Summary

Socio-Economic Development in the Rural Global South and the Role of Official Development Assistance

An evaluator's narrative

Since the 1960s, there has been rapid but spatially uneven socio-economic development in much of the rural Global South. This development has contributed to, and is increasingly affected by, climate change. It has also caused a deterioration of the natural resources that rural economies depend on. These resources are primarily soil, water and agricultural biodiversity, and common resources such as forests, grazing lands and fishing grounds. Decisive action is needed to limit further damage, but there is no consensus on the nature of that action. At the two extremes of the spectrum of opinions, ecomodernists aim for technical innovation that enables further growth without causing further damage, while the degrowth movement argues that only degrowth could prevent global calamity.

The world's rapid but uneven development, the problems it causes and the very different opinions as to how to proceed, serve as the backdrop of the three interrelated narratives presented in this thesis. These narratives cover agricultural production, the management of common resources, and the effects of ICT on rural development. The narratives are based on literature, public databases and my evaluative work in the Global South. This combination helped me to recognise patterns across comparable but messy and complex situations ('abduction'), which I used to answer two questions:

1 – What are the effects of evolving products and practice in the rural Global South, in relation to inclusive and sustainable socio-economic development?

And, following that analysis:

2 – How could institutional donors contribute to such development?

The thesis answers these questions in the contexts of Africa and Asia, and with European donors in mind, as these are the continents and donors that my evaluations focused on. In brief, my analysis led to the following conclusions.

On agricultural production practice. In large parts of Asia, the Green Revolution's new seeds, and to a lesser extent new varieties of fish and livestock, have had a large and net positive impact on rural socio-economic development. Their introduction also contributed to climate change, the deterioration of natural resources

and the rise of super-weeds and -pests. In the coming period, DNA innovations will remain important – throughout the Global South – but the focus should no longer be on crop yield maximisation or pest and herbicide resistance. Instead, the next generation of DNA innovations should ideally produce drought-resistant and temperature-tolerant crops that grow on poor-quality soil and have a lengthy post-harvest shelf life. The Research and Development (R&D) and extension efforts that underpin them should collaborate closely with small-scale and landless farmers in remote regions. This helps ensure the uptake of innovation, and its relevance to inclusive development. It also presents opportunities to cross-fertilise between innovation and indigenous knowledge. R&D and extension efforts require patience, as it takes time to develop and roll out truly useful seeds and practices. This is problematic in view of the global trend towards an ever-larger proportion of commercial (and therefore generally less patient) R&D and extension services.

Successes in south and east Asia in particular have shown that rural investments which focus on smallholder farms, irrigation, rural roads, crop storage infrastructure and electrification often provide good value for money. This continues to be the case, also in Africa. However, a simple African replication of south and east Asian models is unlikely to work out well. Firstly, other regions do not have the same extent of rice cultivation that had shaped so much of the Green Revolution in Asia, and farmers outside of Asia often have less fertile soil and less readily available water at their disposal. Secondly, the ample urban opportunities in south and east Asia in the late 20th century do not exist in Africa. The implication is that efficiency-enhancing investments in Africa may not generate a replication of Asia's positive spiral of investments, economically useful rural–urban migration, economic growth and socio-economic development. Instead, it may lead to perverse rural economic growth: growth that exacerbates poverty and inequality. Thirdly, on a more positive note, lessons learned about money wastage and the damaging effects rural investments may have on natural resources and indigenous knowledge mean that similar mistakes could be avoided in the future. Subsidies are a case in point. They incentivise the uptake of certain agricultural practices, but they are often poorly designed or encourage practices that are unsustainable. Where this is the case, subsidies may do more harm than good. Compared to the blanket subsidies of the 20th century, future subsidies should be, and already increasingly *are*, more targeted (small farms only), limited (maximum packages per farm) and time-bound (activated only after shocks such as floods and droughts). The goals they serve are also different from the goals served when subsidies helped Asian economies take off. Instead of subsidising water usage, for example, they should encourage water conservation. Instead of subsidising inputs that ultimately contribute to soil degradation, they should foster practices that conserve soil. Instead of encouraging farm expansion and monocropping, they could usefully incentivise forest conservation, reforestation and the continued growing and reintroduction of indigenous crops.

On the management of common resources. On a worldwide scale the deterioration of common resources is decelerating but not yet reversing. This is a problem even without considering the inherent value of the natural world, as this deterioration affects people's cultures and livelihoods, strips away layers of natural protection, reduces biodiversity and tourism appeal, and accelerates climate change.

In most cases, common resources are best served by an improvement of their management, rather than by the frequently counterproductive alternatives of privatisation or the strict protection of nationalised resources. So are the communities that rely on these resources. This management needs to involve the resource users, both as a matter of principle and because the external management and monitoring of common resources are costly and challenging.

Traditionally, the management of common resources was part of customary systems. Some such systems protected resources for centuries. Customary systems still exist, but they are losing authority as formal government-led regulation infringes on their remit. They are also often sexist, ageist and discriminatory in other ways. Nonetheless, they offer lessons that are useful for more contemporary *community-based natural resource management* – or CBNRM – systems. These lessons, most prominently extracted by Elinor Ostrom, have been applied to a wide range of CBNRM systems.

There are successes among CBNRM systems, but they are rarely truly convincing and durable, and their collective results have not stopped the ongoing shrinkage and quality deterioration of the world's remaining commons. Moreover, these successes cannot easily be scaled up or replicated, as 'good' looks different in different contexts. In parallel to these modest successes, there are CBNRM systems that fail to protect resources. Such failures may be the consequence of power imbalances and elite capture, or of a lack of political will. Some systems are simply poorly designed, or work with timelines and funding levels that do not match the level of expectations. Sometimes, failure is inevitable even without clear design flaws, simply because participants don't trust each other.

On the effects of ICT. There is a gulf between those who do and those who do not easily access and use modern ICT. This 'digital divide' limits the inclusivity of the benefits of ICT in the rural Global South. It aligns with other types of marginalisation – such as those based on gender, age, remoteness and minority status and languages – and may therefore reinforce existing inequalities.

Still, an ever-widening range of products and services is available in ever-larger parts of the rural Global South, and prices are coming down. Some of these products and services improve the lives, livelihoods and security of rural populations, including people from the poorest segments of rural society. For products such as mobile telephony, texting, mobile money and some online government services, the benefits were so convincing, significant and immediate that their take-up has been swift and comprehensive in large parts of the rural Global South. Many other products and services have yet to spread widely. They may benefit people in specific localities (although there are also many studies that have found an absence of such benefits), but their uptake has not yet translated into notable changes in country-wide agricultural production trends, or in country-wide trends in poverty prevalence.

ICT products are also causing harm – and some have the potential to do so on a vast scale. Apps may give bad advice, and their instructions and focus on a narrow set of crops may erode indigenous knowledge. Big data may tilt the balance of power further from small-scale farmers towards large companies. Some ICT solutions are tailored towards wealthier farmers, or may be to their advantage because these

farmers are on the right side of the digital divide. ICT products that benefit individual farmers by unlocking new markets may jeopardise lively local markets and their spin-off effects, thereby reducing the diversity of the local economy. It is almost impossible to anticipate and prevent the harm ICT products may cause, as the effects of ICT innovations cannot be predicted or directed. Mobile money has many advantages, only some of which were predicted beforehand, but it also brought virtual gambling into poor rural people's homes. In some countries, the COVID-19 pandemic response successfully used ICT-powered tracing systems, but these same systems enabled governments to shrink their countries' civic space.

So what does all this mean for institutional donors?

Persistent poverty, climate change and the deterioration of the world's natural resources are interrelated, wicked problems that are tenacious and unresponsive to easy solutions. Official Development Assistance (ODA) cannot independently resolve them. However, ODA investments do potentially offer good value for money. Relatively minor donor contributions sometimes facilitate significant improvements in the lives of millions of rural people. The seed money for BRAC's 2001 poverty graduation pilot and CARE's 'village saving and loan associations' serve as examples. More commonly, sizeable and long-lasting financial support has been a force for good. Agricultural research institutions have developed useful types of seeds, some of which have increased the size and predictability of food production and farmers' income. Financial and technical donor support for social safety nets has helped many countries build and strengthen systems and processes that, in a still small but gradually expanding part of the rural Global South, provide a level of protection to particularly poor and vulnerable rural people.

A significant part of donor funding is spent reasonably well. In many fields – such as rural infrastructure – there is good insight into 'what works'. In such cases, the results are generally positive, even if it is easy to find flaws. In other fields, further learning is needed. Many CBNRM systems, for example, are not yet working well. Nonetheless, these are worthwhile investments: without donor involvement, there would be far fewer functioning CBNRM systems, with far less money to work towards their valuable goals and far fewer opportunities to learn.

The results of ODA, and the risk of it causing harm, depend in part on the way donors allocate their funding and design their grant-giving practices. I note the following.

1. Appropriate investments in rural infrastructure, agricultural extension services and R&D are likely to provide good value for money, if they:

- Focus on smallholders and dense rural road networks, rather than on larger farms and highways to and between cities;
- Use or build locally available skills and companies;
- Ensure that subsidies incentivise sustainable practices rather than the short-term overexploitation of resources;
- Ensure that extension services are localised, inter-active, pro-poor, and not rushed;
- Focus R&D investments on localised needs, which will often be related to rainfall patterns, soil quality, temperature variability and shelf life;

- Always work closely with governments, but only provide budget support to governments with reasonable, inclusivity-oriented budgets and low levels of corruption.

2. ICT investments may also provide good value for money, but ICT should not be included in theories of change and funding allocation criteria just because it is fashionable to do so. Rather, donors should:

- Be conscious of the pro-ICT bias and selective use of evidence on the part of key influencers such as the World Bank;
- Compare the likely effects of ICT investments with the likely effects of other investments;
- Realise that ICT usage is unpredictable, hard to control or confine, and may gain momentum quickly, so it is important to identify and closely monitor risks. For example, nobody saw virtual gambling coming until it had already penetrated deep into rural regions;
- Be mindful of the inclusivity of an innovation's development process and benefits. This also implies considering any new application's language and literacy requirements, user-friendliness and, for now, 2G functionality, even in regions with 4G and 5G coverage, because many of the rural poor do not yet knowingly *have*, much less *use*, access to internet.

3. Capacity-development programmes are potentially useful but should make far less use of foreign experts and training. They should also:

- Focus more on an organisation's or government's ability to achieve its aims, and less on donor-focused accountability;
- Be cognisant of the risk of an *inverse* relation between the two;
- Build better coordination systems among capacity-building efforts;
- Only provide technical assistance when there is genuine demand for it, where governments are able to utilise the expertise, and in fields where comparative international expertise actually matters – such as in relation to CBNRM governance systems, the formalisation of land ownership, functional zoning and regional water agreements;
- Evaluate the results (this must go far beyond declaring success on the basis of follow-up plans and satisfaction surveys) and thereby gain insights into the effectiveness of the various models of capacity building and technical assistance.

4. Donors fund many 'pilots' in the field of agricultural practice and the management of common resources, as they want to 'leverage impact' through innovation. It is important to realise that such pilots only have value if results are carefully assessed and learned from, and if there is a mechanism through which successes are recognised, scaled, promoted, replicated and adapted. Without this, pilots are merely relatively costly, fragmented efforts. With this is mind, donors who support pilots should:

- Focus on fields where there is much to learn, and invest in making this learning explicit, widely available and actionable;
- Be more patient: project timelines are rarely determined through realistic project planning and instead follow patterns such as election cycles; they are further influenced by risk avoidance, then aligned with agricultural seasons or

school years, and then derailed by delays in actual disbursements. The resultant project duration is frequently unrealistic. This adds to the boom-and-bust syndrome of recipient government investments and of the many grassroots organisations that move from frantic action to hibernation and back, which causes the periodic loss of momentum, results and learning;

- Be *particularly* patient when supporting innovation in CBNRM systems. Such systems and all their component parts need long-term financial predictability rather than quick pilots, because of the importance of trust, consultations and design, and trial iterations, and because it takes a long time to achieve results that are verifiably sustainable.

5. In principle, donors value indigenous knowledge and practice, inclusive community engagement and the sustainability of results. In practice, these issues receive little attention. This is because they pose tough challenges. *Indigenous knowledge and practice* are hard to identify, as they are generally undocumented, codified in norms, customs and traditions, and spread across a community. Once identified, they are hard to support, as they are so fundamentally endogenous; and they do not present much replication value because they are highly location-specific. *Inclusive community engagement* is similarly challenging because marginalised groups are hard to identify, have limited agency, and may present language and cultural barriers, and because their representation may encounter resistance. Inclusive engagement therefore takes deliberate and patient effort, and in practice the principle quickly turns into a token gesture. *Sustainability* requires the results of an intervention to 'stick'. The expectation is that organisations incorporate newly learned practice into their core work, so that it survives after a programme has come to an end; and that fisherfolk continue to catch larger fish only, and farmers continue to choose crops that do not exhaust limited water reserves. This may or may not happen – I don't know, and neither do others, as donors virtually never commission *ex post* evaluations that assess the durability of the results of their investments.

Indigenous knowledge is important for food security, agricultural biodiversity and climate change adaptation; inclusive community engagement helps ensure that efforts do not only or disproportionately benefit local elites; and unsustainable results in relation to, say, resource management, may postpone but will not prevent the deterioration of these resources. Incorporating these issues into funding and programming practice, and assessing the longer-term results of ODA investments, are therefore important, and worthy of the additional time and attention they require.

In isolation, institutional donors will not solve persistent poverty, the decline of natural resources or climate change. These problems are entrenched and complex, and institutional donors are but one of many stakeholders. Their influence is significant, but ultimately limited. However, if one day these wicked problems *are* overcome, then donors whose investments broadly aligned with the principles outlined in this thesis may have made a more meaningful contribution than those whose investments did not.