technicians and agronomists in the narrow sense of the term. The third training requirement is for professionals for organisations in civil society, and especially managers for agricultural organisations. Here, the essential function is that of leadership, which certainly requires personal qualities but also the appropriate training. Finally, the fourth requirement that will increase with the development of agriculture and the agri-food sector which accompanies economic development is the need to train private sector managers, in particular for agri-food industries and services. The main need here is probably for managers who possess an overall view of the process, resources and persons to be managed but who also have a broad vision including the ability to analyse the context in which enterprises operate in order to contribute to the strategic capabilities of these enterprises.

A central, recurrent question for all these requirements concerns the choice between specialists and all-rounders. This is a recurrent question that has never really been settled satisfactorily. I come from a country where we have prestigious specialists with diplomas from the *Ecole Nationale d'Administration*, and who we refer to as “*Enarques*”. They boast of being all-rounders. We can see their strengths but

also serious limits every day. I also work at an institution, the World Bank, that has its all-rounders. These are what we call the *Young Professionals*. More precisely, I refer to the senior managers at the Bank who are chosen from among the *Young Professionals* who have spent their entire careers at the Bank. Here again, I can talk of the advantages and also the serious limits of the situation. One can find many similar examples. It is seen everywhere that these all-rounders, who are often brilliant but threatened by the danger of too much intellectual arrogance, tend to look down on specialists and challenge the criteria of professional excellence incarnated by these specialists. In contrast, the latter often find it difficult to incorporate the contributions—that are nevertheless essential—of other specialists.

Lessons must also be drawn from the very contrasted experience in different countries in the training and use of agronomists. In France, we continue to have schools that train agriculturalists and aim at a broad training whereas our American colleagues opted for specialisation a long time ago. And I can say—and I am sure that many of you know this as well—that each formula has its advantages and disadvantages. Having had contacts recently with advanced teaching institutions in Italy, Spain, England (especially Wye College), the Netherlands (Wageningen Agricultural University), I know that it is an important question. Everybody realises that the problem is a difficult one and that no satisfactory solution has been found.

In spite of these difficulties, what essential pedagogic requirements should be respected in the light of the training requirements that I have outlined briefly?

2. Pedagogic requirements

I feel that it is essential to train open-minded, curious managers. This is often difficult because young people want to be sure to have solid technical skills. They want certainties, rapid replies and skills that will be useful immediately. It always seems difficult to encourage and cultivate intellectual curiosity. The second pedagogic requirement is that of solving the contradiction between the need for intellectual humility, an essential attitude if one wishes to be effective in the solving of problems, and the ability to develop overall views. The experiences of the all-rounders that I mentioned (*Enarques*, and the *Young Professionals* at the World Bank) and of others such as the members of the «Indian Administrative Service», for example, show that all-rounders may have broad views but find it very difficult to show proof of intellectual humility. This is a fundamental pedagogic challenge. Finally, I would like to stress the need to be at ease in knowledge — action dialectics. This is another great pedagogic challenge that it seems to me can only be solved by a temporary professional situation during the training syllabus. A successful placement enables the student to become familiar with the realities of professional life and also to develop a critical attitude to this reality to be able to be open-minded without being arrogant.

In all, it seems to me essential to teach students how to learn, as the context of professional occupations changes rapidly, and also to open up and familiarise young future professionals with the new technologies—especially information technology—so that they can truly become the managers, the men and women capable of promoting rural development in their countries in the twenty-first century.

Thank you for your attention.

