

Commentary

HELPING ADVANCE PRESIDENT OBAMA'S VISION TO SUBSTANTIVELY REDUCE AFRICAN POVERTY: "NEW ERA" INCLUSIVE AGRICULTURAL AND RURAL DEVELOPMENT

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PREFACE

President Obama's historic speech on July 28, 2015, at the African Union in Addis Ababa emphasized that while the last decade's impressive growth occurred from increased trade and investment, "New thinking. Unleashing growth that creates opportunity...that lifts all people out of poverty" is now required. Also, while he addressed many sensitive internal political, governance, and social-related issues in this increasingly inter-connected world, he also spoke to a "call on the world to change its approach to Africa." Time did not provide for the presentation of the appropriate strategic rationale and response framework. While worldwide and particularly for the agrarian-based developing economies, the new era's economic transformations processes are not fully understood and each country is uniquely different, we now know that within the radically changed world globalization has brought, notably different measures will be required. This is particularly so for the world's poorly positioned, agrarian-based small and medium countries (SMCs), most of which are in Africa.

Based on my considerable, ever-broadening experiences in economic development in 25 countries, last year the U.S.- based Brookings Institution asked me to review and comment on their "Draft Notes for a Revised Foreign Assistance Program: 2015-2030." The Brookings' draft did not deal with these generally under-reported systemic and not fully understood economic conversion processes and the tied but worsening consequences slowly advancing, particularly as they relate to the SMCs. Their omission formed my response, which shaped the core of this paper.

In these countries, during the last quarter of century I have observed that an exceptionally large and growing number of agricultural producers and related rural sector work force have not been adequately prepared to benefit from and respond to the new era's sea change economic structural shifts. Decades of neglect by countries and donors to this economic sector central for generating dynamic, broad-based growth has introduced minimal sector re-engineering from their previously protected, "inward" focused economic system to today's, globalized trade-driven structures. For SMCs, the accumulated, nuanced consequences from inappropriate policies, enabling environments, public good investments, and essential support structures and institutions for their largest economic sector and its needed more fluid relationships with the industrial and service sectors, impedes: 1) food insecurity reduction; 2) extreme poverty elimination; and 3) improving the growing number of inter-connected societal, political, and environmental maladies. This inappropriate attention has contributed to an increased number of insidious systemic and structural related developments which converge to seriously hinder job and wage that notably limits sustainable poverty reduction.

This synopsis from extensive analysis and comprehensive reviews framed my response to Brookings. Their review noted the "very persuasive case for the importance for restoring agriculture in small and medium developing countries." Subsequently, other reviewers provided similar supportive comments.

The African Journal of Food, Agriculture, Nutrition, and Development's (AJFAND) special mission and reputation, plus its rich regional professional and institutional

network with scholars, government policy leaders, economists, development officials, and private sector, NGO, and donor leaders, makes it well suited to advance the new era multifaceted platform, without which, the sustained economic transformation vision captured by President Obama is unlikely.

Special efforts will be required to help respond to the unprecedented need and opportunity. SMC agricultural, business, civic and political leaders, and donor facilitators, must begin to boldly and strategically build from their bountiful but poorly positioned land and labor comparative advantages in ways that sustainably: 1) promote investments; 2) improve sector productivity; 3) reduce producer and investor risks and advance national competitiveness; and 4) stimulate inter-sectoral growth ties with their industrial and service sectors to build job and wage growth.

Although today in varying degrees trade and investment increasingly form the economic underpinnings, to help SMCs compete and gain in ways that foment sustainable broad-based growth, additional, fundamentally different approaches will also be required. This paper presents the seldom-linked, piece-by-piece rationale for the proposed, radically different strategic program framework to help interested nations and donor partners respond. Since USAID was the focal point of the Brookings Institution's original paper, among the new donor partnership relationships now required, herein it also receives special attention. Given President Obama's clarion call and the US' historically important earlier era work and initial attention launched under Feed the Future, this presentation provides may be of particular importance. Perhaps these observations, modified where appropriate from my Brookings paper, can be used by the AJFAND network to help inform and advance the national-level critical mass to help form mount the early phase for the new era's "Inclusive Agricultural and Rural Development" Program subsequently presented herein?

EXECUTIVE SUMMARY

Agriculture's Preeminent but Less Dynamic Position Constrains Wage and Job Growth

In SMCs, agriculture usually comprises the largest but least remunerative economic sector. For example, in the 19 countries under USAID's Feed the Future (FTF) program, the country average is 76 % of the total workforce employed in agricultural production-comprised mainly of poor smallholder farmers.

Agriculture usually forms the largest GDP generator and largest exporter but is sub-optimally positioned to become more remunerative and dynamic as now required, to generate wage and job growth.

As currently configured, the sector is characterized by the preponderance of diverse, poorly organized, low-value production systems generating the lowest returns to labor and land and the lowest generator of economic multipliers critical to stimulate broad-based growth. This huge construct has become the "magnet"-like force – or lead weight -- impeding national wage and job growth.

Convergence of National Structural Legacies and Globalization's Dynamics

Compared with the industrial and service sectors, agriculture is, generally speaking, much worse positioned in maintaining the large negative remnants of the old era's protectionist, import substitution structure.

In the late 1980s, the transformative IMF-introduced Structural Adjustment Lending and macro-economic policy and fiscal reform programs and related loosely-termed "Washington Consensus" economic reforms began. These measures seldom offered sector-specific reforms which unintentionally, resulted in further neglect of and reduced budgetary support to the agriculture sector. These proved inadequate in providing the retooling that the agriculture sector required, commensurate with the evolving paradigmatic structural shifts and the ensuing challenges and opportunities.

Ironically, during this same period, in 1994 the WTO's transformative "Uruguay Round" for international agricultural trade was finalized. This provided unprecedented agricultural export opportunities for fresh and processed products from the tropics.

This unprecedented opening along with "globalization's" multiple new features and the massive expansion of the WTO and Regional Trade Agreements (almost 500 signed or being negotiated) formed the *raison d'être* that the SMCs (and donors) should have responded to with the new policies, programs, and projects to begin to re-position agriculture to benefit from the sector's bountiful, but extremely poorly positioned land and labor comparative advantages.

Regretfully, for this high stakes transitional opportunity, most SMCs were slow to strategically and substantively mount the systematic, sector restructuring processes, including new policies and support program required to reposition this sector's outmoded production systems.

Suboptimal Country Responses Seriously Constrain Sector and Economic Transformation

The Washington Consensus' priority focus on macro-policy and fiscal reform and budgeting precepts constrained SMCs from commencing to address the needed sector retooling requirements.

Unsurprisingly, by the mid-1990s, public sector agricultural R&D budgets for low income countries was flat at 0.5 % of agricultural GDP (1% being the standard international guide) and further decreased.

Confronting the "new era's" essential structural changes was further limited by the: 1) pervasive and comprehensive sector de-capitalization beyond financial capital requirements, to include human, institutional, infrastructure and technical needs; 2) fragile nature of weak democracies and entrenched rent-seeking interests that limited introduction of the requisite, albeit politically sensitive reforms required over a sustained period; 3) related political risks and short-term perspectives of elected officials ; and 4) constantly changing donor mandates and priorities and their project's short duration in the face of the poorly understood and slowly advancing structural shifts.

Donors Pursue a Parallel Declining Sector Support Track

From the mid 1980s to 2006, total donor sector support declined from \$10 billion to \$6 billion, notably breaking the historically documented, previously unquestioned principle: by supporting a dynamic agricultural sector, poorer countries could advance in ways that reduce poverty.

For USAID, from its earlier donor leadership position and its broader support portfolio advancing core policy and technology and knowledge development services, mainly from the U.S. university Land Grant University system and the USDA and later evolving to NGOs and contractors, the percentage cuts were financially and substantively deeper (from 26% in the late 1980s to 2% in 2007). Particularly hard hit were the previously supported but increasingly critically needed research, extension, and education (REE) services. By 2005, USAID's technical staff in agriculture had dropped to less than 2% of the agency's total roster.

Multiple and Alarming Consequences from Sustained Neglect of the Formation of Support Services, Policies, and Structures Commensurate with New Era's Special Challenges and Opportunities

Most visibly and alarmingly, in 1990 annual crop yields for cereal sub-sector commenced a 2% to a 1% decline.

USAID's comprehensive 2013 study, *Towards USAID Re-engaging in Supporting National Agricultural Research Systems in the Developing World*, speaks to the alarming "retirement tsunami" experience as the highly regarded previously USAID-funded advanced degree technical support staff retired as the agency "struggled with severe and often permanent organizational and managerial problems."

Under USAID-funded sector diversification/value-chain enhancement programs, by the late 1990s as projects terminated prematurely, yields from these fruit and vegetable export programs had eroded while further alarmingly, U.S. market shares declined.

Agricultural sector GDP growth rates, a principal indicator for poverty reduction, peaked at 3.1 % in 1995. This commenced a downward trend below which, according to the World Bank, severely constrained poverty reduction in SMCs.

By the late 1990s, the "Economic Structural Transformation" (EST) process had stalled and reversed, with the alarming consequence that agriculture's contribution to GDP actually increased. This result is the antithesis of Economic Development 101! The declining "push" factor from agriculture due to declining productivity formed the growing "magnet" for further constraining job growth while also, and further alarming, job growth grew most in agriculture.

While history long ago validated that a dynamic agricultural sector is crucial to sustainably reducing poverty, until relatively recently re-inserted under USAID's Feed the Future (FTF), SMCs and donors have been notably slow to respond to mounting and menacing trends. Little systematic analytical and strategic attention over time has been

directed to these understand the increasingly daunting dynamics. In the economic world globalization has wrought and while unprecedented opportunities abound, , most SMCs are seriously and increasingly ensnared in a low wage trap with only limited escape points due primarily to their agriculture sector's limited productivity and dynamism and declining competitiveness.

In the context of President Obama's special message and the diagnosis provided to Brookings, SMCs and their donor partners must introduce substantive measures that: 1) analyze and confront their economic and sector related enabling policy, governance, and market and trade environments; 2) stimulate expanded public good and private sector investment flows; and 3) introduce public-private/private-public institutional bases and business relationships from a more dynamic and diversified agricultural sector linked to industrial and service sectors that expand job and wage growth.

From this afore-mentioned rationale further elaborated and also, pursuant to my considerable reflection and discussions over numerous years with producers, political and business leaders, academics, and development professionals, in recognition of the US's earlier and some recent experiences, six strategic interventions are offered.

- 1) *Vigorously Advance "Inclusive Agricultural and Rural Development" (IARD)*—A national vision and program to promote the introduction and sustained support for a market responsive and more remunerative agricultural sub-sectors where appropriate, beyond traditional cereal crops. Such programs should be generating critically needed, more product-related services and productive value-added links with the industrial and service sectors.
- 2) *Establish a national sector ownership process*—To advance IARD, many vexing constraints and issues deal with sensitive engrained internal political, political/economy, governance, and policy matters that require unprecedented levels of focused public good, private sector, and donor coordinated investments over a sustained 10-15 year period.
- 3) *Introduce a program versus project support focus*—Given the breadth of the issues needed to gain producer and investor confidences, a more holistic, visible, and influential IARD program support base is required to be able to appropriately advance and leverage the national sector reform process and achieve the needed results.
- 4) *Strengthen policy analysis and strategic planning*— The increasingly rapid shift to trade-led growth and the advancing menacing trends currently evolving, requires the introduction of a more analytically based, market-orientated national structure to help SMCs chart, steer, incentivize, and prepare for tomorrow's more competitive and vexing world.
- 5) *Strengthen technology development*--The radically changed and more market-responsive complicated world and the broader needs that IARD encapsulates

requires the introduction of more market-responsive, productive, and efficient technology generation and outreach services. The notably deficient service and investment levels are inadequate to address growing, long festering, internal structural problems which with globalization's expansion, only exacerbates further, the plethora of structural issues.

- 6) *Strengthen human and institutional capacities (HICD)*--To advance IARD where SMCs beleaguered land and labor comparative advantages have become shockingly weakened, unprecedented strategically addressed efforts must be mounted across numerous fronts and institutional bases. These will require considerably strengthened human resources and organizational and institutional capacities in the agriculture sector.

INTRODUCTION

President Obama's special "New Thinking" call forms the special need and historical bases to carefully reflect and launch the substantive program commensurate with today's special challenges and opportunities. For the SMCs, with their increasingly beleaguered agricultural sectors and increasingly fragile democracies, the accumulation of sector-specific and increasingly complex economic structural issues converge to drive mounting and alarming desperation from their growing populations. These core dynamics stimulate a multiplicity of ever-increasing complications: for example, increased societal violence, political unrest and growing social disturbances, environmental degradation, drug production and trafficking, illegal immigration and human trafficking, and mounting corruption that impact these countries and us and our G8 allies.

In this radically different and more dangerous world, the USG's sector resurgence mobilized through "Feed the Future (FTF)" and implemented by USAID is of singular importance. It has launched many new and interesting activities. However, for many valid reasons, this historic sector re-adjustment has been slow to substantively confront: 1) the magnitude of the breadth and consequences of prior neglect; and 2) the systematic and structured issues emerging from today's increasingly complex economic construct.

This paper's comments are based on contemplations from considerable multi-donor, development-focused work over 40 years in USAID and post-USAID funded activities in 25 countries (see page 18). These demonstrate that to generate the much higher levels of public and private investments required to stimulate broader and more robust job and income growth, a more country-driven, holistically, and strategically focused diversified and inclusive agricultural and rural development became crucial. This radically different response is needed to deal with: 1) rapidly shifting local and international markets and commodity trading dynamics; 2)) growing producer and market-related risk realities as they hopefully, where possible, more rapidly diversify into more remunerative and competitive product lines; 3) severely weakened national production capacities; 4) the imperative to provide new levels of sector-specific public and private investments; and 5) the increased uncertainties from environmental degradation, climate change, water shortages, and population growth.

To help interested countries and donors better comprehend and respond to the new era's issues outlined by President Obama, a more comprehensive understanding is required. The next section explains: 1) agriculture's "preeminent" position; 2) economic structural legacies and globalization's rapid expansion; 3) country-level responses; 4) donor responses; and 5) the alarming consequences of prolonged neglect. From this overview, the key programmatic and strategic interventions are then offered: 1) vigorously advance Inclusive Agricultural and Rural Development (IARD); 2) establish a national sector transformation process; 3) broader program versus traditional project focus; 4) strengthen policy agenda and strategic planning; 5) strengthen technology development and outreach systems; and 6) strengthen human and institutional capacity development. Attachment I Discussion Brief (pages 19-20) offers a more detailed explanation of IARD and Attachment II (page 21) presents a schematic display contrasting internal and external dynamics associated with the old and new economic structures.

KEY ELEMENTS TO SHAPE "NEW THINKING"

Agriculture's Preeminent but Less Dynamic Position Constrains Wage and Job Growth

In the SMCs, agriculture generates farm-based, primary product production-focused employment which comprises the largest but least remunerative economic sector. This workforce is employed on diverse enterprises such as row and tree crops, dairy and livestock, agro-forestry, and aquaculture. For the 19 countries participating under FTF, the country average is 76 % of the total workforce, comprised mainly of poor smallholder farmers employed in these production-based enterprises.

Agriculture continues to form the largest GDP generator. Comparing agriculture's sub-sectors, its traditional cereal/staple food sub-sector forms the largest but generates the lowest farm incomes.

Generally speaking, due to this sub-sector's comparatively limited end-use processing and industrialization activities with other sub-sectors, it usually generates the lowest value-added multipliers. This forms the base element to stimulate broader farm and off-farm job and wage growth.

The agriculture sector is the largest exporter, albeit generally comprised with a low-level of value-added primary products, but with potential for generating significantly more job growth multipliers. This is true in the case of coffee, cacao, dairy and meat, wood products, among others as well as fruit and vegetable sub-sector.

In summary, as currently configured, the sector is characterized by the preponderance of their scattered, poorly organized and positioned low-value, sub-optimal production systems generating the lowest returns to labor and land and the lowest generator of economic multipliers. This structure forms a massive "magnet"-like force impeding national wage and job growth. As further explained, the long absence of a more dynamic, diversified and value-added agriculture represents a huge anchor to the national wage structure, stimulating growing economic inequalities, food insecurity, societal desperation, and political strife.

Convergence of National Structural Legacies and Globalization's Dynamics

Compared with the industrial and service sectors, agriculture is more positioned with the still lingering, residual remnants of the earlier, highly protected inward-focused import substitution structure which placed particular priority importance on the industrial sector and urban growth. This legacy is perpetuated by the heavier presence of some “para-statal” type services, presence of a constraining rent-seeking political economy, and related inefficient subsidies and policies that also seek to provide cheap food for consumers at the expense of often poorer producers.

The IMF-led Structural Adjustment Lending and macro-economic policy and fiscal reform programs plus the related “Washington Consensus” economic reform structures commenced in the late 1980s. These were predicated on “getting policies right” so that “all boats would rise,” and unfortunately, included reducing budgetary support to much needed agricultural sector development and modernization efforts. These unprecedented interventions constrained sector-specific public and private support investments key to advancing sustainable growth. While initial boosts in growth were observed, the preservation of this primarily macro focus proved unsustainable as more complex sector-specific opportunities and challenges emerged, generating a plethora of increasingly complex and sensitive “second generation” issues later revealed.

Ironically, during this same period the WTO's “Uruguay Round” was finalized in 1994. This provided unprecedented agricultural export opportunities for the tropics--due to the 43 % tariff reduction for their fresh, processed, and industrialized agricultural products, while reducing support measures and export subsidies in developed and larger developing countries, of which SMCs had little such subsidies and compatible capacities.

This historic global opening, along with “globalization's” multiple features including commercial, financial, and technological advances plus the expansion of the WTO and related Regional Trade Agreements (now totaling 283 worldwide, plus another 200 being negotiated), formed the existential rationale for re-positioning agriculture. This shift was required for the SMCs to respond to unprecedented opportunities and major challenges as global commodity markets began to replace the earlier “protected,” import substitution related commodity “managed” programs advancing national production targets and distribution systems.

Most SMCs, with their agro-ecological diversity and bountiful land and labor production factors and changing local and international product demands were suddenly blessed with unparalleled export opportunities, particularly for their higher value fresh, processed, and industrialized agricultural products. Juxtaposed however, as currently positioned, most would become increasingly non-competitive in their cereals and vulnerable in other sub-sectors of agriculture such as dairy, poultry, meat, and some horticultural crops.

Most SMCs were very slow to strategically mount the systematic sector reform processes required to compete and gain. However, as observed in countries such as Chile, Costa Rica, and Thailand, when countries (and donors) advanced with the appropriate

increasingly market-responsive policies and support services in the mid-1980s, more remunerative product lines and dynamic inter-sectorial ties began stimulating sustainable, broad-based economic growth. Powerful agro-industrial bases were facilitated by increasing factor productivity for labor, land, and limited capital.

Sub-Optimal Country Responses Seriously Constrain Sector and Economic Transformation

The “Washington Consensus” priority focus on macro-policy and fiscal reform and non-sector specific budgeting precepts within the increasingly shallow and in adequately equipped producer and private sector productive underpinning, thwarted advances to re-tool their base economic sector and began to constrain growth. Comprehensive sector re-engineering became essential to shift, where appropriate, into more remunerative and dynamic farm enterprise diversification. Such sub-sector transformation is severely constrained by: 1) the higher producer-level risks usually associated with the introduction of more remunerative sub-sectors; 2) the lack of essential public good and private sector policy and institutional support investments required for expanding beyond the earlier, heavily supported traditional cereal sector crops (activities which later also suffered budget cuts); 3) the poor organizational base such that isolated, small producers confront formidable, economy-of-scale issues; and 4) the unexpected growing competition from near and far distant and diverse producers.

By the mid-1990s, public sector agricultural research and development budgets for low income countries was flat at 0.5 % of agricultural GDP (the international index is 1%), and these budgets later worsened. In Africa, between 2000 and 2008, negative budget growth for agricultural research and development ranged from -0.2 to -12 %, and within these cuts, budgets for extension and related technology outreach services were affected even more severely.

Substantive structural change was further constrained by: 1) the comprehensive sector de-capitalization beyond financial capital requirements, including a combination of traditional urban bias and rural sector neglect, as well as failure to strategically position under-attended human, institutional, infrastructure and technical needs; 2) the steep learning curve and paucity of data bases and analytical skills in relation to the complex sector re-tooling tasks required to help nations take much better advantage of emerging market opportunities; 3) the fragile nature of weak democracies and entrenched rent-seeking interests from the protectionist days that limited introduction of the requisite, albeit sensitive reforms required over a sustained period; and, 4) the related political risks and short-term perspectives of elected officials which also constrained the introduction and development of the increasingly indispensable foundation support services to compete and gain while stimulating producer and business investments.

In response, most senior-level governmental officials and businessmen to include producer organization leaders (from extensive country-based interviews in Africa, Asia and Latin America and the Caribbean during numerous country assignments) privately confided about their much weakened national structures and the priority need to quickly mount a substantive, long-term (10-15 years) sector rebuilding process. The leadership candidly proclaimed that unless appropriate interventions were undertaken and sustained

over time, their nation's well-being was increasingly jeopardized. However, their necessary transformative efforts were severely constrained by limited analytical and technical skills and needed public and private support bases. Although some wanted to commence the long-term reform process, they currently felt they were "muddling through" and now, severely constrained by: 1) the long-term realities of the needs and the somewhat superficial nature of presidential campaigns and related simplistic slogans; 2) short duration of their constitutionally defined office terms; and 3) constantly changing donor mandates and priorities and more simplistic, project/component-specific "solutions." To generalize, although each administration advanced with a limited number of small step internal reforms, governments and donors usually lacked the requisite program focus and continuity as instead, special campaigns or projects ended and new ones commenced. Most leaders admitted that their country lacked the essential program support scope required to meet today's rapidly changing market and producer and product realities for their economic sector of greatest challenge and opportunity.

Donors Pursue a Parallel Declining Sector Support Track

From the mid 1980s to 2006, total donor support sector declined from \$10 billion to \$6 billion. The decades of declining responses broke the historically documented principle that by supporting a dynamic agricultural sector, poorer countries could advance in ways that reduce poverty.

These cuts considerably narrowed donor program assistance levels, mainly affecting research activities and technical staffing resources required to help facilitate the complex, under-appreciated, sector re-engineering required to advance and benefit from the Uruguay Round. Earlier, during the more palpable food shortages and relevant sector-related global crisis of the '70s (that mobilized the Green Revolution), major support from the donor community (particularly in agricultural policy and R&D and sector institution building) produced historic achievements. Today, however, with growing, more difficult and broadening needs and slow and slim governmental prospects and responses, leaders consistently revealed that their countries must begin to meet their needs head-on. They also candidly admitted to the negative consequences from numerous years of increasing donor dependencies and also, the consequences of subsequent decades as both national and donor investments shrank.

Earlier, USAID earned the donor leadership position for its broad support portfolio that advanced the initial foundation policy, technology, and knowledge development services, as well as the core sector support programs. Many of the sector support programs were mainly from the services of U.S. university land grant and historically black university systems and the USDA which later declined as support diminished. The percentage cuts for USAID were financially and substantively deeper than for other donors. From the late 1990s to 2007, the budgets decreased from 27% of the total to 2%. By 2005, agricultural staff had been reduced from USAID's largest cadre to less than 2%. Recently, USAID's new agricultural staff for FTF has increased and some finite-focused agricultural value chain project experiences and numerous US-based commodity and service focused research and technology support programs have been launched. However, respectful of the aforementioned sea change shifts and the productivity dynamics, competitiveness deficiencies, and the worsening economic and social trends

next presented, considerable strategically focused, new era work is needed. This material forms the multi-faceted rationale to advance President Obama's "Call for change" declaration for the African Union.

Multiple and Alarming Consequences from Sustained Neglect of the Formation of Support Services, Policies, and Structures Commensurate with New Era's Special Challenges and Opportunities

In the 1990s, yield rates for traditional cereal crops commenced an alarming decline rate from a 2% to a 1%.

USAID's comprehensive 2013 study, *Towards USAID Re-engaging in Supporting National Agricultural Research Systems in the Developing World*, speaks to the alarming "retirement tsunami" experience as the highly regarded basic service-level support, previously USAID-funded advanced agriculturally related degree holders retired. Further, their institutional services "struggled with severe and often permanent organizational and managerial problems." From the 1960s through the mid-1980s these core institutional development activities formed the bulk of USAID's program budgets. However, as countries slowly attempted to begin to cope with their notably more complex re-structuring competitiveness challenges, budgets declined and staffs and job position descriptions were reduced. Within the context of the broader changes and complex issues herein presented, these were being addressed generally speaking in a superficial manner.

Reviews of earlier USAID-funded sector diversification programs (usually value-chain program activities facilitating shifts from the cereals sub-sector to more remunerative sub-sectors with some competitiveness potential) revealed that by the late 1990s as the projects terminated (prematurely, according to many), crop yields from these non-traditional fruits and vegetables export programs began to erode. As new competitors entered, due to the lack of critical skills and services, these same countries observed an ever increasing decline in US market share for many of the earlier assisted most promising product lines (for example, processed peas, frozen okra, mangos, guavas, fresh and processed papayas), and while many product lines grew only slightly.

In addition, agricultural sector GDP growth rates, a principal indicator for poverty reduction, peaked at 3.1 % in 1995, commencing a downward trend below which, according to the World Bank, poverty reduction is severely constrained.

Most daunting, however, was reversing the historic measurement system for sustainable poverty reduction. Under Economic Structural Transformation (EST), agriculture's percentage of GDP growth declines. Historically, via productivity growth, EST "pushes" labor from agriculture to more remunerative industrial and service sectors. At the same time, the sector's share of the total GDP declines (defined only in terms of total farm gate product sales and not inter-sectoral value-added operations and sales generated from its diverse production related inputs). Dramatically, as revealed from my numerous economic planning studies for USAID, due to sustained neglect and inattention to R&D, policy and strategic planning support assistance and investments, productivity decreased. By the late 1990s, the EST process had stalled, with the alarming consequence that

agriculture's contribution to GDP actually increased, and further, alarmingly, agriculture's job growth actually increased. This result is the antithesis of fundamental economic development teachings. The declining "push" factor from the agricultural sector and slow growth in industrial and service sectors converged such that employment growth actually resulted in agriculture forming a growing magnet for further constraining national wage and job growth. The reversal of this trend forms the principal means to reduce growing levels of food insecurity and the only means to eliminate extreme poverty--which in SMC's rural sectors, remains deep.

Over time, the broader consequence of the prolonged perpetuation of this alarming situation is best reflected by the World Bank: The "average" poor person's income of 74 cents per day in a SMC country in 1981 only increased to 78 cents by 2010. With these aforementioned trends and disquieting consequences, USAID's mission statement to eliminate extreme poverty as defined by World Bank as living at \$1.25 per day) by 2030, will be severely challenged.

In addition to inter-connected societal misfortunes and as these countries become our trading partners, on a per capita basis, these trends do not point to positive prospects for increasing US commodity exports to the SMCs.

Concluding the seldom-joined compilation of ever-worsening trends capped by the warning as described by EST trends, it is clear that in our inter-connected world, most SMCs are seriously and increasingly ensnared in a low wage trap with only limited "licit" opportunity points for generating larger levels of broad-based growth. Even with the historic sector re-entry opportunity stimulated by the 2008 global food crisis and the country-level and donor responses mounted, more comprehensive and strategically focused work is required. From the openings provided by President Obama's recent historic message and last year's White House visit by 50 African Presidents and in the context of this inter-connected diagnostic overview, a considerably different, bolder, and broader mutually reinforcing country/donor effort is needed to meaningfully "lift all people out of poverty."

CORE STRATEGIC "CHANGED APPROACHES" AFRICA REQUIRES

Advancing President Obama's special, comprehensive "Call on the world" and in the flow of the earlier Brookings' recommendations and endorsements, meaningfully responses to these times will require unprecedented country-level involvement and contributions plus complementary, more focused donor support within a more comprehensive, long-term complementary framework. From the writer's extensive interactive process with hundreds of national leaders, in varying degrees the comprehensive support must embrace the following programmatic areas: 1) policy reform and enabling environment; 2) technology development and outreach; 3) rural productive infrastructure; 4) finance and marketing mechanisms; 5) plant and animal health and food safety inspection systems; 6) multi-faceted and long-term human capacity and institutional development (HICD); and 7) appropriate safety net programs. However, given the Brookings paper's USAID focus and USAID's earlier era successful

support efforts, and some progress of the renaissance opportunities provided from the USG's FTF portfolio, six strategic programmatic and operational areas are offered.

Vigorously Advance Inclusive Agricultural and Rural Development (IARD)

Agrarian-based small and medium size countries (SMCs) will achieve broad-based economic growth that sustainably reduces poverty only via a much broader, strategically focused where appropriate, diversify from traditional crops to more remunerative sector sub-sectors facilitated by product-related services and productive value-added links with the industrial and service sectors. USAID has embraced the new IARD theme, but only in a brief descriptive context and not in the broader strategic framework and with the urgency, scope, and direction now required. A growing and sustainable IARD requires the utilization of greater levels and volumes of increasingly higher-skilled workers, thereby generating more jobs at higher wages in the rural sector and beyond.

Where feasible, the productive engagement with agriculture's more diverse and usually more rewarding sub-sectors and their productive linkages, will mobilize a much larger array of commodity-related, inter-sectoral product production, processing, and servicing needs and opportunities. These dynamics will stimulate much higher and more dynamic economic multipliers to create more robust job and wage growth. Also, such activities stimulate a broader range of opportunities for investors.

An appropriately defined and advanced IARD agenda embraces the strategic concept and key elements required to reverse the increasingly distressing EST trends. Modern era country-level examples from such countries as Chile, Costa Rica, and Thailand demonstrate that over time, evolving higher-level national sector support diversification interventions can forge the required structures and sustained political forces and stakeholder support base. Once positioned with a critical participant and support mass, a greater national political support base for the transformed producer, trade, and business affiliates is mobilized. For a deeper rationale and discussion for the IARD approach needed to facilitate structural corrections for the SMC's future successes, refer to the Attachment I Discussion Areas (pages 19-20). The below-discussed support themes become critical to advance IARD.

Establish a National Sector Transformation Ownership Process

Today, countries and donors need to extend a new era response message and structure commensurate with present deteriorating and increasingly vexing conditions, and globalization's radically different opportunities. Future success requires that core national endowments become much more productive and competitive. Many central issues and obstacles deal with traditional sensitive internal political, governance, and policy matters which will require unprecedented levels of understanding and sustainable support and focused public good, private sector, and donor investments over 10-15 year transition period. While, perhaps, donors can help "smooth progress" or create pilot experiences via targeted support efforts, countries must much more vigorously confront formidable aspects of their major internal reform agenda. Countries themselves must begin to more directly, systematically, and creatively address the multiple, usually sensitive, and admittedly complex issues essential for their long-term wellbeing. The time has come to rally a more coordinated, sustained and agile national vision and

attitudinal shift and commensurate program structure to which donors can and should complement and facilitate partner-like support relationships. Today's realities require a more coordinated strategic and participatory process that transcends the series of constantly evolving, somewhat fragmented and generally short-term, donor-specific interventions and approaches currently observed.

In the coordinated response to the 2008 food crisis and its links with the accumulation of negative trends gleaned from the ever-weakening support structure, the Global Food Security Initiative at the G8 Summit at L'Aquila mobilized \$33 billion in pledges. It also recommended launching a major country-led/owned agricultural development activity. Further, the magnitude, complexity, and sensitivities associated with the crisis-related internal issues requires a committed national-led/donor-facilitated frameworks to advance sector support requirements by helping embrace and advance key support services previously listed in the introductory section of page 13.

This comprehensive brake from the past perspective and framework was determined to be essential to begin to position nations to begin to more directly confront the depth of their embedded internal issues. For IARD, this radically different process must extend beyond the usual short-term, often politically-motivated measures of well intended ministers of agriculture and governmental officials and some donor approaches. New era thinking and work must advance IARD within the broader national economic system and support structure that begins to mount a more market-responsive and strategically crafted national effort. For IARD to advance, and as constitutionally, time-limited administrations are respected, a broader national support mechanism embracing the business and civil society, also becomes essential.

Many SMC leaders advised that the era of important but somewhat randomly presented and isolated support "solutions" and interventions from decades of many donor-led activities had run its course. After years of decline and shifting orientations on many occasions they have left unsustainable activities or only partially completed products or services. Today's external economic paradigm demands a different strategic and programmatic thrust, building from national stakeholder's efforts that instill the long-term commitments and confidences required for these increasingly competitive times. This important and admittedly complex process should likely be facilitated by a donor-assisted effort to help provide additional interim analysis and technical skills to advance the mid-term IARD program framework to include supportive policy, capacity-building, and financial commitments.

Program versus Traditional Project Focus

In an earlier era, the USAID agricultural sector support portfolio was usually quite broad and noted for its considerable influence to leverage funds and advance internal policy and institutional reforms. However, due to the major reductions reported earlier, its program levels, scope, impacts, and staff capacities declined considerably. Currently, the mission-level focus is mainly on finite regional and related commodity-specific value chain projects such that in the alarming, highly nuanced environment now evolving, impacts are limited, scattered, and usually short lived. Today's different necessities require greater strategic attention to complementary policies and leveraging and

responding to changing market demands and opportunities. Influence and facilitation can be more easily obtained via a broader more influential IARD program support base. By USAID support transcending to hopefully a higher institutional and capacity-building level of activities over an extended period, the US Embassy country team and donor community can more strategically, comprehensively and efficiently help nudge the complementary enabling environment, policies, and public good investments needed to advance and sustain IARD, as producer and investor economic and political participation grows.

Under the earlier mentioned Structural Adjustment Loans and program agreements related to macro-economic reform, broader national targets and policy reforms were systematically outlined, negotiated, advanced, and monitored to successfully implement that era's priorities. Given the multitude and seriousness of the higher order "second generation" problems now identified, the broader, above-listed sector support effort (refer to page 13) from which the below-mentioned possibly USAID –supported USAID focus support areas are highlighted. In the earlier era these formed USAID's core efforts that created its comparative advantage amongst the donor community. These were linked with the Land Grant Universities, USDA, and related NGOs and businesses. In the context of President's Obama's message to the African Union and last year's historic African leader's summit, form a special experiential base.

Further, however, in the spirit of today's out of the ordinary structures and market and program compatible with USAID's long-established project operational and monitoring system's short-term, finite indicator metrics should be reviewed. A broader tracking system should be considered which also embraces core qualitative indicators realizable over a longer time frame. Such measures would be more responsive to changing business and market dynamics and uncertain but needed complementary policy impacts, to stimulate national ownership policies and activities key to affecting program sustainability objectives.

Strengthen Policy Analysis and Strategic Planning

The increasingly rapid shift to trade-led growth where all agricultural products and commodities have multiple markets and end users within the inadequate, domestic economic and producer structure outlined requires a more analytically-based staff advisory effort to help national institutions chart and influence the new courses and options. Today's situation requires more diverse and higher-levels of analytical and complementary planning and advisory activities and services to help address today's interconnected macro/trade/agricultural policy complementarities. These activities and services also must: 1) more substantively assist in formulating the national strategic framework; 2) facilitate and support enhancement of business and investor enabling environments; 3) advance related governance agendas and political economy issues; 4) stimulate efficient public good investments and policies and resolve land tenure issues; 5) facilitate donor coordination and substantive monitoring and evaluation services; and 6) advance natural resource sustainability. Under the appropriate institutional arrangements, analytically-based reports and messages for policy-makers, business leaders and producer associations can be generated with better/best options to help more

prudently and aggressively diversify and strengthen farm and enterprise business effectiveness and investments.

Strengthen Technology Development and Outreach Systems

This IARD critical support area is vital to more directly enhance sustainable productivity growth plus, from what we now know, must also attempt to factor in market responsiveness, enhance competitiveness, while striving to facilitate linkages to foster much needed EST. Earlier, the Green Revolution was launched initially from support provided by Rockefeller and Ford Foundations, and subsequently via the Consultative Group for International Agricultural Research (CGIAR) and USAID (plus other donors). Country programs brought in a world leadership platform strengthened by U.S. land grant colleges, USDA, and private sector actors. Historic, production-focused contributions in the cereals sub-sector were made via national support services. Currently, caused to a major degree by the related, notably weakened public and private structures, the national system's collaborators are generating historically lower productivity levels and development impacts. The changed economic order and EST alarming trends, and the broader needs that IARD embrace, require creative, market-based systems to incorporate established commodity and technical networks embracing improved communications and pedagogical technologies and practices. Over the years, some private sector or donor funded projects offered promising areas for expanded attention which pursuant to appropriate review, may be scaled up. Substantive, new era attention will likely be required in fruit and vegetable and animal sciences, agro-climatology, bio-technology, soil management, water conservation, agricultural engineering, integrated pest management, and post-harvest and food science technologies, as well as business management systems. Given the notably large yield gap between research stations and farm yields, special attention is required for technology outreach training and services for training of trainers, women and youth-specific training, vocational agriculture, short courses for national extension personnel, and interactions with private sector input suppliers and output marketers, NGOs, and/or the development of new business and management models.

Strengthen Human and Institutional Capacity Development (HICD)

Until the 1980s, much of USAID's earlier investment in HICD (which until the 1980s comprised its largest sector support investment) was critical to many of those countries achieving middle income status (e.g. Brazil, India, Philippines). Today, in the era of globalization, to competitively and efficiently advance IARD with these nations' struggling land and labor comparative advantages becoming shockingly weakened, unprecedented strategically addressed efforts must be mounted. The appropriate matching of the teaching, research, technical assistance, and planning and special analytical skills and services that the participating countries need, must be coordinated with market and employment generation opportunities, wherever practical. Given the long hiatus from such services, U.S. universities, NGOs, and businesses must mount the appropriate new era's increasingly diverse support strategies, skill sets, and services. Direction must be employed to effectively facilitate and mount the major institutional rebuilding beyond initial advanced degree efforts to examine multiple training and technical assistance needs. Apart from the above-listed priority program focus areas, particular support will be needed for agricultural economics, trade economics, agri-

business, rural sociology, strategic planning and policy development for enabling environment strengthening, ensuring macro and sector policy compatibilities, fostering trade competitiveness, designing public/private institutions, natural resources management, and local and second tier producer and business support units.

CONCLUSION

In July, President Obama presented a notably significant opening and a potentially transformative vision. Possibly the vision's depth and requirements were not fully appreciated since for many of the points raised, much of what is needed had for too long not been advanced broadly and strategically. We are entering a notably nuanced, seldom configured, and complex tipping point period that requires different responses over a sustained period. Special planning, programmatic, and operational measures will be needed.

We live in an increasingly complex and inter-connected world wherein hundreds of millions of rural residents from Africa's agrarian-based small and medium countries are not advancing sufficiently. Given the many systemic perversions listed and while short-term GDP growth is impressive, their economies are not sustainably advancing. There is a multiplicity of alarming trends and Economic Sector Transformation dynamics limit substantive poverty reduction and constrain sustainable growth. Income inequalities mount, governmental revenues are not increasing, and multiple perverse activities expand from which IARD mobilizes the only sustainable response. The situation is in part exacerbated by the poorly understood requirements and consequences of the prevailing sea change shifts within the world's economic and trade structures and the current position of the SMC's agricultural sector within their broader national economy.

For the SMCs, where basic support services and the realities of the farm-level risk "cushion" are comparatively absent and other sectors are not sufficiently advancing, there is basically one, irrefutable option: responsibly advance Inclusive Agricultural and Rural Development. IARD will require special nurturing of the appropriate national support structures with policies and special efforts to begin to stimulate more productive producer and agribusiness investments that build up considerably their currently beleaguered land and labor production factors while also, stimulating inter-sectoral linkages. The SMCs will need special assistance in a notably different but commensurate way from what the US helped mobilize for the more production-driven systems generating the unprecedented contributions of the Green Revolution. While it must also build from some aspects of this earlier historical contribution, it must be cognizant of the still present and perverse, old era economic archetype with its more controlled policy and political/economy regimes, while also, seizing the more rigorous needs and approaches the new economic structures require to advance their national destinies.

History demonstrates that if appropriately assisted, the new era initiative can sustainably reduce food insecurity and extreme poverty while also reducing growing societal and governance maladies, some of which for too long have gone unattended. These can no longer go unnoticed for they are presently manifested in increasingly horrific ways. Hopefully this material can be used to assist African countries and the USG and

international development assistance communities to commence the national trajectory required to “lift all people out of poverty.”

David D. Bathrick: Currently a Rural Growth Consultant. He served for 20 years as USAID Agricultural Development Officer in Vietnam, Peru (twice), Bolivia, Nicaragua, and Thailand from Project Officer to Office Director and retired as Director of USAID/Washington’s Agricultural Development Office, with the rank of Minister Counselor. His 20 year post-USAID work included senior positions with Chemonics International, Winrock International, Nathan Associates, and Carana Corporation to also include Chief of Party/Project leader (three USAID contracts) and has done consulting jobs for USAID, Millennium Challenge Corporation, the International Food Policy Research Institute (IFPRI), and other extensive independent consulting services in 25 countries in Africa, Asia, and LAC. He was President for the Association of Agricultural and Rural Development (AIARD).

In undertaking this piece, fortunately during the same year it benefitted from the invitation from USAID’s Bureau for Feed Security to provide a discussion regarding his thoughts on Feed the Future. Subsequently, the Association of Public and Land Grant Universities (APLU) invited him to the World Food Prize gathering to present his comments on the draft USAID/BIFAD new HICD program which subsequently was published by African Journal of Food, Agriculture, Nutrition, and Development; [Creating future leaders: BIFAD and USAID dialogue on human and institutional capacity](#). And as mentioned herein, he was requested by the Brookings Institution to review their “Draft Notes for a Revised Foreign Assistance Program: 20156-2030.”

ATTACHMENT I

INCLUSIVE AGRICULTURAL AND RURAL DEVELOPMENT (IARD)

A Discussion Brief

In the context of decades of inappropriate attention and an increasingly competitive global economy, these are confusing, difficult, and challenging times. This is particularly so for the progressively more desperate and worsening lives of SMC farmers, farm workers and other rural residents. This global economy impacts negatively in many ways upon the traditional livelihoods of these rural populations that impacts the urban centers and more distant counties. Renewed and intensified IARD initiatives are urgently needed to conceptualize and press on the urgent long-term economic restructuring processes, the strategic vision, and the programmatic assistance required to more effectively increase net farm incomes and to expand farm-related and/or off-farm rural labor and economic opportunities that converge to increase national job and wage growth. As discussed in (and adjunct to) the Economic Structural Transformation Paper (EST) process presented to Brookings, this discussion brief focuses on the broader compounded costs of declining agricultural sector productivity growth and concomitant declines in its labor “push” power over time. This seldom addressed structural abnormality is further exacerbated by the limited “pull” of labor observed from the farm work force by the industrial and service sectors (as discussed in EST). From my reviews, this anomaly limits broad-based economic growth, thus forming a disheartening “Gordian Knot” that challenges today’s development profession.

In numerous USAID-assisted countries where I have carried out reviews of strategic plans and program development, I principally analyzed agricultural growth patterns from the “old era” period (the Green Revolution period and its subsequent high impact years) and into the period of globalization’s entrée; I also reviewed growing shifts within the industrial sector and to a lesser extent, within the service sector. During this period, local industries typically were heavily protected from competition of foreign imports; as trade agreements increased, these local industries were slow (or unable) to re-position to compete with cheaper imports. Consequently, this traditional source for urban and rural non-farm employment opportunities that earlier facilitated sustained broad-based growth, slowed from the robust job growth creator earlier observed. More recently, my USAID funded analyses for program strategic planning in eight countries (in LAC and Africa), strongly suggested that the abrupt shift from protectionist policies to open trade agreements resulted in the above-mentioned reversal from normal EST trends. This trend generally occurred beginning in the early 2000s.

These complex and perverse dynamics in SMCs created severe limitations for stimulating more remunerative job growth in agriculture and associated rural economies, because of agriculture’s huge size (in relation to other economic sectors) and low and declining sector productivity. These conditions resulted in endemic wage and income stagnation/contraction. As currently positioned, under the evolving economic paradigm, SMCs and donors must strategically examine agriculture (the primordial economic energizer occurring when productivity growth is sufficiently advanced) and the labor “pull” side of the national structures in the other sectors. If SMCs are to meaningfully

address rural poverty and economic stagnation, they must first recognize the constraints described above, and undertake a profound restructuring process (what we now term IARD), as has been undertaken successfully in some countries, e.g., Chile, Thailand and Costa Rica. In order to break the current structural conundrum, a dynamic, market-driven strategically supported IARD focus must be undertaken, one that evolves from increasingly diversifying the traditional agricultural sector where possible, and in ways that efficiently stimulate farm incomes and wages (and the associated value-added multipliers there from that result in increased demand for products and services of the industrial and service sectors). Under this approach all sectors begin to advance more efficiently and sustainably. From these findings and extensive interaction with numerous professionals, no other solution is on the horizon to generate the positive forces needed by a large population base increasingly confined to a notably low productivity agricultural sector generating stagnating wages while fomenting multi-faceted and perverse problems.

By the nature of a broader range of market-responsive product lines and/or greater product specialization triggered by the dynamics from trade and product competition, these market-driven, farm-based products have the potential to engage a larger array of farm commodity-related inter-sectoral product processing and servicing opportunities. This will facilitate the now stalled traditional EST process. The growing national, regional, and international consumer demand for fresh and related value-added products, including product transformations such as sorting, packaging, drying, processing, and industrialization activities, which for national accounting purposes are tabulated under industry's "agro-industrial" sub-sector; thus not appearing under agriculture.

Of course, each country evolves differently. Nonetheless, in all my consultancies for USAID, USDA, MCC, and IFPRI over the last 20 years (focusing on agriculture and the new era economic challenges and opportunities presented by globalization), this sub-sector analysis points consistently to "agro-industry" as the most dynamic growth sub-sector within the industrial sector.

While GDP growth is vital in SMCs to achieve broad-based and equitable economic growth, agricultural sector growth in excess of 3.5 percent is of crucial importance to lift rural populations from abject poverty. For these SMCs, a market of particular strategic importance is formed by greater disaggregation of agricultural sub-sector diversification growth trends to help advance, where appropriate, more remunerative value-added, agro-industry sub-sector products. My work has not delved as much into the agricultural service and support sectors wherein a more dynamic and diversified agricultural sector requires and utilizes expanded farm input, output and service needs (such as financial, marketing, transportation, warehousing and storage requirements). Also, many of the more expanding lines of diverse global trade products respond profitably to "home manufacturing" tasks and small scale product sales opportunities, as well as to the needs of small and medium enterprises (SMEs), super markets, agribusinesses and agro-industry linkages, plus increased forward/backward linkages of broader and expanding farm input and output service sub-sectors.

From these consultancies, targeted analytical methodologies and tools were developed to estimate cross-country multi-year macro and sector growth and trade and rural urban poverty trends, especially utilizing extensive cross-sectoral interviews. The most comprehensive and visible product of this work was my unsolicited proposal to USAID, *Optimizing the Economic Growth and Poverty Reduction Benefits of CAFTA-DR: Accelerating Trade-Led Agricultural Diversification (T-LAD)*. Under Dr. Kerry Byrne's leadership (recently retired USAID officer), this comprehensive analysis and rationale (and support programs recommended to advance sustained broad-based economic growth) was presented to and favorably received by representatives of numerous development-related organizations: including the World Bank, MCC, IDB, USDA, State, USAID, United States International Trade Commission, as well as various think tanks and development leaders, such as Woodrow Wilson Center, USAID's Agricultural Sector Council, APLU, BIFAD, AIARD, Bread for the World, Central American Bank of Economic Integration (CABEI), UN/ECLAC, IICA, various senior governmental officials, etc.

ATTACHMENT II**INCLUSIVE AGRICULTURAL and RURAL DEVELOPMENT (IARD), A SCHEMATIC OVERVIEW****Old Era Protectionist Structure (1970s-2005)**External Dynamics:

- 1) Structural Adjustment & Washington Consensus macro and fiscal reform focus
- 2) Uruguay Round WTO Agreements
- 3) Prolonged and radical donor sector exodus agriculture
- 4) Long-term declining prices (until 2008) for basic cereal grains
- 5) Declining interest in Agriculture & Rural Development & increased investment in other sectors

Internal Dynamics:

- 1) Prevailing protectionist political economy
- 2) Fragmented, ever-eroding requisite support base from old macro construct
- 3) Sector increasingly donor dependent as core public good expenditures declined

New Era Trade-Led Structure (2006-Present)External Dynamics

- 1) Growing awareness of need for “second generation” sector-specific interventions.
- 2) Dramatic growth of WTO Agreements and globalization’s facets re. finance, commerce, and technology
- 3) Donors slow to mount bold strategic responses appropriate to the historic opportunity
- 4) Global Food Security Initiative 2008 and need for comprehensive response
- 5) Growing concept that agriculture sector must be better assimilated within macro/ trade/inter-sectoral dynamics

Internal Dynamics:

- 1) Radical strategic reforms needed over time but fragile democracies, politically sensitivities, and implicit complexities thwart sector re-set process.
- 2) Key policy, R&D, and HICD reforms left unattended as well as core public good investments (infrastructure, finance, SPS, and targeted safety net) greatly needed to compete and gain
- 3) Donor coordination given lip service but often lacking strategic and substantive focus for IARD now needed

A Multitude of Increasingly Problems Generating Broader Societal Instabilities

- Beginning in 1990, yields in the core cereal subsector, principal farm pursuit commenced a decline from 2% to 1% decline.
- Productivity and market share decline in initial fruit and vegetable value chain program era of 1980s.
- Sub optimal agriculture GDP growth rates of 3.5 % commencing in 1995 thereby constraining overall economic growth.
- Economic Structural Transformation halted forming a growing magnet for further constraining wage and job growth, while labor supply increased in agriculture, the least remunerative sector.
- Growing desperation stimulates increased societal violence, illicit drug activities, environmental damage, illegal immigration, etc.