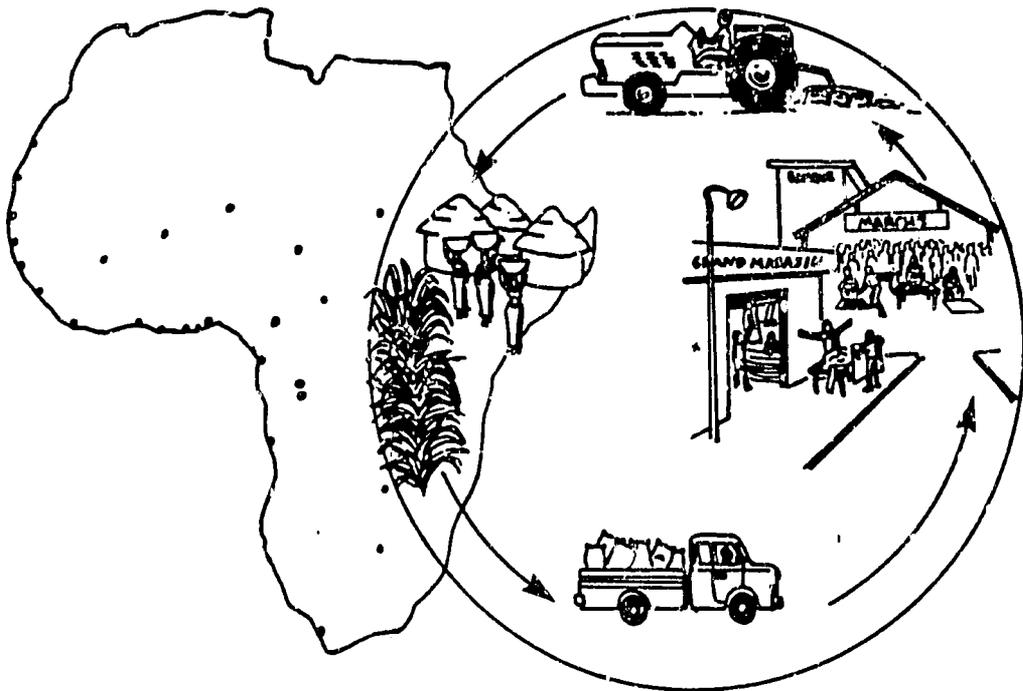


**SUB-SAHARAN AFRICA CONFERENCE
ON
MARKET TOWNS AND RURAL GROWTH:
ECONOMIC AND SOCIAL LINKAGES**



**YAMOOUSSOUKRO, COTE D'IVOIRE
JANUARY 8 - 13, 1989**

**Sponsored by the Regional Housing and Urban
Development Office, U.S. Agency for International
Development and the Government of Côte d'Ivoire**



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Mr. Stephen Giddings, RHUDO Director; Mr. Emil Kei Boguinard,
Ivorian Minister of State; Mr. Denis Bra Kanon,
Ivorian Minister of Agriculture

CONFERENCE PROGRAM

Sunday, January 8

LEAVE ABIDJAN FOR YAMOUSSOUKRO

13:00 - 14:00 CONFERENCE REGISTRATION, HOTEL PRESIDENT

16:00 - 18:00 OPENING CEREMONIES

Welcoming Speech

18:00 - 20:00 COCKTAIL

Monday, January 9

Room: Alabo

09:00 - 09:15 INTRODUCTION TO THE CONFERENCE

09:15 - 09:30 SUMMARY OF MALAWI CONFERENCE RECOMMENDATIONS

Speaker: B.M. PHIRI
Principal Secretary,
Ministry of Local Government, Malawi

09:30 - 10:30 Keynote Speech

Promoting Rural Growth: People, Places, and Priorities

Speaker: David Gow
Development Alternatives, Inc.,
Washington, D.C. USA

10:30 - 11:00 Coffee Break

11:00 - 12:00 Commentary Paper

Urban Centers and Agricultural Market Networks

Speaker: Ismael Ouédraogo
Institut Scientifique de Recherche Agricole,
Dakar, Senegal

- 12:00 - 14:00 Lunch Break
- 14:00 - 15:00 Keynote Speech
- Building Effective Rural-Urban Linkages Through Market
Town Development
- Speaker: Dennis Rondinelli
 Research Triangle Institute,
 North Carolina, USA
- 15:00 - 15:30 Commentary Paper
- Building Local Government Capacity for Economic
Development
- Speaker: Philippe Harding
 Director of Local Government,
 Ministry of Interior, Côte d'Ivoire
- 15:30 - 16:00 Coffee Break
- 16:00 - 17:30 Panel Discussion on Donor Experience in Market Town
Development

Tuesday, January 10

Room: Alabo

- 09:00 - 9:45 Presentation
- Women in Market Activities
- Speaker: Anita Spring
 Director, Women and Agriculture Program
 FAO, Rome
- 09:45 - 10:30 Presentation
- Impacts of Investments on Rural Growth
- Speaker: Roger Poulin
 Development Alternatives, Inc.
 Washington, D.C. USA
- 10:30 - 11:00 Coffee Break

- 11:00 - 12:00 **Presentation**
Private Sector and Micro-Enterprise Development
Speaker: Yves Marguerat
O.R.S.T.O.M.
Lomé, Togo
- 12:00 - 14:00 **Lunch Break**
- 14:00 - 18:00 **Field Trips to Market Centers (Oumé and Sinfra)**

Wednesday, January 11

Room: Alabo

- 09:00 - 10:00 **Case Study**
Rural-Urban Exchange Study of Kutus Town, Kenya
Speaker: Eric Chetwynd
Bureau for Science and Technology
USAID, Washington, D.C. USA
- 10:00 - 10:30 **Coffee Break**
Rooms: Alabo, N'Zi, Kousou, Kan
- 10:30 - 12:30 **Small Group Discussions**
- 12:30 - 14:30 **Lunch Break**
- 14:30 - 17:00 **Small Group Discussions**

Thursday, January 12

Room: Alabo

- 09:00 - 10:30 **Presentation of Small Group Reports**
- 10:30 - 11:00 **Coffee Break**
- 11:00 - 12:00 **Preparation of Country Action Plans**
- 12:00 - 14:00 **Lunch Break**

14:00 - 15:30 Preparation of Country Action Plans
15:30 - 16:30 Presentation of Selected Country Action Plans
16:30 - 17:00 Coffee Break
17:00 - 18:00 CLOSING CEREMONIES
19:30 - 21:30 CLOSING DINNER

Friday, January 13

09:00 - 12:00 Tour of Yamoussoukro
12:00 - 14:00 Lunch Break
14:00 DEPARTURE FOR ABIDJAN



The opening ceremonies: Mr. Leon Konan Koffi, Ivorian Minister of Interior, Mr. Emile Kei Boguinard, Minister of State, and Mr. Denis Bra Karon, Minister of Agriculture and Rural Development

INTRODUCTORY REMARKS

DELIVERED BY

**MR. WARREN WIENSTEIN
ASSOCIATE ASSISTANT
ADMINISTRATOR, AFRICA BUREAU
USAID, WASHINGTON, DC**

Market Development in Africa

Market development in Africa has been constrained by various factors over the last few decades. Marginal natural resource endowments, a history of extraction and market suppression, and the lack of effective demand have led to relatively stagnant market behaviour compared to experiences in Asia or Latin America. As a result, economic growth has been retarded, because of the recognition that incomes to factors of production can only be realized when goods or services are "sold" in an exchange system. Moreover, if the number of exchanges are limited, as they have been due to the monopolistic structure of most African markets, then the potential for increasing economic rents is minimal. Hence, the market development strategy that AID's Africa Bureau is crafting for its assistance package to Sub-saharan Africa is one which attempts to stimulate rapid economic growth by increasing the rate of exchange occurring in all markets and by insuring access and broad participation in each one of them.

Markets are places where exchanges take place, where purveyors (the sellers) of goods or services exchange them for an agreed upon value, of money or other goods or services, offered by purchasers (the buyers). Until recently, most exchanges occurred in specified "locales" or market places. Today, given the sophistication of modern communication technology and the enforcement of contracts with weights, standards and measures, a market becomes more of an abstraction rather than a place. However, in actuality, the act of arbitrage or trading is most often carried out by marketing specialists of one kind or another, located where the trading takes place. Since few exchanges are actually carried out between primary producers and ultimate consumers, a host of marketing agents have evolved to perform a whole set of related marketing functions, such as collection, assemble, packaging, sorting, financing, storage, processing and distribution. For agricultural goods with some degree of perishability, it is virtually certain that several handlers, middlemen or intermediaries will own the goods in between production and consumption, unless complete vertical integration captures these functions under one management system. The activities carried out between production and consumption, are known to make up the market channel, and the distance between each end of this channel and the degree of perishability of the commodity determines the complexity of this channel. The complexity of the channel, especially if product transformation is required before consumption, affects the spread in value paid for a primary product (at the farm-gate, the

assembly market or the rural corral or holding pens) and the price paid by the ultimate consumer. These activities act like a production function or, in some cases are considered to be the extension of the production function, and in that sense incorporates factors of production for the services rendered. What should be recognized is that a marketing function must be carried out between production and consumption, and that it would be naive to think that the movement of commodities from producing areas to consuming areas could be accomplished without rather sophisticated marketing actors.

Nevertheless, the value of the spread mentioned above determines the level of returns earned for these factors of production of marketing services and this difference is referred to as the transactions costs for marketing. In order to ensure that any given marketing system is operating efficiently, one must simply compare returns to factors in this process with their costs in the economy-wide factor markets. If the economy's factor markets are in equilibrium and earnings in marketing equal costs, the marketing system will be operating competitively.

However, few countries if any, enjoy freedom from distortions to allow the competitive allocation of production factors throughout all markets in their economy. Usually, policies exist which tend to distort allocative decisions affecting productive enterprises, consumption patterns, and market behaviour. More specifically, African markets have been traditionally over controlled - by colonial Governments, by commodity export monopolies, by parastatals and marketing boards, and by rurals governing land set asides and reserves. Moreover, communal land rights and customs have restricted open market activities. These situations have created monopolistic markets, not in the sense of exaggerated returns to production factors, but in the degree to which market access has been restricted to those in control. Because market participation has been limited, technical and entrepreneurial progress has also been slow. The result is that the monopolistic (product) and monopsonistic (supply) markets have been caught in the low-productivity trap. New techniques, products and organizational forms have not materialized. The whole market system has been stagnant. Although this description fits the majority of African cases, some markets are bursting out of these constraints and creating vibrant, dynamic, competitive situations.

To break out of this low-productivity trap, several elements are needed, some of which are occurring naturally as mentioned above. The rush to urbanization, often exceeding 7% per annum, is beginning to create a greater effective demand for agricultural and non-agricultural commodities. Without the growth of cities and the transition from a rural population to an urban population, the growth process in terms of income and employment will falter (see Mellor, The Economic Transformation, Agricultural Development, Cornell University Press, 1964). In addition, technological innovation in agricultural products vis a vis the price of inputs (the ratio P_y/P_x) must be significantly greater than one, (see Hayami-Ruttan's Theory of Induced Technological and Institutional Innovation). Secondly, new agricultural technologies more aptly suited to the stressed African environments are required which can generate a sustainable agricultural surplus. Although the

emerging technologies do not generate the impact experienced with Asia's "Green Revolution", it is projected that the new stress-tolerant technologies now emerging will produce a "greening effect" and this is beginning to take place throughout the continent. Lastly, a breakdown of monopolistic structures in marketing is required. This must be done initially with policy reforms, and then, following up with incentives for increased market participation. Facilities for market catchment development that is, an area of on-going and expanding market activities, can stimulate this change.

What emerges from this discussion as the remedy for market development to enhance economic growth is an interventionist approach or strategy which is elaborated below:

Increase Effective Demand

Effective demand comes about when a greater proportion of the population is located outside the production areas, i.e. in towns and cities, with remunerative employment, such that they can purchase food and consumer goods - unemployed city dwellers do not contribute to effective demand. Hence, a policy of employment generation in urban areas and townships is necessary. AID's initiatives in micro-enterprises, small-scale manufacturing and vertically integrated agro-processing industries contributes to satisfying this objective in the market development strategy.

Additionally, some products emerging from the aforementioned marginal natural resource base can be transformed to fit niches in specific export markets. As exports are promoted, effective demand increases.

Lastly, more emphasis on value-added processing can increase demand. Many goods are currently imported, with a huge drain on scarce foreign exchange, and could be processed and provided locally. New opportunities need to be identified from the demand side to be translated down to the market catchment areas for implementation.

And for a response to effective demand to be realized, price signals must be transferred through marketing agents to producers and processors. Price information systems are critical needs for implementing this strategy.

Stimulate Demand for Appropriate Technologies

Farmers and small-scale producers operate under severe risk profiles. Technologies which are not stress-tolerant are inappropriate for these kinds of producers. Although several decades have been wasted attempting to introduce high-input technologies into highly stressed environments or by using capital structures to modify the environment, Africans are now recognizing that new technologies have been developed that can produce a surplus from marginal environments without generating high risks due to costly input use. Examples of these technologies include alley cropping, agro-

forestry, oil seeds, leguminous fodders and oils, sorghum and millet, leguminous range-land grasses, and water harvesting techniques that reduce the risks of drought. Livestock production can then be fostered to use these products as well. The critical point here is to introduce technologies which are stress-tolerant and produce a surplus but use few purchased inputs.

Create "Enabling Conditions" for Competitive Market Catchment Development

A framework is needed that creates the dynamic environment in which all markets can function and flourish. Within the context of a market catchment strategy, located in secondary or tertiary market towns, policies, institutions and infrastructures need to be introduced to promote and service the following markets:

- Capital Markets
- Credit Markets - Formal and Informal
- Labor Markets
- Commodity Markets - Crops, Livestock, Minerals
- Input Supply Markets
- Consumer Goods Markets
- Markets for Micro-enterprises, Small-scale Manufacturing and Processing (Value-added Processing of Raw Materials)
- Town Markets¹

Each of these markets has its own set of requirements or "enabling" conditions which allow it to function in a healthy, dynamic state. The greater the surplus production which is elicited or derived from a catchment area, the greater the need for each of these markets to be functioning properly. The market framework that is created acts as a funnel through which each of the sub-market structures pass through. By concentrating activities in one location economies of scale in certain market functions are reached, such as financing for deposits and production or marketing credit, communications and transportation, market stall infrastructure, public utilities, or drawing or attracting a pool of casual laborers. The "enabling" conditions required for these markets to function healthily encompass a necessary set of policies, institutions, and infrastructure.

Policies which control or condition market behaviour are most often dependent upon decisions made at the national level. This means that any attempt to design market catchment interventions must first analyze current policies and their effects on market behavior and growth, and ascertain to what extent they need modification. ² If modification is required, this needs to be addressed before a market catchment intervention can be fully

1/Town Markets encompass the market for local government services, government employment, public services and entilities, local revenue generation, and development fund disbursements through local authorities.

2/Afr/MDI's Manual for Analysis of the Private Sector (MAPS) is one way to identify and screen these policy issues and effects.

successful. Once the principal policy constraints are covered, then interventions can be made to introduce institutional changes at the local level, and to develop the necessary physical infrastructures. Criteria for site selection for where these interventions should take place, must take into consideration existing market activity and the potential for its expansion.

For the most part in Africa, institutional development outside the national capital or central city is lacking. Perhaps the degree of institutional capacity is directly correlated with the level of extraction of surplus commodities. Input supply services with accompanying credit facilities are not necessary if farmer's risks are so high as to make the use of purchased inputs uneconomic. Although it is generally recognized that new agricultural technologies depend upon higher levels of technical inputs, such technologies, for the majority of Africa, are inappropriate, and have not been adopted on a major scale. While high levels of agricultural inputs may not be required, as was the case in Asia, an input package at a more minimal level is still required. Adoption of this minimal level of inputs requires a new set of institutions to provide them. For example, most often in Africa, there is a need for seed varieties for dry land crops rather than hybrid seeds for high input crops. The required institutions include delivery of appropriate seeds, contract farming, farm implements, the supply of the appropriate fertilizer mix, etc. Without the introduction of these new institutional forms, the adoption of the minimal set of inputs will not materialize. If new technologies require institutional supports beyond what is currently present and operating in order to be adopted en masse then these institutional supports must be introduced artificially at the onset with the introduction of the new technologies.

A certain degree of physical infrastructure is necessary to carry our exchange activities. Although it has been shown that the construction of buildings or pavilions to house marketing activities does not always insure their use, a judicious selection of key sites and minimal structures can be used to stimulate more active market behavior. In addition to physical structures, services and utilities are also important, such as electricity, sanitation, water, communication and transportation and roads. Once a market place starts to flourish, housing and building construction comes into demand along with social services in health and education. Eventually, land markets, land rehabilitation and land improvements take place. Most of these activities can be introduced by the private sector when the demand arises and the need becomes apparent. However, this will require decentralization that allows localities to respond to changing conditions and to support them. It will also require a decentralization that allows a shift between public and private goods that reflects the changing relationship between the public sector and the private sector as markets expand and grow.

** Services refer to credit for inputs and marketing inventories, transportation, marketing, adaptive testing, extension, market information, storage, etc.

Once the policies, institutions and infrastructures are in place, the aforementioned set of markets referred to earlier in this paper can expand their exchange activities, and the whole system can rapidly feed on itself, and the volume of exchanges will grow. In any market catchment, the congregation of people will create the demand for generating food surpluses and for the distribution of consumer goods. When surplus agricultural commodities are produced and sold, the additional incomes derived will in turn increase the demand for food services and more consumer goods. The multiplier effect sets in the spiral grows to encompass larger and larger communities. As this happens, the demand for finance and credit services expands, more jobs are created in the labor market, inputs are needed for all kinds of activities, and local governments will have the opportunity to generate taxes or user fees to finance public services. Local governments must also obtain greater fiscal responsibility including the potential to issue municipal bonds and other local revenue generating financial activities.

In conclusion, it can be seen that the development of a market catchment strategy creates the framework in which the entire sub-set of markets can function, be integrated, and grow independently or in tandem with others. The types of market catchment interventions envisioned lie in the area of policy modifications, adjustments, and reforms at the national and local levels so as to create the stimulus for market exchange and a private sector atmosphere; designing appropriate institutional supports and services that fit the technology levels being introduced; and building only that infrastructure that is absolutely necessary for the adequate functioning of the markets which appear in the catchment and for which demand is clearly demonstrated. Such a strategy implicitly endorses the concept of market town development as an overarching concept that incorporates the functioning of the entire sub-set of markets, as a funnel through which commodities flow from rural to urban demand centers, and from which goods and services from urban production centers are delivered to rural consumers.

"2116B drafted by Kenneth Swainberg, AFR/MDI, 12/28/88"



Mr. Warren Weinstein, USAID and
the Ivorian Minister of State, Emile Kei Boguinard

INTRODUCTORY REMARKS

DELIVERED BY

**MR. LEON KONAN KOFFI
MINISTER OF INTERIOR
REPUBLIQUE DE COTE D'IVOIRE**

- Mr. Minister of State, representing the Head of State,
- Ministers and dear Colleagues,
- Prefect of Yamoussoukro,
- Mayor of Yamoussoukro,
- Your Excellency the Ambassador of the United States,
- Representative of USAID,
- Representatives of International Organizations,
- Ladies and Gentlemen representing Sister Nations,
- Elected Representatives,
- Honorable Guests,

Last November, in Washington, the Federal Capital of the United States of America, in the District of Columbia, the Conference on Housing and Urban Development Policies was held under the sponsorship of USAID. This Conference provided the eminent guests from all Continents, Oceania excepted, an opportunity to appreciate the splendid beauty of the city of Washington, the hospitality of the American people and the cooperative spirit of its leaders.

Today, on January 8, 1989, Yamoussoukro, the Capital of Côte d'Ivoire, is host to representatives from Sub-Saharan Africa and from the United States, who came to discuss the following theme: "Market-Towns and Rural Development: Economic and Social Linkages".

Although it is difficult to draw up a parallel between Washington and Yamoussoukro, I cannot refrain from noting that the builder of the new Capital of Côte d'Ivoire, President Houphouët-Boigny, has a deep admiration for Georges Washington, the first President of the United States, who gave his prestigious name to its Capital. The visitor will understand, then, why Yamoussoukro has an urban structure which bears some resemblance with that of Washington.

How can we be unmoved by the immense honor for our country to host this Seminar, whereby the US Government and the organizers pay tribute to the President of the Republic of Côte d'Ivoire, to the friend of the free world and to the apostle of peace.

On behalf of the people, the Government and the President of Côte d'Ivoire, I would like to welcome the eminent representatives to this Conference and to assure them that they will find in Côte d'Ivoire, and above all in Yamoussoukro, perhaps less physical amenities, but a human warmth

commensurate with our open policy with the rest of the world. They will enjoy the hospitality of its inhabitants, of the Municipal Council and the Mayor of Yamoussoukro, who have never failed us in similar circumstances.

Yamoussoukro, a peaceful town on the edge between the forest and the savannah, a town which preserves its rural atmosphere, seems to me to be a good location for a meeting which will study the linkages between urban and rural areas, for the benefit of their mutual development, and will undoubtedly take the following factors into account:

1. The large marketing channels which are basic to the activities of both areas;
2. The goals of both rural and urban areas, which no doubt interact with one another, because of the near mechanical linkages which exist between rural and urban communities;
3. The concerns of the authorities which want to disseminate progress beyond cities and towns, thereby reducing regional inequalities while trying to have each area take part, in its own way, in the national development;
4. The concerns of the Government to reach every citizen, however far he or she may be from urban centers;
5. The requirements of human development and welfare for the benefit of the most underprivileged groups, such as women and youth in rural areas.

I do not wish to speak for the eminent specialists and experts who will work relentlessly for nearly one week, with concern and wisdom, to draw some useful conclusions; however, I would like to say a few words about the Ivorian context.

In our country, the producers, that is essentially the rural population, the marketing and town-supply channels, the trade centers which this seminar calls market-towns, are still to be organized.

As far as producers are concerned, we should, on the one hand, take steps so that they can improve their agricultural practices in order to increase their productivity and, on the other hand, develop systems for preserving, then marketing their production so as to avoid that the product of their work be bought by hard-bargaining, unscrupulous intermediaries.

In this connection, our Government has set up a series of structures to provide technical supervision and assistance to farmers; such structures are beginning to bear fruit. The farmers themselves are now organized in production and marketing cooperative societies, which protect them from all sorts of dangers.

Our seminar should try and identify and codify the various trade linkages which exist or should exist between rural and urban areas, in order to bring a more fruitful communications.

The regular supply of commodities to towns supposes that commodities are better preserved, particularly since our country is tropical, and since our crops are highly seasonal, because of the total lack of irrigation systems.

Aware of this basic need, the President of the Republic has decided to build dams throughout the country; he has instructed the research organizations to orient their work towards conservation and processing of food products.

Finally, there is no true agricultural policy without an underlying marketing policy. The Ivorian Government has developed a series of systems for collecting our main crops, either for export or for domestic consumption. Thus, the Office of agricultural support and price stabilization, the equalization Fund, OCPVA and others do help improve the disposal of these commodities.

Markets are the responsibility of the communes which, for the last ten years, have made considerable efforts to build trade complexes and to organize agricultural fairs in order to better acquaint the citizens with our production capacities and to suggest to the rural population the possible outlets for their production. An interaction is thus established between urban and rural areas, so that programs can be set up, which are adapted to the requirements and tastes of urban consumers.

All this is only possible if a certain balance and a certain population ratio are maintained between urban and rural areas. This explains why our Government has been fighting rural exodus since Independence through a strong policy which promotes the return of youth to the countryside and through a daring policy of improving living conditions in rural areas, particularly in the field of housing, village water supply, public health, education and electrification; such improvements tend to decrease the attraction of towns over villages, and to maintain productive capacity in place.

To achieve these goals the Government is using Regional Development Funds, which are based in the principle of village participation in public investments in rural areas, taking into account the actual financial abilities of the rural communities concerned, and with the goal of correcting regional unbalances. Thus, for the same investment, a population center located in a prosperous area pays a higher contribution than another one in the underprivileged area.

On the other hand, the Government helps farmers clear land for crop cultivation through an original system, namely the Corporation for agricultural mechanization and modernization which, unfortunately, has less and less resources because of the crisis which is striking hard at our country.

The goal is to ensure a balanced national growth. As President Houphouet-Bopigny said: "we must avoid that, within its own borders, Côte d'Ivoire have its own Third World".

The Ivorian Government, which has worked along these lines, expect the farmers, who are the beneficiaries of these various investments, to become aware of the need for a more active and useful integration in the life of the nation, on the basis of solidarity among the rural and urban worlds.

We do hope that this Seminar will bring about educational benefits which will lead to an acceptance of this major concern for the success of rural-urban cooperation.

A review of linkages between towns and rural areas could not leave aside the question of the role of women, who are indispensable for the survival of the rural areas, and youth, who are the source of population renewal. These segments of population, which are as fragile as they are useful, deserve a special consideration.

The Ivorian Government did not remain indifferent to such a situation and can be proud of the steps taken for the benefit of women, who are treated on an equal footing as men, and for the benefit of youth, to encourage them to return to the land, thereby taking over from their farming parents or grandparents.

We believe, therefore, that the choice which women and youth have to make between under-development in rural areas and development in towns can be helped by transferring the achievement of progress from towns to villages. The experience of rural development in industrial nations, such as U.K. and U.S.A. has shown that rural areas can enjoy the same modern amenities as urban centers.

We are far from having mentioned all the interesting items in this seminar; however, ladies and gentlemen, as you have the important task of enlightening us on new linkages which are to be established between cities and rural centers, we are calling on you to find solutions to alleviate the social burdens which, rightly or wrongly, are bearing on urban and rural communities.

Taking as a basis the excellent studies of INADES, we conclude that, more than ever, the young nations, including ours, must live like the rest of the world.

Thus, they must "share the risks, the messages and the changes of a constantly evolving world", a world which must be based on solidarity. May this meeting, organized and sponsored by the U.S. Government, with the participation of representatives of so many countries with widely different standards of living, be the forerunner of a new type of relationships between our countries, based solely on interdependence and active solidarity.

How, thus, can we avoid hoping that your Seminar takes place under favorable omens, in this Ivorian city of Yamoussoukro, which we consider as the capital of peace, so that friendship among nations replace henceforth division among countries.

Long live the United States of America,
Long Live Côte d'Ivoire,
Long live international cooperation.



Mr. Jean Konan Banny, Mayor of Yamoussoukro

PROMOTING RURAL GROWTH: PEOPLE, PLACES AND PRIORITIES

BY

**DAVID D. GOW
DEVELOPMENT ALTERNATIVES
624 NINTH ST., N.W.
WASHINGTON, DC 20001 U.S.A.**

INTRODUCTION

Although there is much debate on how to address the developmental problems in Africa, there is, I believe, a consensus, based on theory and practical experience, that agricultural development does not occur in a vacuum. In fact, the history of agricultural change and innovation is really a history of agriculture evolving because of new relationships to other sectors or substantial modification of the physical or general economic environment (Wilcock et al. 1988, Vol. 1:102-103). Some of these linkages are self-evident, such as transportation and marketing, although others are more complex and deeper, such as industry and manufacturing. But these linkages usually more closely integrate the rural and urban areas, so that the places where development occurs -- as well as the people who make it happen -- are key to the whole process.

In this paper, I would like to do the following:

- Provide a definition of development and thereby provide a context for my perspective;
- Review and critique current thinking on market towns and rural-urban linkages;
- Review and discuss current thinking on the main constraints to African development, with particular emphasis on agriculture and the urban connection;
- Describe some recent development experiences in West Africa -- with a focus on integrated rural development and rural-urban linkages; and
- Propose some lessons learned and guidelines for the future.

A DEFINITION OF DEVELOPMENT

Development should be distinguished from economic growth, which refers to expansion of the measured output of goods and services. Output can be produced by the severe exploitation of labor -- with the resulting profits being channelled to private bank accounts in foreign tax havens. Also, growth can be achieved at the cost of severe environmental degradation and gross overcrowding (Toye 1987:1-2). These costs are high and antithetical to my definition of development.

The record of the past 15 years of development initiatives in the Third World is disappointing: large dollops of assistance from both national governments and international donors have not led to noticeable improvements in either the productivity or general well-being of the poor, who account for a majority of the developing world's population. Issues of underproductivity, natural resource degradation, increasing demographic pressure on the land, accelerated urbanization, and lack of employment opportunities continue to be primordial (Cohen, Grindle, and Walker 1985).

Paradoxically, this was also the era when increasing importance was given -- at least on the part of the donor community -- to benefiting the rural poor. This concern was fueled by the New Directions mandate legislated into law by the U.S. Congress in 1973. The objective of this mandate was to focus development assistance on the poorest 40 percent of the population in developing countries, often located in rural areas. This focus was to be achieved through emphasis on participation, agricultural cooperation, more equitable distribution of land and income, and labor-intensive agriculture. Profound changes were called for on the part of Third World governments -- particularly in their national development policies and the institutions responsible for implementing these reforms (Morss and Morss 1982:28).

Although there are many explanations for this change in American development assistance policy -- including frustration with previous strategies, the failure of the "hearts and minds" approach pursued with fervor in Southeast Asia, the realization that Third World countries would create their own models of development, and the perception that the benefits of previous assistance had not been reaching the poor -- there was an underlying moral dimension that stressed the humanitarian over the strategic and political goals of development assistance.

In 1973, the Foreign Assistance Act was significantly amended to reflect these concerns (U.S. Congress 1975:66):

United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their country.

The key words underlying this decision are improve, poorest, and participate -- words that owe much to more liberal definitions of the meaning of development and that have strongly influenced social scientists working in this field. These intellectual underpinnings often went hand in hand with certain value judgments about development and the political implications of what was being proposed. Writing in 1969, Seers (1979:10) stated that:

Development is inevitably a normative concept, almost a synonym for improvement. To pretend otherwise is just to hide one's own value judgments.

Underlying this approach is a belief that development means increasing the capacity of people, both rural and urban, to influence and control their futures, a goal that some believe can be achieved by meeting the following objectives (Bryant and White 1982:15-17; Chambers 1983: 140-167; DeWalt 1988; Esman and Uphoff 1984:27-28; Gow and VanSant 1983; Gran 1983:145-175; Morss, Gow, and Nordlinger 1985):

- Capacity: This has both micro and macro aspects involving changes in the individual, the community, and the nation -- to include the capacity to develop political and social institutions responsible for production and allocation of resources.
- Equity: On the one hand, long-term economic development is stimulated by increasing the human resources in a country and by equalizing the ability to consume. On the other, ensuring more equality in access to benefits is a value in itself.
- Empowerment: If powerlessness is to be addressed, the poor must have some political leverage in order to correct grossly unfair decisions regarding the allocation of development resources and distribution of the ensuing benefits.
- Sustainability: Development includes a long-range concern for the future and the principal objective of development initiatives should be to generate self-sustaining improvements in human capability and well-being. For benefits to be sustained, various factors have to be dealt with -- including environmental, financial, institutional, political, and economic.

CURRENT THINKING ON THE ROLE OF MARKET TOWNS

Market towns and small cities play crucial roles in agricultural production, food distribution, and marketing. In theory, they can provide outlets for agricultural goods and products of cottage industries from surrounding rural areas. They can provide investment and employment opportunities for both town and rural residents in a wide range of agricultural processing and market-related trade activities. They can

function as agricultural supply centers, providing equipment, seeds, fertilizer, machinery, repair services, and information needed for agricultural development. Many towns and small cities can also offer an impressive array of economic, personal, commercial, and public and social services needed by rural households (Rondinelli 1988).

Although a great deal of empirical evidence suggests that towns and small cities can and do perform beneficial functions for rural residents, there are strong indications that few urban centers actually promote growth, transformation, and integration in rural areas. This wide gap between potential and actual performance is another reason for the renewed interest in towns and small cities in the Third World (Rondinelli 1983). There is, in fact, a growing consensus from a variety of disciplines and contexts that, without the rural chicken, the urban egg may be sterile and infertile.

One innovative approach has been the introduction of spatial analysis into regional planning through what has become known as the urban functions in rural development (UFRD) approach. In brief, this is a way of assessing the settlement system within a region in order to distribute new investments in services, facilities, infrastructure, and productive activities more efficiently and more equitably. A key assumption is that greater physical access for the rural poor to services, facilities, and productive activities located in towns and cities can be an important factor in increasing the incomes and raising the standards of living of the rural population (Rondinelli 1985). Regional development is to be achieved through a program of planned investment in hamlets, towns, and cities that will promote growth in the surrounding rural areas (Painter 1987).

This key assumption that the benefits from urban investments will trickle down to the countryside has recently been questioned by Belsky and Karaska (1986; Karaska and Belsky 1987). From their perspective, UFRD projects often exacerbate inequities in resource distribution between urban centers and the countryside and they propose to shift analyses of rural-urban dynamics to more directly focus on rural development. They distinguish three types of commodity flows -- those that enter the region from elsewhere to be consumed locally, those that originate within the region and are consumed locally, and the outward flow of locally produced goods that leave the region. Since these latter are generally responsible for generating most rural income, through both production and trade, they suggest that effective investment could be targeted to this system, while evaluating the possible impacts of change upon the existing system of production and trade (Painter 1987).

In Africa there is a growing acceptance, particularly on the part of the donor community, of the crucial role that agriculture must play in overall development and economic growth (Rondinelli 1988). Johnston (1986) has drawn attention to the "purchasing power constraint" that characterizes a country where the domestic commercial market for agricultural products is small relative to the large number of farm households. Because the agricultural sector in African countries is subject to severe cash income or purchasing-power constraints, the extent to which expansion of agricultural output can be

based on increased use of purchased inputs is limited. Consequently, broad-based agricultural development can and should help to encourage more rapid expansion of nonfarm output and employment opportunities, stimulating stronger, more productive relationships between agricultural, urban, and industrial development.

WHAT THE EXPERTS SAY: MAJOR CONSTRAINTS

The major constraints that prevent an increase in agricultural productivity and a concomitant strengthening of rural-urban linkages can be divided into the following six broad categories (Gow 1988a; Gow and Morss 1988):

- Political, economic, and financial factors;
- Environmental, demographic, and natural resource factors;
- Technological factors;
- Institutional factors;
- Local organizational factors; and
- Human factors.

Political, Economic, and Financial Factors

Agricultural development in particular and economic growth in general are neither designed nor implemented in a vacuum; they are integral parts of the broader policy and political environment. National policies and plans, with their resultant strategies, programs, and projects, are quintessentially political because they deal not only with the allocation of scarce resources among competing groups, but also with the achievement of specific objectives, of which increasing agricultural productivity may not be the most important. The same qualifier can be applied to development assistance offered by the donor community.

The issue is often one of economic rationality, as interpreted by the donors, versus political rationality as interpreted by the recipients, those who have to live with the consequences of the decisions taken. Cohen, Grindle, and Walker (1985) tell a story about a senior World Bank official complaining bitterly about ministers and permanent secretaries in a Third World country who stubbornly refused to accept the "sensible" conditions demanded by structural loans. The potential recipients, of course, had to worry about the potential political fallout from "sensible" economic and administrative reform proposals and weigh them against equally "sensible"

concerns about political stability, legitimacy, and support building and about the political importance and reward systems of bureaucratic structures.

With few exceptions, African governments have given priority to industry over agriculture in national development strategies and have taxed agriculture to finance industrialization and social services (Eicher 1988: 12-14). A careful review of the publications of the Organization of African Unity (OAU) and the Economic Commission for Africa (ECA) substantiates this view. However, this bias changed dramatically as a result of Africa's economic collapse in the early 1980s, the famine of 1984-1985, and the horror of one million deaths from famine in Ethiopia in 1985.

Until recently there was another policy bias, this time in favor of large-scale farm enterprises (Johnston 1986). This was so because it was often assumed that economies of scale were so important in agriculture that a small-farm development strategy was bound to be inefficient. In fact, there is abundant evidence that small-farm development strategies are more economical in achieving sector-wide expansion of agricultural production when the opportunity cost of farm labor is low because of the lack of off-farm employment opportunities.

The experiences of Japan and Taiwan -- although not necessarily replicable because of Africa's very diverse natural resource base that is predominantly rainfed -- illustrate some of the critical ingredients of success of a small farm oriented system. These include an efficient agricultural research system, rural infrastructure, efficient distribution of inputs, and a broad educational system.

Smallholder agriculture is now firmly entrenched in policy circles in many African countries, so much so, in fact, that there is little support for middle-sized family farms with a pair of oxen and some hired labor. But recent evidence indicates they can play a key role in agricultural development: they are innovators and risk takers, they provide a demonstration effect for their neighbors, and they can provide employment (Eicher 1988).

A final area where the policy arena has directly affected agriculture and its linkages with urban areas is food consumption patterns, often western-style which become synonymous with development (Aboyade 1988). West Africa has the most unsustainable food consumption profile in Sub-Saharan Africa (SSA) and the most pessimistic food outlook in the medium-term (Eicher 1988). This pessimism is fueled by four processes. First, there has been a rapid shift to rice, wheat, and other "fast foods" that are much easier and quicker to prepare than millet or sorghum.

Second, agronomic research on the principal staples -- sorghum and millet -- has been slow and there has been little progress on either in the Sahel. The same holds for more recent crops, such as wheat, with the lack of varieties tolerant to heat, and rice, with the lack of improved varieties for rainfed areas. Finally, as the competitiveness of West African exports has declined, so has the rural income for purchasing food.

Environmental, Natural Resource, and Demographic Factors

African countries show marked variation in climate and natural resource endowment. Contrasting climates and the lack of one or other resource for development characterize many countries on the continent, for example large expanses of unproductive land, sandy soils inherently deficient in phosphorus, and highly erosive rains. For the past 20 years, drought and below-average rainfall have afflicted much of Africa. The most critical environmental issues for agriculture in Africa, and hence for rural growth in general, are the deterioration of the soils, the loss of vegetative cover and diversity, changes in the nature of water systems above and below the ground surface, and environmental health problems of farmers and livestock.

Two factors have seriously affected soil loss and the concomitant decrease in both fertility and productivity. The first is the effect of differing techniques of cultivation on levels of soil loss, a process of steady change from bush fallow systems of shifting cultivation to more intensive methods employing more mechanical means (Freeman 1986). The second factor is the large increase in the conversion of land to agriculture. About half the land cultivated in Africa has been cleared since 1920, and there has been a great increase in cultivation of land during the last two decades, particularly in semiarid areas, those areas most prone to mismanagement and potential degradation.

Much of this increase in area cultivated has been fueled by population growth. At 3 percent, Africa's rate is the highest in the world and population growth has outstripped food production in all but five countries: Sudan, Rwanda, Cameroon, Cte d'Ivoire, and the Central African Republic. Growth rates have been particularly high in countries that were hit hard by the drought. This growth rate will result in a doubling of population in 15 to 20 years in most countries, thus increasing pressure on land and other natural resources, such as fuelwood, grazing areas, and national parks (Eicher 1986).

There is a growing realization, however, by social scientists of the close relationship between resource degradation and poverty (Horowitz 1988:4):

But there is little evidence that the World Bank understands -- and no evidence that the regional multilateral banks understand -- that sustainable improvements in the environmental health of the earth require prior and parallel improvements in the economic health of the poor, especially the agrarian proletariat and smallholders who continue to make up the largest fraction of the Third World. That is, there is little understanding outside our discipline [anthropology] that environmental degradation is not a problem of the relationship between people and their habitats but relationships among peoples competing for access to scarce resources.

There is mounting evidence that people living in fragile lands that are subject to dramatic changes -- natural, man-made, or a combination of both -- respond with a high degree of flexibility and an escalating set of strategies, according to the gravity of the situation (Waddell 1983). In addition, such strategies offer a wealth of technical approaches with potentially broader applicability (Brokensha, Warren, and Werner 1980).

In such a situation, the conventional development approach is to try and ensure that farmers have employment, jobs, training, or assets that will provide for all or most of their needs. But a more viable alternative is to strengthen their existing strategies (Chambers and Leach 1987). A common, perhaps universal, priority expressed by poor people is the desire for an adequate, secure, decent livelihood that provides for physical and social well-being, including security against sickness, early death, and impoverishment. But once basic survival is secured, under safe and secure conditions, there appears to be a strong propensity to stint and save when the opportunity arises and take the long view -- for example, the sacrifices parents will make to invest in their children's education or the extraordinary tenacity with which farmers will struggle to retain rights in land (Chambers 1987a). An approach that provides people with the necessary base on which to build and create for the future is a prerequisite for good stewardship and long-term, sustainable development (Chambers 1987b:3).

Demographers generally agree that family-planning programs have been ineffective in Africa. The authors of a recent comparative study of family planning in Africa and Asia concluded that the differences in rates of adoption were not only because African countries are at an earlier stage of socioeconomic development. More important were the differences in African family structures, economies, and religious attitudes toward fertility that severely limit the ability of African states to implement forceful family planning programs (Caldwell and Caldwell 1984:19).

Another consequence of demographic growth has been rapid urbanization and increasing migration, internal and external, the result of economic crisis in the rural areas, as two decades of governmental neglect of rural development needs has made itself felt. Africa's cities are growing faster than those in any other region of the world, many at a rate of more than 5 percent per year. During 1980-1985, the urban population of Zaire grew by an annual rate of 8.4 percent, that of Niger grew by 7 percent, and that of Cte d'Ivoire grew by 6.9 percent (World Bank 1988:284).

Urban migrants usually remit considerable amounts of money to their home villages, not only to support family members but also -- where opportunities exist -- to invest in agricultural expansion and improvement. These close rural-urban ties and linkages give an inevitably populist character to African society. Because these ties are largely invisible to outsiders, they tend to be ignored by analysts and policy makers (Hyden 1986:57).

Technological Factors: Temperate Biases and Technical Fixes

Research and testing to develop improved agricultural technologies have focused heavily on flat areas most resembling the temperate zones. The technologies developed for these areas -- for either the environmental or the social conditions -- are rarely relevant for the humid tropics, and arid and semiarid regions of Africa. Worse, their use may lower production and promote rapid deterioration of the productive resource base (Hansen and Erbaugh 1987).

I mentioned earlier that research on the Sahelian staples -- sorghum and millet -- has been slow, as has research on better-adapted varieties of wheat and rice. Such deficiencies in research and other support services, together with inadequate financing for the construction and maintenance of rural roads and transportation networks, have been important factors in unsatisfactory rates of rural development (Johnston 1986).

There is only a limited amount of new and tested technology on the shelf waiting to be used by farmers. Dissemination of technology is difficult because of the following interrelated factors: the scarcity of resources, the large number of farmers who must be reached, insufficient transport and communication, and weak extension institutions -- or alternative mechanisms -- to spread the available new technologies to the local population. This is partly because agricultural research and extension systems are relatively new, especially in SSA (Wilcock et al., 1988, Vol.1:35).

In spite of the evidence to date, this lack of available technology has not stopped the "technical fix" approach to sustainable agricultural development, an approach followed by technicians who believe that many of the more complex developmental problems in the Third World and elsewhere have technical solutions.

There is a growing recognition that any technology introduced must build on what farmers currently do and why they do it, as well as the agroecological and socioeconomic constraints these farmers face. Also, no one discipline can solve the production problems of small farmers. Any proposed solution must be tested on farmers' fields, under farmers' conditions, using farmers' criteria of evaluation -- in combination with the standard agronomic and economic analyses of results. This farming-systems approach to rural development has served to shift the focus in technical assistance from "pushing technology" to responding to farmers' needs (Flora 1988).

Institutional Factors: Decline, Disarray, and the Economy of Affection

A quote from Carl Eicher at the beginning of this paper bemoans the present stage of political and institutional maturity in Africa and compares the continent unfavorably with Africa and Asia, while emphasizing that critics and those concerned about the future of Africa must always bear in mind the very different colonial heritages of the three continents. Among the more salient differences are the following (Eicher 1988:4-6):

- At independence African states had an extremely small pool of trained scientists and managers relative to that of Asia and Latin America.
- The first university in Nigeria, the University of Ibadan, was established in 1948, whereas the first three Indian universities - - Madras, Bombay, and Calcutta -- were created almost a century earlier, in 1857.
- Many African universities and national research services are weaker today than they were at independence.

A recent review of the principal types of institution that support agricultural development in Africa -- credit, research and extension, and input supply and product marketing -- characterized the present institutional landscape as one of decline and disarray. This situation results from several factors: first, the endemic issue of recurrent costs and the lack of resources to support expensive institutional models; second, the colonial hand-me-downs that are inappropriate for independent nation states; and third, the donor propensity to bypass the existing structure and establish semiautonomous institutions that die a natural death when external funding stops (Wilcock et al. 1988, Vol.1:80-81).

A case in point is the West African Sahel where, during the 25 years since independence, most of the Francophone states adopted a common set of rural development institutions to provide inputs, technology, and marketing services to farmers and food supplies to the cities (Berg 1986:10-12):

- A cooperative movement at the village level, which was responsible for local input supply, credit administration, and the first-level marketing of food and export crops;
- Input supply agencies and special credit institutions -- Caisse Nationale de Crédit Agricole (CNCAs) or rural development banks -- both operating on a highly subsidized basis;
- Regional development organizations -- Rgions de Dveloppement Agricole (RDAs) in Senegal, Organismes Rgionale de Dveloppement (ORDs) in Burkina, Oprations in Mali, and Productivity Projects in Mali -- which were administratively responsible for the coordination of all these programs and the provision of extension agents; and
- National crop-marketing agencies and foodcrop boards, which were given --in theory at least -- monopoly control over marketing, buttressed by absolute price controls.

Many of the institutions involved have gone bankrupt, have been reorganized or rehabilitated, or had the range of their activities sharply reduced. One tendency has been to try and reorganize these institutions,

refocus their objectives, and improve their formal management. The Berg view is that neither of these approaches is likely to produce viable improvements, since many of the fundamental problems of the economic and political environment, particularly the lack of market oriented policies, that made them work poorly in the past are still there (Berg 1986:18).

A more sociological explanation for the state of institutional disarray is provided by Hyden (1986). In his view, most African farmers enjoy a relatively high degree of autonomy from other groups and institutions, a consequence of rudimentary production technologies, on the one hand, and relatively little product specialization, on the other. As a result, there is only a limited exchange of goods between various units of production and no structural interdependence that brings them into reciprocal economic relations. To the independent producer, then, the state is structurally superfluous since it has little to offer (Hyden 1986:56).

The networks of support, communication, and interaction among different African groups connected by blood, kinship, community, or religion constitute what Hyden terms the "economy of affection," premised on the existence of opportunities for development, both economic and social. In practical terms, this means that:

- Urban-rural remittances, referred to earlier, often provide the basis for survival strategies of the rural poor;
- Public funds are diverted for purposes more in keeping with the economy of affection; and
- Problems of financial management originate in the emphasis of the politics of affection on channelling public funds to local constituencies, irrespective of considerations of efficiency and effectiveness.

Leonard (1987) observes that these latter problems of social obligations operate as well among the elite managers of state organizations.

Local Organizational Factors: Participation and Empowerment

There is a growing consensus that local organizations have a key role to play in achieving sustainable development. The participation rhetoric of the 1970s has been replaced by the more realistic agenda of local "empowerment." There are several good reasons why such organizations should be supported, since they can (Cernea 1987; Esman and Uphoff 1984; Gow et al. 1979; Honadle and VanSant 1985):

- Identify and adapt development activities to local conditions;
- Mobilize local resources;

- Coordinate and spread both the resources and benefits of outside assistance;
- Manage the natural resource base and maintain infrastructure investments in a rational manner through education and training, and by enforcing rules, incentives, and penalties;
- Empower local people by exercising influence and asserting claims on local administrators, development bureaucrats, donors, and politicians;
- Maintain and foster linkages between urban migrants and their communities of origin; and
- Sustain project benefits.

A recent study of 25 agricultural and rural development projects funded by the World Bank showed that 12 of the 25 projects appeared to have successfully achieved long-term sustainability. A large contribution came from local organizations that were characterized by: participation in project decision making, a high degree of autonomy and self-reliance, accountability of leaders, and continuing identification of the project activities with local needs (Cernea 1987).

Of increasing interest and importance are the nongovernmental organizations (NGOs), which undertake a variety of activities ranging from relief work to economic development, usually at the local level. Various arguments are presented to justify this bypassing of regular institutional structures. Among the more important are the following (Barclay et al. 1979:72-75; Cernea 1988; Hyden 1983:120-121; Tandler 1982:1-10):

- NGOs are much closer to the poor than the government is.
- NGO staff members are usually committed, highly motivated, and altruistic in their behavior.
- NGOs operate economically, partly because they are small and partly because they have a much greater cost consciousness and financial discipline.
- NGOs are flexible, innovative, and experimental -- qualities that stem from their small size and the decentralized nature of their decision-making structures.
- NGOs are independent and this gives them the opportunity to develop demands for public services and resources, thereby facilitating the work of individual government institutions in rural areas.

Generally speaking, local organizations have not lived up to expectations and have suffered from several key "vulnerabilities." Among the more important are active resistance to their formation from various sources; falling under the control of powerful outsiders; succumbing to factionalism and internal politics; lack of expertise in the necessary political, organizational, and technical skills; and corruption and betrayal by organizational leaders (Esman and Uphoff 1984:181-202). In addition, active resistance by political and administrative leaders to the creation of viable local organizations often centers on empowerment of local communities (Thomas 1985:24-25).

Human Factors: Humility in the Face of Complexity

Much attention is given to the lack of trained personnel in Africa. According to a recent study, most African countries have only a small cadre of trained and capable people, who are often severely overextended. Donors often require host governments to make unrealistic commitments of personnel as a precondition for development assistance. Once a program is underway, the government's inability to fulfill these promises manifests itself through:

- Shortages of trained personnel;
- Delays in appointing personnel;
- Appointment of junior personnel; or
- Ineffective use of appointed personnel.

The proposed remedies cover the spectrum from advocating more training to using more expatriate advisers (Gow and Morss 1988).

But such solutions often reflect the biases of those who provide the funding and those who may be trained as a result, rather than the realistic needs and options of the countries in question. Robert Chambers has succinctly summarized these biases under three broad headings (Chambers 1985:5-6):

- **Biases of Contact:** The only contact that most outsiders have with the rural poor is through development tourism, the brief and hurried rural visit from the urban center, which imposes six biases against direct contact: **spatial** -- close to an urban center, tarmac roads, and villages; **project** -- toward places where there are projects and some physical improvements to be seen; **person** -- toward those who are better off, articulate, healthy, male, users of services, and adopters of practices; **seasonal** -- avoiding the very hot, the very wet, and the very dry periods of the year; **diplomatic** -- not seeking out the poor for fear of giving offense or becoming tongue tied; and **professional** -- restricted to the outsider's area of expertise.

- **Biases of Values:** Outsiders are conditioned to believe that all learning comes from the classroom, the textbook, the training course, or the university. Rural people, especially the poor, are regarded as ignorant -- even though they are the greatest experts on their problems, strategies, and priorities. As a result, whatever is described as modern, sophisticated, and scientific is to be preferred.
- **Lags in Learning:** The rates of change in SSA are rapid. Where the population doubles in less than 20 years, people can be seriously misled when reading a report or article written two or three years earlier, based on field work done two or three before that, and citing secondary data that are even older (Lipner and Gilles 1988). Thinking similarly lags.

Overcoming these professional biases calls for a radical reordering of our thinking, perceptions, and priorities -- to be discussed later in this paper. It also calls for a little humility -- a frank confession that there is a lot we have to learn, know, and understand. From Chambers' perspective, the priorities of the rural poor in SSA, allowing for considerable local and regional variation, are most likely to include survival, defined earlier as health and livelihood, and basic goods and services.

WHAT THE EVIDENCE SAYS: VIEWS FROM THE FIELD

In this section, I shall briefly describe some recent rural development experiences in Zaire, Congo, and Mali, including experiences with small-scale rural industry. I shall draw on my own experience in Zaire, as well as other recent assessments.

Zaire: Project North Shaba

In the mid-1970s the Government of Zaire, with the assistance of AID, designed a large integrated rural development project in the Shaba region, in the southwestern part of the country, which came to be known as Project North Shaba (PNS). The tangible objectives of PNS included an increase in overall corn production, as well as an improvement in the general well-being of the local population. There was a ready market for increased production in the copper mines to the south, primarily state controlled, where miners were paid partially in kind through the provision of corn flour, the household staple, at highly subsidized prices.

These objectives were to be achieved through the implementation of an integrated approach to overcoming the key constraints to development in the area, constraints that had been identified as lack of roads, lack of markets, and lack of improved technology. Implementation began in 1977 and the project was redesigned in 1983 to focus on building and maintaining feeder roads; distributing improved, open-pollinated seed corn; and introducing improved practices for corn cultivation. AID support terminated in 1986 (Gow 1988b).

Some specific indicators of accomplishments during the first seven years of the project are presented in the table below (Rosenthal et al. 1985:5):

INDICATORS OF PNS SUCCESS, 1977-1984

Indicators	Goal Set in 1976	Accomplished by 1984	Percent Difference
Production of small tools	8,163	33,525	400
Improve/repair culverts	72	119	165
Improve/repair roads	724 km	732 km	101
Establish farmer groups	40	38	95
Establish farm centers	75	60	80
Reach farm households	19,000	14,445	76
Corn production	40,000 MT	96,000 MT	240
Corn marketed	25,000 MT	35,000 MT	140

The most reliable data on project impact relate to the quantities of corn marketed. Almost all the corn that is not consumed in the project area is shipped out through two railheads and PNS was able to develop an effective system for monitoring these shipments. Production is estimated to have increased from 30,000 metric tons in 1977/78 to just under 100,000 metric tons in 1985/86. During this same period, the quantity of maize exported by rail increased from 11,000 metric tons to 50,000 metric tons. This amounts to almost half the corn marketed in Shaba (Poulin et al. 1987).

According to the final PNS impact evaluation, the increased corn production during the early years of the project was due primarily to the improved market in southern Shaba and new government policies in support of domestic corn production -- notably import control and higher producer prices (Poulin et al. 1987). Improved roads and the distribution of improved seed played a secondary role, which only changed in 1982 when project interventions made possible the continued increase in production and marketing (Blakely 1982:2):

Today, all who live in northern Shaba -- small farmers, merchants large and small, community leaders, other area residents -- point to the bridge and road rehabilitation efforts of Project North Shaba as one tangible aid to agriculture. Such infrastructure inputs are lauded for the actual routes of access opened and improved, as well as for the construction teams' visible activity throughout the area: they engender hope that other development assistance and further increased commerce will follow.

The improved roads encouraged traders to enter areas that were previously inaccessible. Both merchants and farmers attribute the increase in quantities of corn marketed to the improved roads. Farmers living some distance from improved roads cite the problems of transportation as the main constraint to increased production.

Cash incomes from corn vary greatly within the project area. In the less-densely populated zone, where farmers practice large-scale slash-and-burn and where corn was already cultivated as a cash crop, the income from corn per farm household in 1986 prices increased from \$110 in 1978 to \$235 in 1986, an increase of 114 percent over eight years. In contrast, in the more-densely populated zone, where farmers traditionally grew corn to satisfy subsistence needs, income per household from corn increased from almost nothing in 1978 to \$42 in 1986. In addition, domestic consumption of corn in the form of bukari -- a boiled flour preparation -- appears to have tripled.

These changes, however, are not large in terms of total income generated. In 1985/86, the total value of corn marketed by farmers in North Shaba was \$1.9 million, approximately \$80 per farm household. The resulting increases in commercial activity, although significant in relative terms, have been correspondingly small. Most of the farmers spend their increased incomes on basic consumer goods such as soap, clothing, medicines, and foodstuffs. Some of the larger farmers have also started buying minor luxury goods and consumer durables such as radios, bicycles, cosmetics, kerosene lamps, and better-quality clothing.

In terms of social services, more children are going to school, and there are more pharmacies, but there has been almost no social or institutional development as a result of the project. The level of economic activity, both per household and in the aggregate, is not yet large enough to support this type of change.

Underlying the PNS approach was an implicit model of agricultural development in which increased production leads in turn to greater commercial activity, increasing urban commercial development, and ultimately fundamental social or organizational change. Such change, however, is not inevitable (Appleby 1988). The final impact evaluation developed two hypotheses. The first proposed that increased corn marketing over time would give rise to greater urban commercial development throughout the region. This proved to be correct. Where before there had been only two centers along the rail line that shipped produce out of the region, there are now several new centers on the main highway that are also involved.

The second hypothesis -- that commercial development would be most intense in the area that had the greatest corn production -- did not hold. The area in question had a lower population density, a simpler form of agriculture, and fewer roads rehabilitated by the project. In short, the three factors considered basic for commercial development in central-place theory -- population density, income, and transport efficiency -- were all lacking.

Opportunities for Sustained Development in the Sahel

This case study formed part of a larger study financed by AID to address an important aspect of development sustainability -- natural resource management (NRM) in the Sahel (Shaikh et al. 1988). The report focused on many on-farm agricultural production practices that show promise for sustainable agricultural growth in Mali, Niger, Gambia, and Senegal. The emphasis was on what works and a total of 70 successful NRM initiatives -- many small-scale and localized -- were visited.

The most important conclusion to emerge from this study is that interventions have the greatest effect when they resolve problems of the local population -- rather than problems of the environment per se (Shaikh et al. 1988, Vol.1:43):

The basic concerns of rural Sahelian populations center around achieving at least a stable and, hopefully, improving standard of living. This in turn has historically depended on the status of the principal rural production systems: agriculture, livestock, fishing. Precisely because environmental degradation now visibly threatens these production systems, populations have turned to natural resources management to accomplish two things, both of which directly affect their income: first, to protect the soil and water resources on which their production depends (e.g. the full range of soil and water conservation, soil fertility improvement and related measures) and second, to provide new opportunities for income (pole production, orchards and gardens, firewood and fodder sales, etc.) to compensate for declining and uncertain yields in customary productive activities.

Among the specific conclusions drawn in the analysis, the following are the more salient (Shaikh et al. 1988, Vol.1:47-48):

- **Values, Interest, and Knowledge:** Information transfer should harmonize with local experience and knowledge because there is local interest in stabilizing productivity and improving natural resource management activities.
- **Conflict Resolution:** This is an important but neglected aspect of natural resource management and one element, the resolution of land tenure issues, is critical for success.
- **Initiatives and Techniques:** First, use adaptable technologies that build on traditional practices to increase the chances of success and technologies that can be taught by one farmer to another; second, NRM activities that increase productivity may stabilize the rural population and lead to investments in more intensive forms of resource use; third, ensure that programs have time horizons that increase proportionally with the novelty of the proposed technical innovations; fourth, involve farmers in the design, implementation, management, and evaluation of the program; and, finally, coordinate program activities with existing government activities.

Rural-Urban Linkages: Rural Nonfarm Enterprises

One of the key components in strengthening the linkages between rural areas and market towns is the establishment and growth of small-scale enterprises to satisfy the demand for goods and services stimulated by increased agricultural productivity. A recent review of small-scale industry in SSA indicates that most small industries are located in rural areas and form a significant, if not dominant, component of the industrial sectors of most African countries (Liedholm and Mead 1986).

Clothing production (primarily tailoring) predominates in most countries, ranging from 25 percent of all establishments in rural Burkina Faso to 52 percent in Nigeria. Wood production (primarily furniture making) is next, followed by metal working (usually blacksmithing), and food production (primarily baking). Vehicle, shoe, electrical, and bicycle repair are also frequently found. In rural areas of several countries, such as Rwanda, Botswana, and Burkina Faso, the brewing of beer is a dominant activity, which is usually undertaken by women. In general, small-scale firms are involved in the production of light consumer goods -- clothing, furniture, simple tools, and food and beverages.

Earlier in this paper, referring to the work of Eicher (1988) and Johnston (1986), the argument was made that a small-farmer development strategy can generate rapid, equitable, and geographically dispersed growth because of substantial, labor-intensive linkages with the rural nonfarm economy. The evidence to substantiate this claim has been drawn primarily from Asia, particularly India, Pakistan, Taiwan, and the Philippines. A 1987 World Bank study attempted to consolidate the empirical evidence necessary for assessing the power of agricultural-growth linkages in Africa. Data from 16 countries were analyzed, including data from 11 countries in West Africa. Several important themes for policy recommendations emerged, four of which are of direct relevance (Haggblade et al. 1987:150-160).

First, agriculture is of particular importance and will be the engine of rural growth and consumption linkages. Second, the available data indicate that services and commercial enterprises, rather than manufacturing, will grow fastest. Some manufacturing activities, however, will grow as well -- particularly tailoring, carpentry, metal work, and food processing and preparation. Third, rural towns emerge as focal points in the development of the rural nonfarm economy. By providing catchment areas sufficient to support minimum profitable scales of operation, rural towns offer firms the potential to exploit economies of scale and scope.

Fourth, infrastructure will be necessary for rural nonfarm enterprise and rural town growth, although the precise sequencing and complementarity among infrastructural inputs remains elusive. There is some agreement on the cardinal importance of ground transportation, particularly roads and railroads, but beyond that there is little agreement. The spotty record of rural electrification is but one example (Fluitman 1983). Closely related is

institutional infrastructure, specifically the availability of efficient rural financial markets. This may require integration of the existing informal credit markets with the formal banking system. Work with credit unions and rural savings banks -- often based on rotating and socially regulated capital transfer mechanisms that are centuries old -- may achieve this.

LESSONS LEARNED: PEOPLE, PLACES, AND PRIORITIES

The wheel turns full circle and many of the constraints identified earlier continue to reappear with distressing regularity in more recent, ongoing experiences. There is general agreement that agriculture is the motor to prime and stimulate development in Africa -- both rural and urban. There also seems to be a growing consensus regarding the key elements necessary to stimulate and sustain this process, particularly the following: creating a favorable economic environment, increasing human capability and managerial skills, generating new and appropriate technology, establishing and strengthening rural institutions, and stimulating investments in rural infrastructure (Eicher 1988; Johnston 1986).

Rather than conclude by reiterating what is well-known, let me offer a somewhat different way of viewing development, which can perhaps provide some insight for those who work on either the rural or the urban end of the development continuum. From my perspective, there are five interrelated components -- all of a social, political, or managerial nature -- that can contribute toward achieving the goal of sustainable development. These are:

- Development redefined -- sustainable livelihoods;
- Political commitment;
- Learning from experience;
- Local empowerment; and
- A new professionalism.

Development Redefined: Sustainable Livelihoods

Much of the evidence indicates that many of the developmental objectives that donors and national governments would like to achieve will remain unattainable until the majority of the population enjoys a degree of livelihood security. This is not a reiteration of a basic needs approach, but is a focus on the development of the productive base to not only satisfy basic needs but also serve as a springboard for the future. The study of NRM in the Sahel clearly made this point -- that improving human well-being directly depends on the state of the natural resource base. Because it is declining, rural people are not only committed to protecting and stabilizing it, but also

to seeking out additional ways in which the resources can be used productively. Recent data indicate that for all of Africa, 65 percent of the rural population and 32 percent of the urban population live in absolute poverty. The figures for West Africa are 42 and 27 percent, respectively (Mureithi 1987). An approach that emphasizes sustainable livelihoods seeks to create and maintain conditions in which poor people become less poor and see benefits for themselves in sustainable development.

In practice, such an approach will obviously vary from environment to environment, but common elements may include the following (Chambers 1987b):

- Secure rights of ownership and usufruct of assets, including sale and inheritance.
- Transform small-scale tenancy and sharecropping into inheritable rights to land.
- Allocate degraded forestland to poor households for growing trees and, where appropriate, for growing crops and raising livestock.
- Reinforce livelihood strategies by supporting diversification, including nonagricultural activities.

Political Commitment

If rural growth is to be achieved, there must ultimately be a commitment on the part of both the donor community and the national governments. This calls for more than effective policy dialogue leading to significant policy changes. Resources must be made available to implement these changes, which will not occur without some commitment from politicians, civil servants, and those responsible for implementing the changes on the ground.

This entails not only a commitment to providing the necessary resources, both human and financial, but also a commitment to policies that will support sustainable development. Thus, commitment to policies that address environmental problems can have a significant impact on sustainable development, such as increased attention to land-use planning, soil conservation, reforestation, and equity issues.

The concept of commitment is not widely discussed within the development community because, first, commitment is subjective and therefore difficult to analyze. There is no accepted means of measuring or building commitment, and testing its intensity requires political sophistication and understanding (Heaver and Israel 1986). Second, commitment is not often associated with government ministries, regional and local governments, academic institutions, consulting companies, and other entities involved in development. As mentioned earlier, strong commitment to goals, particularly to their ethical content, is more often associated with NGOs and is often cited as one of their comparative advantages. Research indicates that a number of humanitarian and

church-affiliated NGOs have invested considerable effort in instilling in affiliates in the Third World a commitment to development goals (White 1986).

Increasing evidence suggests that such institutional commitment is unlikely to materialize unless there is strong leadership at the program or project level. A recent evaluation of six agricultural and rural development projects in Africa concluded that strong leadership was a necessary condition for successful project management, and that other factors could not compensate for weak leadership (Honadle 1986). According to Leonard (1987), the most important requirement of a good leader is a strong, personal commitment to program goals. This commitment can result from professional education, and from personal values that are inspired by one's early family experiences and supported by one's contemporary environment. This commitment may also be reinforced by the moral demands of the economy of affection.

But such commitment should also be pervasive. Not only should donors feel commitment but so should those who hope to benefit from development interventions. Such commitment, although it is not directly political, often takes the form of a commitment of labor or resources. But such commitment can be strengthened by more active involvement in planning and implementation. One way this can be achieved is through "action-planning workshops" that involve planners, implementers, and beneficiaries (Silverman et al. 1986).

Learning from Experience

One of the more exciting aspects of recent work in Third World development has been the increasing acceptance that development is a process of change that is often unpredictable, that programs are designed and implemented on the basis of limited information -- on the understanding that, as new information is provided, strategy and goals will be changed accordingly. This calls for an admission on the part of "experts" such as ourselves that we do not know everything and, furthermore, that we are prepared to learn not only from what works well but also from our mistakes. But most importantly, this model asserts that development involves personal transformation that can take place, only if individuals themselves are intimately part of the process -- that is, if they shape it and are transformed by it (White 1987:160).

Much of the credit for applying this approach to Third World development belongs to David Korten who built on the pragmatic approach followed by the American philosopher Thomas Dewey -- that all valid knowledge comes from experience, by which he meant the interaction between people and their immediate environment. Through experience, people come not only to understand the world but also to transform it (Dewey 1950:89):

The plans which are formed, the principles which man projects as guides of reconstructive action, are not dogmas. They are hypotheses to be worked out in practice, and to be rejected, corrected, and expanded as they fail or succeed in giving our present experience the guidance it requires.

Korten (1984) studied three successful development programs in Asia. Each of these programs emerged out of a long-term learning process in which the local population and program personnel shared their knowledge and resources to integrate needs, actions, and the capacities of the assisting organizations. In each instance, the overall process could be accomplished in three stages, each with its own learning requirements: first, learning to be effective; second, learning to be efficient; and, finally, learning to expand.

To a limited extent, this pragmatic approach was followed in PNS when, after six years of implementation, the project was simplified to focus on the key components of feeder roads, seed multiplication, and extension. Two activities were nearly eliminated: the tool production component, because demand was minimal; and the farmer group component, which was ineffective.

Although appealing, this approach has two major flaws: first, its dependence on rationality, and, second, the difficulty of discovering error (Friedmann 1987:217-218). How much error are we prepared to acknowledge? People, and the institutions they work for, are not generally eager to acknowledge error because there may be too much at stake -- prestige, resources, reputation, authority, and credibility. But more important, admission of error may imply that the values and commitment that led to them were misplaced. How much uncertainty are we prepared to live with? Thomas (1985) claims that all of us -- Third World professionals, development consultants, and small farmers -- are emotionally and intellectually compelled toward certainty, control, and anticipation.

The second flaw arises from the fact that it is not always clear when an error has been committed or what the nature of the error is. Who identifies the error and who decides how it will be resolved?

Not surprisingly, few attempts have succeeded in modifying the process model to large development bureaucracies -- national, bilateral, or multilateral. A more acceptable approach embraces some more-structured elements and has been successfully implemented in various developmental contexts. Certain conditions can facilitate this "structured flexibility" in planning and implementation (Brinkerhoff and Ingle 1987):

- Felt need and commitment to change, including a willingness to allocate the resources necessary to implement a proposed solution;
- Multilevel involvement within the project/institution and participation of key beneficiaries;
- Openness to learning -- the willingness to innovate and take risks in search of results; and
- Continuity of effort.

Local Empowerment

This social learning approach suggests four practical reasons for involving the local population in management (White 1987:160-162). First, because of the imperfect information base on which much developmental planning and implementation is based, it is necessary to obtain more information from local groups. Second, involving people directly creates a momentum for changing government institutions and promoting learning. A third reason is to increase the community's capacity to contribute to development. A fourth and related reason is that the very act of involvement changes communities and increases their capacity for effective action.

Much is made of the importance of such local empowerment, participation with a harder, more realistic face. But empowerment should spread beyond and include more than beneficiaries. The generation of power by communities and beneficiaries is often viewed with misgivings, apprehension, and sometimes outright fear by political and administrative leaders. Realistically, effective demand making on the part of the poor is likely to continue to be an elusive exception rather than a concrete reality -- unless empowerment is broadened and becomes more encompassing.

In PNS, such participation got nowhere, partly because there was little advantage in joining local organizations that conferred few advantages, material or otherwise. But in addition, the project was hierarchically structured, the internal mirroring the external. When it was proposed that PNS be integrated with a parastatal cotton company run by Belgians, the PNS director gave the Zairian cadre explicit instructions to keep their opinions about the proposed integration to themselves: they were mere technicians and such policy decisions would be made by their superiors in Kinshasa. When the opportunity arose, these superiors could be equally high-handed. When the Secretary of State for Agriculture came down for a flying visit, he was scarcely out of the plane before he was bawling at the project director -- just to remind him who was in charge. Such a structure does little to encourage participation and empowerment.

One way to address this problem is through decentralization, the devolution of some decision-making authority and control over the management of development initiatives and resources from the center toward the periphery. Such a move can encourage staff participation that may, in turn, eventually encourage beneficiary participation. Key objectives of this approach would include:

- Increased exchange of information;
- Better use of staff knowledge in planning; and
- Opportunities for staff members to present and implement their own proposals.

Types of management development activities that support these participatory staff objectives include team building, intergroup problem solving, joint goal setting and planning, and various types of training.

A New Professionalism

The main problem confronting much of what I have outlined above is resistance by professionals and specialists like ourselves, because it implies a radical reordering of the conventional way of doing development, certainly at the level of larger projects and programs. Various writers have called for a "bureaucratic reorientation" whereby the bureaucracy would be focussed on the local population, rather than just doing things for them (Korten and Uphoff 1981).

Chambers (1983;1986;1988) has thrown down the gauntlet and challenged the development community to embrace what he terms a "new professionalism" -- those who are prepared to listen and learn from the local population; to cross disciplinary boundaries; and to combine the best of the social sciences and the natural sciences, vision and criticism from one, hard-nosed practical solutions from the other. Mention was made earlier of the biases inherent in conventional approaches to development, and the need for people to change -- not just beneficiaries, but also development professionals. The two case studies presented -- the ADB agricultural study, PNS in Zaire, and the NRM study in the Sahel -- cover a spectrum from normal to new professionalism.

In practical terms, this new professionalism incorporates much of what I have discussed above in terms of redefining development, political commitment, learning from experience, and local empowerment. But the most important changes are those that need to occur in our ideas and our behavior: the initiative must come from us as key actors in the development process. And underlying this approach is, of course, an increasing level of respect among the various people and institutions involved -- not only between projects and beneficiaries but also between donors and national governments (Elmandjra 1987:18):

In conclusion, I sincerely believe, that Africa does not stand any serious chance of developing economically and socially unless it stops relying on aid and opts for a new development model based on self-help and inter-African integration. It would thus not only develop but would also enter a new age of dignified, efficient and enriching international cooperation with no "receivers" and no "donors".

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**THE RELATIONSHIPS BETWEEN MARKET TOWNS AND AGRICULTURAL
DEVELOPMENT IN THE NEW AGRICULTURAL POLICY IN SENEGAL**

BY

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INTRODUCTION

For the past two decades or more, Sub-Saharan Africa has been hit by an economic crisis. The main features of which are chronic deficit in the balance of payments and public finances, declining agricultural productivity and growing food insecurity. In Senegal, for example, the agricultural sector accounted for 24% of the G.D.P. in 1960 as compared to 21% in 1980 (MARTIN, 1986). Rice and wheat imports during the same period rose annually at 6.6% and 8%, respectively, in the Sahel region and it is feared the region may have to import most of its grain requirements in the near future (Delgado 1988).

Structural adjustment programs are presented as plans for improving public finances by abolishing para-statal and stimulating agricultural production through incentive prices and greater involvement of the private sector in the agricultural system chain. Directly or indirectly, these programs have brought into play the rural/urban competition to the marked detriment of the towns.

And yet, the economic crisis has affected the towns as gravely as villages so that there is an increasingly strident demand for adjustment with a "human face". In order to ensure the chances of sustaining and maintaining development in a country, the economic and social linkages between rural and urban development must be strengthened, even when the agricultural sector is given priority. The subject for discussion today is the consideration of the role that market towns can and do play in agricultural policies that have been adopted as part of structural adjustment for a harmonious development of towns and rural areas. Most of the examples are culled from research conducted in Senegal but can easily be applied to other countries of the sub-region.

Our presentation will comprise a brief review of an agricultural development model based on the growth of market towns, a description of the agricultural produce marketing network, a discussion of the inter-relationships between market towns and rural areas in the context of the new agricultural policies, and a few recommendations.

MARKET TOWNS AND AGRICULTURAL DEVELOPMENT MODEL

The model of agricultural development based on urban and industrial expansion assumes the effective integration of markets for agricultural products and inputs as well as goods and services. Increases in population and revenues which accompany the development of urban centres stimulate effective demand for agricultural products for human consumption and industry. Conversely, urban industries supply producers with the inputs necessary for increased agricultural productivity stimulated by urban demand. The establishment of a dynamic non-agricultural labour market due to the growth of towns can help to absorb much of the agricultural labourers who have been made redundant because of increased productivity.

Agricultural development in the United States of America and in some countries in Latin America and Asia has been explained, at some point in their history, by the so-called Von Thunen urban development model (Rutton, 1984). However, for the model to have similar effects in the countries that are embarking on their development, several difficulties must be overcome.

The process is stalled when towns experience unchecked population growth due to massive inflows of immigrants from rural areas at rates which outstrip the creation of employment opportunities in market towns. Such rural immigration could even create a shortage of agricultural man-power, if not all the time, at least at the most critical periods of the cropping calendar, as is the case in the irrigated areas of the middle Senegal valley (Diemer and Van der Laan, 1987).

Effective urban consumer demand for local agricultural produce is often very small despite the expanding population. The reason for this situation is either the price of local products is higher than that of imported goods, or the constraints of urban living or food preferences have given urban consumers a taste for imported products, or the availability of large quantities of food aid, or a combination of the above. Whatever the reason, massive imports of food products essentially for consumption in the towns impedes rural/urban interaction. As an example, an average of about 65% of the rice imported into Senegal (1980 - 1988) is sold in Dakar¹ where only 22% of the country's total population living.

Agricultural production technology is still relatively archaic and the minute effective demand for modern inputs do not encourage the establishment of local input manufacturing. With low productivity and income, there is little stimulus for the development of goods and services in the market towns. Moreover, there is no dynamic non-agricultural labour force to increase productivity and earnings in the rural areas.

1/ Part of the amounts sold in Dakar are moved to the hinterland by traders, but the amounts involved are small since regional centres are directly supplied.

The new agricultural policies (N.A.P.) with the implied reform of the marketing network must be geared towards resolving these problems if they are to effectively contribute to economic and social advancement.

THE MARKETING NETWORK FOR AGRICULTURAL PRODUCTS IN SENEGAL

An intimate knowledge of the operators, circuits and marketing costs as well as of available infrastructure is essential for a well-conceived agricultural and food policy.

Infrastructure

There are urban or semi-urban markets that operate daily and periodic rural markets. Generally, the large towns and cities have several markets with at least one central retail market and one wholesale market on the outskirts. The rural markets are collection points or wholesale centres but quite often there is no clear distinction between the two. The "Souks" or stalls (cantines) inside the markets are rented out by the rural or communal authorities. The shops and kiosks at edge of the markets are owned by individual traders. The use of scales and weighing machines is becoming widespread.

In Senegal, there has been notable development of markets in the groundnut growing region (Bassin Arachidier) where 200 rural markets were identified in 1984. The country's storage capacity in 1983 was estimated at 84,000 tons for the Commissariat la Scurit Alimentaire (Food Security Agency) and almost 65,000 tons for wholesalers (Ndoye, 1984). Storage capacity utilization rate is considered very low. In 1985, the number of haulage trucks was 4,024 with a total payload of 53,792 tons. Of the 3,292 km of roads, 1,839 km were tarred (Republic of Senegal, 1985). Senegal has one of the best road networks in West Africa.

In recent years, Senegal has placed emphasis on telecommunications by providing all its regional capitals and even towns of lesser importance with telephones. Dakar, with 22% of the country's population and nearly 60% of the urban population, is where the main industrial and financial capacity is concentrated. Most of the food processing industries are located there and it is the main port for imports and exports of the country.

THE OPERATORS OF THE MARKETING NETWORK

Although some producers, like the rice growers in the Casamance, are almost exclusively subsistence farmers, most of them sell their food products in the villages or at the rural markets in small lots, or in bags when they are large producers. Increasingly in the Sahelian region, even farmers with short falls in their yields sell part of their produce at the market even though they may have to buy back the same product later. These operators have different backgrounds.

Individual middlemen include collectors, wholesalers and retailers. In the rural markets in Senegal, collectors buy directly from the farmer in lots of 3 to 15 kg. With their limited resources, they can buy only 2 to 4 bags in any one day, and in fact many of them are commissioned agents for wholesalers. Often farmers double as collectors, thus taking advantage of the dry season to branch out into trading. However, they return to their farming occupations during the rainy season. Still other collectors turn retailers when supplies from producers dry up.

Wholesalers operate both in the rural areas and in market towns. The volume of their transactions vary between a few tons to tens of tons, i.e. enough to fill a 10 to 20 ton truck. As a general rule, wholesalers do not specialize in a single product trade, or even in agricultural products alone. Many in the rural areas still consider themselves as farmers, and in the towns as in the villages, many of them sell a variety of products. Furthermore, it is often difficult to separate wholesalers from wholesalers/retailers because, they do not hesitate to sell at retail when given the opportunity to do so.

A few wholesalers own trucks for hauling their own products: however, transport of agricultural produce is provided mainly by carriers who rent trucks out on charter or charge fixed rates for transport. The retailers come from different walks of life. Producers, especially women, and collectors are seen in the rural markets during the intervening period between sweeping seasons. These women also sell semi-processed products and go into micro-retail. However, market town retailers tend to ply their trade throughout the year in shops or in stalls. In Senegal, Moorish imported rice retailers are a familiar sight throughout the country.

Public institutions are still more or less actively involved in marketing agricultural and food products in the countries of the sub-region. In Senegal, the SONACOS (the Senegalese Oil Seeds Marketing Board) is responsible for marketing groundnuts and has, since 1986, allowed private sector involvement, especially village co-operatives, in the initial collection of products on its behalf. The marketing of cotton is entirely in the hands of the State. Senegal, however, is considering the withdrawal of marketing and processing monopoly for locally produced rice from state enterprises. The Food Security Agency purchases local grain (millet, maize and sorghum) and cowpeas in order to stabilize prices and build up reserve stocks.

Rural consumers include farmers whose production does not cover their family's needs. Surveys conducted in Senegal indicate that these farmers also depend on income from relatives who have emigrated abroad or to towns.

Hence, income earned from urban employment contributes to the upkeep of rural populations. Studies conducted in towns point to the tendency of the poorest urban population to consume large quantities of imported products such as rice and bread that are considered as luxury items (Reardon et al., 1987). The typical urban or rural consumer of the past is fast disappearing.

Marketing Circuits

The circuits in which the activities of these actors take place vary considerably. Mention has already been made of local rice being grown for home consumption in the Casamance. However, Senegalese consumers now obtain their agricultural and food products with increasing frequency from the markets. Locally produced food grains are collected at the rural markets and sold to wholesalers who then transport them to regional urban centres and to Dakar in trucks supplied by truck owners. Private sector involvement in the collection of products on behalf of public organizations has gone a long way in changing ideas of differentiation between public and private sector circuits.

Broken rice is always imported by a public institution and sold to wholesalers in Dakar and in all the regional centres. A public distribution network supplies consumers with food products and other consumer items. However, clandestine trade with neighbouring countries must not be overlooked. In Senegal, "Gambian" rice is sold on the markets of adjacent regions and the quantities involved are said to be large.

Marketing Costs

Traders use very simple rules for determining the cost of their activities. Transport costs, for example, are not calculated on the basis of ton/km cost but rather on kg per given radius and type of road. Storage costs for a few days at weekly markets is 25 F CFA per bag. Handling cost is charged whenever a bag is lifted and taken to another spot. The cost of weighing by scales is 25 F CFA at urban markets and 50 F CFA per bag at the weekly markets (Ouedraogo and Ndoye, 1988a).

In Senegal, collectors cover their costs through a gross margin of 5 F CFA/kg rather than through a relative price/kg margin. The margin covers in particular the return trip to the weekly village market; renting of scales by majority of collectors who do not own scales; market levies; the cost of bags since in the groundnut growing regions, the collector pays for the bags when he sells to wholesalers; weighing, and the wages of one or two helpers to assist the farmer in packing the produce in bags and carrying them to the scales for weighing.

Sometimes a wholesaler visits several markets before he can put together a truckload of products. The cost of transporting agricultural produce from the countryside to the towns give a measure of the high rates charged for transport and handling in Senegal (Annexe I). Wholesalers pay very little for storage because there are adequate storage facilities and rents are reasonable (5,000 F CFA for a 10 - 20 ton facility in Kaolack) and there is a rapid stock turnover. The actuarial² of informal interest rates range between 13% to

2/ This is the interest rate that cancels out the net worth of amounts involved in credit operation: the size of the credit, credit obtention costs and reimbursement period.

120% with a weighted average of 39%. Hence, traders often complain of liquidity shortage. Stock turnover goes some way in alleviating the difficulty. Quick stock turnover works in favour of traders since it constitutes a hedge against the vagaries of the market when food aid distribution abruptly depress demand for their products. Quick turnover is also useful to them because experience in the past three years has shown that price increases in agricultural products within any one year is too small to cover long-term storage costs. In the groundnut growing area for example, from October/November to July/August, producer price differential ranged between a minimum of 4.60 F CFA and a maximum of 19.50 F CFA/kg between 1985/86 and 1987/88.

High transport costs are often due to the relatively small market for the transport merchandize. As trucks on their return journey are often empty, users are required to pay for a return trip. Road construction is therefore not the only sector that needs development. Transport of merchandize from the towns to villages must be encouraged in order to reduce transport costs.

NEW AGRICULTURAL POLICIES AND THE INTERACTION BETWEEN MARKET TOWNS AND AGRICULTURAL DEVELOPMENT

What is or could be the role of market towns in the context of the new agricultural policies? These policies were often adopted to protect the agricultural and rural sectors to the detriment of the industrial and urban sectors even though interaction between the two is vital for the success of such policies. In this section of the paper, we shall take a close look at the constraints and the potential role of market towns in agricultural development through the new agricultural policies adopted in Senegal, especially the liberalization of agricultural markets price incentives, increased involvement of the private sector compared to the public sector and processing of locally produced products.

The Ground Rules

Rules governing trade in agricultural products in developing countries were, in many instances, at the disadvantage of the middleman. Public authorities regulated prices, margins, products movements and the type of trader who can participate in marketing. Study findings show that such rules constrain trade development and thereby the integration of towns and rural areas.

This kind of regulation also impedes the supply of local products in the markets while imported products such as rice are readily available even in the smallest rural market. Thus, there is an artificial barrier to villages supplying towns. The rules, therefore, compound the effects of poor production and encourage the substitution of local products with imported ones (Newman, Mdoye and Sow, 1985). With the introduction of the new agricultural policies, traders claim that there has been an upsurge of product movements. Although the impact of harvest yields should not be discounted in assessing

the situation, it would appear that trade liberalization has had a salutary effect on rural areas supplying towns (Ouedraogo and Ndoye, 1987).

Today, individual middlemen are allowed to participate in the initial collection of groundnuts, Senegal's main export crop. The participation of these individuals, also called individual operators and stockers (OPS), is now very much appreciated by the public authorities because the groundnuts delivered by these OPSs contain much less waste than village cooperatives. Although the OPS's believe that there is room for improvement in their contract terms with the oil mill, this type of relationship enables individuals to accumulate enough capital to buy greater quantities of agricultural products to supply to towns.

Marketing regulations can therefore dislocate the market town development and rural expansion interplay by depressing agricultural products supplies in the towns. Similarly corrective measures of past errors have had a beneficial impact on urban/rural economic relations.

PRICING POLICY

The degree of protection given to the agricultural sector can be measured through price incentives for agricultural products (and where necessary, tariff reform and possibly devaluation). Policy decision-makers find pricing policy difficult to devise because it can often have disconcerting impact on production and consumption and it is not easy to implement.

Increasing production through price incentive stands little chance of success unless other conditions for agricultural development are met (rural infrastructure such as irrigation, research and extension, distribution network for inputs and products). ISRA-conducted studies indicate that even 100% increase in local grain (millet, sorghum and rice) prices would increase food self-sufficiency rate in Senegal by only 10%. (Martin, 1987). Maize is said to be the only grain that responds favourably to price incentives, unfortunately its sale is problematic since it has not yet become part of the food preferences of the Senegalese people.

Price increases could have adverse effects on farmers with short-falls in production and on the poor urban consumers who, because of urban living conditions, are forced to consume imported products such as rice or bread. Inasmuch as rural house/holds are now increasingly dependent on income from their emigrated relatives in the towns, consumer price increases in the towns increases food budget of the population would tend to reduce remittances to the villages and, indirectly, consumption of the rural populations.

Even if price incentives were to have the desired impact, their application to locally produced grains such as millet and sorghum would still create a problem. Most African countries have now adopted a minimum price instead of a fixed producer price for local cereals. However studies indicate that the current state structures are neither sophisticated enough nor do they

have the resources to adequately support a floor price that is applicable in all regions and in all seasons. In Senegal for example, the Agricultural Marketing Board (CSA) does not come in direct contact with farmers who therefore do not benefit directly from incentive prices (Ouedraogo and Ndoye, 1987). The best the Agricultural Marketing Board can do is to base the incentive price on prevailing prices, and buy from collectors in such a way as to encourage competition among traders so that farmers may benefit from the purchases.

GREATER INVOLVEMENT OF THE PRIVATE SECTOR IN RURAL DEVELOPMENT

The new agricultural policies tend to assume that private individuals are quite ready to take over from ailing public agencies without any incentive or preparation. The idea is based on the misconception that the marketing network passively adjusts to any given economic condition. In 1985 private individuals showed a marked interest in acquiring rice husking equipment and in bulk purchases of rice from producers in the Senegal River Valley, but consumer price increase outstripped producer price increase (Morris, 1988). If areas such as liberalisation of profit margins and transport are much appreciated by traders, there are other sectors in which the modalities of private sector involvement have not yet been resolved.

The participation of the private sector in agricultural inputs distribution affords an opportunity to develop relations between market towns, where fertilizers could be manufactured and the rural areas. However such participation is still fraught with problems in Senegal as in other countries. There are four pre-requisites for effective participation of traders. (1) Agricultural production technologies requiring for the use of modern inputs must be available. (2) Traders must have access to loans or bank overdraft facilities and, should it be a national policy to discourage traders giving credit to farmers, then they too should have access to the same facilities. (3) In order to enable them to recover their loans from farmers, traders must be allowed to buy the farmer's production. (4) Private individuals must be familiar with fertilizers so that they can advise and inform producers when for example the latter are considering the non-application of recommended doses. After all the usefulness of marketing lies not only in the timely supply, appropriate quantities and at desired locations of given products but also the ability of the seller to explain how a product is used. Fertilizer distribution implies, more or less, extension in fertilizer use.

In 1987, Senegal began to promote private sector involvement in commercial imports of rice, an activity that has in the past been in sole hands of the Caisse de Prquation et de Stabilisation des Prix (Price Support and Stabilization Board). Private individuals imported 75,000 tons out of the 25% of 300,000 tons allocated to them. The operation which was to be expanded in the following year was suspended because of the difficulties facing private importers in transporting the consignments in acceptable conditions.

These two examples illustrate the difficulties of private sector involvement in rural development that can be overcome through services provided by market towns. The difficulties are also mostly in the area of financial facilities (loans, overdrafts). They are due to lack of know-how of individuals, even in the market towns, in situations where a great deal is expected of them.

Studies conducted to date in Senegal on traders indicate that a wide majority of them do not keep accounts. For all their experience, these traders are incapable of drawing up annual balance sheets and operating accounts to give the status of their undertakings. The only calculating tools these traders have are calculators and small notebooks in which they note down quantities, sometimes prices, and very rarely overheads. More specifically they are unable to properly compute the monthly cost of personnel services or buildings or rented equipment.

In most countries of the sub-region most agricultural products traders are illiterate taking as reference education levels in the French system. However in Senegal many of these so-called illiterate people read and write Wolof, Wolof written in arabic characters. Functional literacy must be geared towards both the farmers and the traders.

A 1987 survey carried out in the groundnut producing region indicates that out of 114 traders, collectors and wholesalers, 74% did not have bank accounts and only 14% have had bank accounts for more or less ten consecutive years. The banking crisis has seriously affected Senegal and other countries with staff lay-off's, closing of branches and the introduction of minimum balances (BIAO Senegal, for example now requires a minimum monthly balance of 200,000 F CFA for current accounts). Yet increased private sector participation in rural development calls for involvement in the national financial circuit, especially the banks. Special non-banking credit institutions do not promote the incorporation of private individuals into the country's banking system.

PRICE INFORMATION DISSEMINATION

Information is an essential factor in decision-making by operators of the marketing network. Proper information sets the scene for healthy competition among partners and improves the efficiency of the system. Dissemination of information is potentially good for improving the flow of agricultural products between villages and market towns.

In 1987 in Senegal the Food Security Agency started to collect producer and consumer prices of local products such as millet, sorghum, maize and cowpeas in some thirty rural and urban markets for broadcast on the Rural Radio and publication in the national daily "Le Soleil". Preliminary findings show that the assessment of the information service shows that better use must be made of the service in order to make it more effective.

More than half of the users (producers, traders and consumers) do not always listen to the radio broadcast of prices. Prices published in "Le Soleil" (with an estimated circulation of 18,000 or 30,000 depending on the source of information) are addressed to a very small readership that have little interest in millet and sorghum. Radio broadcast does not give price levels and therefore many listeners misconstrue the information and it is not surprising that they think these prices do not reflect market trends. Producers, for example, might tend to think the broadcast prices were producer prices. While traders would take them for wholesale prices. As a matter of fact many users have not grasped the meaning of price information dissemination and confuse them with officially fixed prices, that the Government would have respected.

The results show a need for advertizing the service so that it has an impact on products movements throughout the country. The Marketing Board should ensure that prices disseminated are reliable by choosing carefully devised collection methods and checking the price before dissemination (refer to Ouedraogo and Ndoye on this subject, 1988 b). The method of dissemination must be upgraded to enable the majority of users to benefit from the service. Consideration should also be given to publishing them in the national language.

PROCESSING OF AGRICULTURAL PRODUCTS

Processing local agricultural products affords the Food Grain Plan (Plan Cralier) the opportunity to determine more clearly the relationship between urban processing industries and the expansion of grain production (République du Senegal, 1986). In fact Senegal has a very active processing and food technology industry as evidenced by attempts to introduce panibl (a composite flour) in the 1970s. However a significant increase in the consumption of local food grains in the towns will not be effected overnight.

Local millet, when processed, is now more expensive³ No than imported rice sold at 130 F CFA/kg in Dakar. Housewives buying threshed millet at 90 F CFA/kg to 100 F CFA/kg in Dakar have to spend another 20 F CFA/kg to 30 F CFA/kg for manual hulling and as much for milling. "Sankhal", the rough milled millet costs 300 F CFA/kg in grocery shops. Maize can be processed to look like broken rice and for all intents and purposes tastes the same as broken rice, but according to experts, processing costs are still very high.

Observations in Senegal point to at least three prerequisites for food technology development. First, the cost of these technologies is as yet too expensive so that prices of other products would have to be subsidized or

3/ The announcement made in May 1988 to reduce the price of rice from 160 F CFA/kg to 130 F CFA/kg in Dakar let to a disproportionate reduction of millet price in Dakar, thus making millet even less competitive compared to rice. In terms of broken rice price, threshed millet increased in price by *% and the price of hulled millet rose by an average of 12% during the May - November 1987 and May - November 1988 periods, according to retail prices published by USAID/Senegal.

increased before new technologies could be adopted. Therefore less costly technologies will have to be developed. Secondly, and this is related to the first point, there must be an uninterrupted supply of the raw materials (millet, maize, etc) in order to ensure that equipment operate at acceptable capacity. Industries would have preferred to use, for example, locally produced maize because of its higher flour content compared to that of imported maize, but they have difficulties in getting private individuals to respect delivery dates. Therefore they are resigned to imports. (Verbal communications: Maize Project. FRG; SOMIVAC). Thirdly, the technologies proposed to date are very rudimentary. Increasing maize consumption by promoting broken maize restricts the possible uses of the product.

CONCLUSIONS AND RECOMMENDATIONS

The new agricultural policies are generally designed in a context of rural/urban antagonism in order to privilege the agricultural sector. It is true that past policies failed to perceive the importance of agriculture in the rural areas, and that agricultural development based on the Van Thunen model has not lived up to expectations. It does not mean, however, that the inter-relationship between market town development and rural expansion should be overlooked. Market towns are still the best outlets for the intended agricultural and rural production growth. These centres should also be developed in order to enable them to supply the inputs and services required for sustained agricultural development.

The new policies contain ideas for reactivating market town-village interaction but their application should be improved. The best opportunities for strengthening economic and social linkages between market towns and the rural areas lie in the following fields:

- Trading regulations for agricultural products should be designed to promote the movement of products from the country side to towns. Dissemination of price information would tend to facilitate product movement from villages to towns. Upgrading the road network and increasing the number of trucks in themselves are not sufficient to cut down transport costs; conditions must be established for raising the volume of goods transported from towns to villages to prevent paying for a return journey. Local food product processing technologies must be efficient as well as innovative if the end products are to compete with imported items. The involvement of the private sector in these activities will not be automatic; often the traders do not have the know-how, resources or capital to participate effectively in the trading circuits that the new policies aim to develop.

Agricultural and economic and social research is vital. Agricultural development, for all the price incentives and private sector involvement, cannot be attained without generating improved production technologies acceptable to producers. Adjustment policies constitute a process on which the welfare, good or bad, of the entire population depends and on which the survival of political regimes are hinged. There is an urgent need for research on the motivation of operators and the impact of the various policies.

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ANNEXE I:

AVERAGE MILLET MARKETING COSTS
BORNE BY WHOLESALERS IN THE GROUNDNUT PRODUCING
AREA: PURCHASES AT WEEKLY MARKETS FOR WHOLESALE
TRANSACTIONS AT URBAN AND SEMI-URBAN CENTES

CALCULATED ITEMS	SALES POINTS						
	DAKAR	DIOURBEL	KAFFRINE	KAOLAC	THIES	TOUBA	ZINGUINCHOR
GROSS MARGIN (F/KG)	11.36	8.63	7.50	6.62	9.15	8.80	10.80
HANDLING (F/KG)	1.22	1.40	1.10	.97	1.42	1.14	1.32
TRANSPORT (F/KG)	5.19	4.00	5.13	2.90	5.00	3.71	5.00
ROAD EXPENDITURES (F/KG)	1.03	.10	.0	.66	.19	.09	.12
STORAGE (F/KG)	.23	.25	.11	.60	.25	.22	.25
COST OF CAPITAL* (F/KG)	.19	.09	.14	.60	.15	.08	.27
NET MARGIN (F/KG)	3.51	2.78	1.02	1.97	2.14	3.55	3.84
NET MARGIN (% PURCHASE PRICE)	5.36	5.53	1.74	3.08	2.99	5.43	4.87
AVERAGES QUANTITIES (KG)	12093	14060	8650	9829	16000	8150	13806
DISTANCE (KM)	281	159	71	46	206	134	211
DURATION OF THE OPERATION (DAYS)	7	4	5	2	5	3	8
NO OF SALES OBSERVED	8	1	2	5	2	4	8

SOURCE: OUEDRAOGO AND NDOYE (1988a) ISRA
*at 15% annual interest rate.



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MARKET TOWNS AND RURAL GROWTH: BUILDING URBAN-RURAL LINKAGES

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Market towns and cities in Africa play crucial roles in agricultural production, food distribution and marketing. They are likely to become even more important over the next two decades as Africa goes through profound changes of rapid urbanization and agricultural transformation. But international assistance organizations have not fully recognized the crucial roles that towns and cities play in agricultural and rural development. Nor are government investments in urban services and infrastructure, or programs for private sector expansion, designed to stimulate and strengthen the economic and physical linkages between urban and rural areas.

The rapid urbanization now taking place in Africa will influence the demand for food and the composition of agricultural production for the next quarter of a century. African governments and international assistance organizations must recognize five basic points if they are to adjust their development policies and programs in the future:

1. Towns and cities in Africa structure the marketing network through which agricultural commodities are collected, exchanged and redistributed. Agricultural goods that are not retained for household consumption or traded in rural periodic markets move through a complex network of public and private enterprises in villages, market towns, secondary cities and metropolitan areas.

2. Without this network of towns and cities, agricultural trade is usually restricted to periodic markets in which subsistence farmers exchange goods among themselves or with intermediaries. The incentives for increasing production that come with the ability of farmers to market their goods competitively is lost. In such circumstances, agriculture does not easily expand beyond subsistence production.

3. As agricultural productivity increases and farming becomes more commercialized, it depends more heavily on inputs such as fertilizers, pesticides, farm implements, irrigation equipment, storage and refrigeration facilities and transportation equipment that are produced in cities and distributed in rural regions through market towns and small urban centers.

4. Rising incomes from increased agricultural production create internal demand for a wide range of household and consumer goods that can be produced in market towns and small cities or distributed through them. Without access

to the goods and services that market towns and cities can provide there is little incentive for farmers to increase their output and raise their incomes, and little opportunity to improve their living conditions.

5. The ability of towns and cities to perform important functions in rural and agricultural development depends heavily on the diversity and quality of their infrastructure and facilities, the planning, management and financial capacities of their local governments, and on the strength of private enterprises to provide necessary services and productive activities.

Market towns and small cities in many parts of Africa are already playing a crucial role in providing the services, infrastructure and utilities necessary to support small- and medium-scale enterprises that generate off-farm employment. Many African towns and cities act as centers of innovation diffusion for new agricultural methods and technologies and are channels of agricultural information essential to increase production (Rondinelli, 1983). Many rural non-farm enterprises--raw material processing, manufacturing, construction, transportation, retailing, wholesale trading, and personal and financial services--are also located in African towns and cities, serving both urban residents and people from surrounding rural areas (Obudho, 1983).

In the future, if towns and cities are to play a stronger role in expanding off-farm employment opportunities, facilitating agricultural development, providing employment and offering the conditions necessary for private enterprise expansion, international assistance organizations and national governments will have to give much more attention to improving their physical infrastructure and public services. Investments in roads, market facilities, transportation facilities, housing, storage, and utilities will be needed in market towns and small cities. In addition, more attention will have to be given to strengthening the capacity of local governments to manage urban infrastructure and services efficiently.

URBANIZATION AND AGRICULTURAL DEVELOPMENT IN AFRICA

Although Africa is now the least urbanized region in the developing world, its rate of urban population growth is the highest. Urban population is expected to increase on average by more than 4.7 percent a year over the next decade. In 1960, there were only about 52 million people living in urban areas in Africa. By 1980, that number more than doubled to 129 million. At the end of the 1990s more than 340 million people--about 42 percent of the population--will be living in urban places. In northern Africa more than half, and in southern Africa about 60 percent, of the population will be urbanized (UNCHS, 1987).

Cities and towns in all size categories are growing in number and population. The number of people living in towns of less than 100,000 population grew from 24 million to nearly 58 million between 1960 and 1980. The number of cities with from 100,000 to one million in population will increase from the 82 that existed in 1960 to 149 by the year 2000. In 1960, there were only 4 cities in Africa with more than one million in population,

and they had less than 8 million inhabitants. By 1980, the number of cities of more than a million people increased to 20 and will expand to 59 by the year 2000. Their populations will grow from about 37 million to nearly 83 million (UNCHS, 1987).

Although cities in Africa are growing rapidly, agriculture plays a crucial role in the economies of nearly all African countries and will continue to do so for the foreseeable future. Agriculture contributes on average more than 40 percent of the gross domestic product in African countries. More than 75 percent of the labor force is engaged in agriculture. Primary sector goods account for more than 68 percent of total African exports (World Bank, 1986). In addition, African governments derive a large amount of revenues from direct and indirect taxes on agriculture (Lele, 1981).

IMPORTANCE OF URBAN SETTLEMENTS FOR AGRICULTURE AND RURAL DEVELOPMENT

The roles that African towns and cities play in support of agriculture will become increasingly important over the next decade. Governments in African countries, and international assistance organizations, will have to deal more effectively with urban-rural relationships in three types of economies: 1) in regions where agriculture is still at a low-surplus or subsistence level; 2) in regions in transition to commercial agricultural production; and 3) in regions with large cities and metropolitan areas.

Urban-Rural Linkages In Low Surplus Agricultural Areas

In low-surplus and subsistence regions, where less than half of the agricultural production is traded, rural households do not participate heavily in market activities. Much of the traded surplus is exchanged in small lots in periodic market places, or is collected at the farm gate by itinerant brokers or traders who resell it in larger lots at markets in towns and cities. Although intermediaries, brokers, and traders play a crucial role in the exchange process in low-surplus areas, if farmers themselves do not have access to markets they can easily be exploited by middlemen.

The marketing characteristics of low-surplus agricultural regions differ drastically in different parts of Africa and within individual countries. Yet the spatial aspects of marketing have some common characteristics in nearly all low-surplus regions. Among the common features are: 1) low levels of marketing interaction among low-income households, and weak trade linkages between rural areas and towns and cities; 2) strong dependence of most farmers on intermediaries and brokers to collect and market their surplus goods; 3) short geographical distances of market interaction for most rural families who trade primarily in periodic market-places; 4) long travel distances for most rural residents to towns and cities for purchases of specialized goods and services; and 5) relatively small numbers of towns and villages with significant levels of market trade. In subsistence or low-surplus regions

widely scattered and poorly connected towns function primarily as rural service centers (Rondinelli, 1987).

In many subsistence regions, there are few market towns and cities that can provide outlets for the sale of agricultural surpluses and for the distribution of inputs and consumer goods and services. Other low-surplus regions may have large numbers of small towns, but the settlements are not physically and economically integrated and their markets are not vertically coordinated. Small-town markets often are not linked to bulking and assembly centers in intermediate cities, and the intermediate city markets are not effectively linked to the larger urban markets for agricultural products. Nor are linkages between market towns and intermediate cities and their surrounding rural areas strongly developed. Thus, only those people living in market towns and cities usually benefit from their services and facilities. Those living in peripheral or far-distant areas have little or no access to either markets or agricultural inputs.

Studies in other parts of the developing world indicate that small and marginal farmers usually have more marketable surpluses than agricultural experts expect. But inefficient agricultural marketing systems and limited access to market towns have serious negative impacts on farmers' living conditions. Poor access to markets increases the proportion of marketing costs for all farmers, but has stronger adverse impacts on small and medium sized farmers than on large scale producers (Bohle, 1985). When they have a choice, farmers prefer to trade even in small periodic markets rather than to depend exclusively on intermediaries. Research on grain and livestock transactions in the Cinzana region of central Mali, for example, indicate that the majority of transactions in all commodities take place in weekly markets because these periodic market centers provide better access and terms of trade for small scale producers (Coulibaly, 1985).

The lack of an effective system of market towns in rural regions not only limits the accessibility of farmers to market outlets and increases transport costs, but it also limits their access to the social services and consumer goods that provide important incentives for increasing production and household income (Epstein, 1985).

Studies of the Louga Department in Senegal, for example, show that inadequate services and infrastructure in market towns and weak physical and economic linkages between rural villages and market centers are serious obstacles to economic growth in the region (Gihring, 1986). Among the factors inhibiting increased agricultural production and off-farm employment are inadequate roads, the infrequency of transportation services in rural areas, the concentration of services and facilities in only a few of the towns in the department, and the long distances people must travel to market their goods and obtain services. Most traded agricultural goods are simply exchanged in small periodic markets. The commercially traded goods are gathered by agents or truckers and sold in Louga or Dakar. Except for perishable vegetables, most agricultural goods and rural crafts are brought to periodic markets by farmers who must walk, on average, 10 kms. each way between home and market. Thus, they can sell only what they and their families can carry.

In the absence of accessible markets for selling agricultural surpluses and for purchasing goods and services with increased income, there is little motivation for rational farmers to increase output.

Roles Of Market Towns In Commercializing Agricultural Regions

In regions that are in transition from low-surplus to more commercialized agriculture, the requirements for increasing production become more numerous and complex. When the demand for and the supply of agricultural goods begin to grow larger, increased production depends on modern farming technologies that raise both yields from existing land and the output per unit of human time. Modern agriculture depends not only on new technology and research and extension, but also the production of industrial inputs and on government policies and programs that support agricultural development (Mellor, 1967; Wharton, 1969).

The linkages that emerge between agriculture and commercial and manufacturing activities in towns and cities as development occurs take a number of forms:

First, as agricultural productivity increases and farming becomes more commercialized, it depends more heavily on manufactured inputs, including fertilizers, pesticides, farm implements, flood control and irrigation equipment, land clearance equipment, tractors, agricultural chemicals, storage and refrigeration facilities, and transportation equipment. Most of these inputs are produced in cities and must be distributed through a network of market towns if they are to reach farmers (Johnston and Kilby, 1975).

Second, the economies of market towns and small cities also come to depend more heavily on increased agricultural output. Agricultural products provide inputs for expanding agro-processing industries--those that mill grains and rice, process meat and dairy products, and refine sugar, for example--many of which are located in small towns and cities in rural regions. Agriculture also provides inputs such as natural fibers and livestock by-products to non-food processing industries (UNIDO, 1972). In many African countries, market towns and small cities offer locational advantages for agro-processing and agribusiness enterprises (Rondinelli, 1983).

Third, and equally important, rising rural household incomes from increased agricultural production create internal demand for a wide range of manufactured goods produced in cities. Research shows that where agricultural production has increased beyond the subsistence level, demand has increased rapidly among rural households initially for clothing, shoes, sandals, combs, brushes, cosmetics, plastic, light fixtures, wooden furniture, bricks and paint for home improvements, bicycles, radios, and electric fans. As incomes continue to rise, greater demand is created for consumer durables such as televisions and motor vehicles (Johnston and Kilby, 1975). Market towns and small cities can accommodate the shops and stores that meet growing consumer demand in rural areas as agricultural development proceeds.

Fourth, as agricultural productivity increases, market towns and small cities must play a more vigorous role in supporting small-scale enterprises and generating off-farm employment. Rapidly increasing agricultural productivity frees labor from farming and pushes people from rural areas into towns and cities in search of new employment and investment opportunities. Employment in towns and cities allows farmers in nearby rural areas to supplement household income. Remittances earned by migrants provide additional income for household members remaining in rural areas.

A growing number of studies confirm the conclusion that the expansion of private enterprise in market towns and small cities in rural regions is essential for developing agriculture and for generating off-farm employment (Liedholm and Meade, 1986). The World Bank (1978) has found that increasing agricultural production and employment in off-farm enterprises is necessary to raise rural household income, retain population in rural regions, moderate the migration from rural areas to large cities, and diversify rural economies. In many countries small- and medium-scale enterprises in rural regions are at the nexus of a constellation of activities that accelerate economic growth (Steel and Takagi, 1983).

Rural enterprises now provide a primary source of employment and income for between 25 and 33 percent of the rural labor force in developing countries. They provide part-time employment and supplementary income for small-scale farmers, and full time employment for townspeople in food preparation, construction, personal services, transport, agro-processing, commercial services and small-scale manufacturing activities. In Kenya, for example, rural nonfarm enterprises include a wide range of these activities that are primarily located in market towns and small cities. Employment in the rural nonfarm sector in Kenya is about 8 times as large as in the urban informal sector (Freeman and Norcliff, 1981). In many market towns in Africa, women are the primary vendors and retailers of cereals, grains, vegetables and prepared foods as well as cottage industry products. Small-scale and informal enterprises in market towns are crucial to enhancing their household income.

Fifth, market towns and cities can also facilitate agricultural and rural development in other ways. Market towns act as centers of innovation diffusion for new agricultural information, methods and technologies developed in larger urban centers or abroad. The population growth and economic diversification of these towns and cities also influence the agricultural cropping patterns and land uses in surrounding rural areas (Wortman and Cummings, 1978).

Finally, the single most important function of towns and cities is that they form an essential marketing network through which agricultural commodities are collected, exchanged and redistributed. (See Figure 1.)

In nearly all commercial agricultural regions, agricultural goods that are not retained for household consumption, feed, seed or in-kind payments, move through a complex network of public and private enterprises based in villages, market towns, and intermediate-sized and large cities (Rondinelli, 1986). Both food and nonfood agricultural products are marketed by farmers in

rural areas through cooperatives, itinerant traders, brokers, hullers, processors and millers, or directly by farmers themselves in village periodic markets. Food products are also sold in market towns to brokers and truckers, commission agents, and government marketing agents, or directly to consumers in market places. Often some portion of the agricultural products sold in villages and towns is bulked by traders, brokers and truckers, processors and assemblers, and commission agents for resale in regular markets and to wholesalers and retailers in larger towns and cities. Government marketing boards, wholesalers, and brokers often re-bulk goods not sold in town and small city markets for sale in metropolitan areas to exporters, urban wholesalers, retailers, public institutions, supermarkets, informal sector vendors, restaurants and hotels, grocery stores and a wide range of other outlets. Thus, towns and cities not only facilitate the marketing of farm products, but are essential to the whole chain of exchange on which commercial agriculture depends.

In brief, where they function effectively, market towns and small cities provide outlets for agricultural goods and products of cottage industries from surrounding rural areas. They provide investment and employment opportunities for both town and rural residents in a wide range of agricultural processing and market-related trade activities. They function as agricultural supply centers, providing equipment, seeds, fertilizer, machinery, repair services, and information needed for agricultural development. Many towns and small cities also offer an impressive array of economic, personal, commercial, and public and social services needed by rural households.

Market Towns as Links to Agricultural Markets in Large Cities

International assistance organizations and African governments have largely ignored the role of large cities and metropolitan areas as markets for agricultural goods, and the importance of market towns in linking rural areas to them (Rondinelli, 1987a). Where they exist in Africa, large cities are important market centers for agricultural goods produced in peripheral and rural areas. For example, in Tanzania, farmers from the rural hinterlands of Dar es Salaam, Morogoro and the Coast Region, Mbeya, Arusha and Lushoto all supply the major wholesale market in the city of Dar es Salaam (Sporrek, 1985). The largest amounts of food are bulked at villages and towns well known to producers in the supply areas by truckers, middlemen and small-scale wholesalers.

In most large African cities, the distribution, preparation, and sale of food involve a large number of workers in both large and small enterprises and in informal sector activities. The linkages between the formal and informal sectors involved in urban food distribution and sale are usually quite strong (Rondinelli, 1987a). The World Bank's studies show that among the nonagricultural self-employment activities in the urban areas of the Cote d'Ivoire, nearly 45 percent in Abidjan are food related enterprises. In other urban areas of the Cote d'Ivoire, nearly 46 percent of the enterprises involve the preparation, exchange or sale of food (Vijverberg, 1988). Much of the

investment and employment in the informal sector in African cities are related to food distribution, preparation and sale and employ the labor and entrepreneurial skills of women.

For farmers in many rural regions with commercial agricultural economies, large cities and metropolitan areas are the final markets for their products and the sources of many of their manufactured inputs and consumer goods.

POLICY IMPLICATIONS FOR A.I.D. AND HOST COUNTRY GOVERNMENTS

Although A.I.D. and other international assistance organizations have provided marketing assistance for poor farmers and for small-scale enterprises involved in urban food distribution, they have not thusfar focused their attention on ways of strengthening the systems of market towns and cities on which increased agricultural production, employment expansion, and enterprise development so heavily depend. Much of the assistance that has been given by international organizations in the past has been for improving agricultural production technology rather than for expanding or improving marketing systems. Nor have most governments in Africa given serious consideration to locating their investments in agricultural support services, physical infrastructure, housing and urban social services and facilities more effectively in market towns and small cities. They have ignored the opportunities to locate investments in ways that will strengthen relationships among these investments and the capabilities of towns and cities to facilitate agricultural marketing and private enterprise development.

Given the rapid pace of urbanization in Africa, the urgent need to increase food production in rural areas and to expand employment opportunities in urban settlements, policies that focus on strengthening urban-rural linkages will become crucial to the economic progress of African countries over the next two decades.

A.I.D. and other international assistance organizations can make an important contribution to solving the food production and employment problems in Africa by providing financial and technical assistance that strengthens their marketing systems and the network of towns and cities in which markets are based.

Policy Dialogue and Policy Reform

International assistance organizations can play an important role in helping governments in African countries to reassess and coordinate their national policies affecting urbanization and agricultural development. The problems of agricultural development, employment generation and enterprise development are inextricably related. If agricultural development and employment expansion programs are to be successful, national policies must contribute to creating five conditions (Mellor, 1986). First, there must be an acceleration in the growth rate of agricultural production. In most African countries, increases in agricultural output will come through changes

in technology and pricing policy. Second, there must be widespread access to land ownership and secure tenure rights for small scale producers. Third, the expenditures from increased income derived from accelerated agricultural production must create demand for a wide range of goods and services produced by enterprises in towns and cities. Fourth, an effective marketing system must be created to lower food prices and to encourage employment in nonagricultural sectors by making labor less expensive than the goods and services it produces. Finally, a well integrated system of market towns and cities with appropriate infrastructure and services must be available to provide agricultural inputs and technology, to provide consumer goods and services, to support small and medium scale enterprises that generate off-farm employment, and to provide market outlets for agricultural surpluses.

National policies can support or inhibit the creation of these conditions. The ability of market towns and cities to facilitate increased agricultural production depends on appropriate agricultural pricing policies. If government policies and pricing restrictions act as disincentives for increased agricultural production there is no reason to believe that the existence of market towns alone will create incentives for increased output.

In countries with predominantly low surplus agricultural production or in which the private sector is weak, governments may have to take a strong role in providing at least a minimum package of agricultural inputs. Governments may have to provide credit to cooperatives or private enterprises to supply farm inputs. In the short run, governments in some countries may have to provide inputs that farmers cannot easily provide for themselves individually or through cooperative activities, or that private enterprises cannot offer effectively or efficiently.

Investment in Market Town Infrastructure and Services

International assistance organizations can play an important function in helping African governments with the allocation and location of investments in infrastructure, services and facilities in market towns and cities. Because investment resources are scarce in most developing countries, many projects that are needed to support agricultural development and off-farm enterprises cannot be scattered widely over the countryside. They must be concentrated in strategically located settlements that have adequate populations to support them and that are accessible to people living in a large surrounding rural area.

The most important elements of an infrastructure and services investment program for market towns in low surplus and commercializing agricultural regions, are:

1. Basic market-support infrastructure, especially community storage facilities, adequate transportation facilities, and farm- to-market and inter-market roads that can increase the physical access of farmers to market towns and small cities.

2. Public services, facilities and utilities that support small- and medium- scale enterprise development in market towns and small cities. Public facilities are especially important for small and medium scale industries providing basic consumption goods and agricultural inputs.

3. Basic health, education and social services that improve the productive resources of town dwellers and the rural population. Once these basic social services are in place they can create the preconditions that allow private enterprises and nongovernment organizations to offer a wider range of personal and commercial services in small towns and cities (Wanmali, 1985).

4. Investments in market facilities, credit and technical assistance for small- and medium-scale commercial, farm supply, agricultural processing, and food distribution enterprises in towns and cities. Priority for investment should be given to towns and cities that are strategically located to serve a large rural population from surrounding areas.

In making investments in services and facilities in market towns in Africa, A.I.D. and African governments must take into consideration the special role that women play in both agricultural production and market place trade. It is estimated that 85 percent of the rural women in Africa work in agriculture and that 80 percent of food consumed in rural areas is produced, processed and stored by women (Cassem, 1987). Women often make important decisions about the allocation of agricultural products between household retention and commercial marketing. Women are heavily involved in--and in some countries have a crucial role in managing--all aspects of the food system in market towns and cities. Their needs as participants in distribution, marketing and processing must be considered. The facilities and infrastructure provided in market towns should be designed to meet their particular needs and should facilitate their activities. Women's participation in program planning and implementation can strongly influence the success of investments aimed at strengthening the economic functions of market towns.

A.I.D. can also help African governments to improve the financial management capacity of municipal governments in market towns and small cities, to develop new methods of raising local revenues for providing infrastructure and services, and to improve municipal management capability to maintain them. A.I.D. can play a crucial role in helping national governments in Africa to decentralize appropriate services to the local level, and create decentralized financial and management capabilities in local governments and nongovernment organizations.

Investments in Urban-Rural Physical Linkages

Although most governments in developing countries allocate inadequate resources to agriculture and marketing, significant changes in rural-urban marketing systems can be brought about without massive new investment.

Careful locational analysis and planning of current investment to promote a pattern of decentralized concentration of productive activities and market facilities in existing market towns and cities can begin to strengthen the capacity of these places to facilitate agricultural development. Strengthening the marketing functions of towns and cities must be done carefully, incrementally, and strategically. Not all towns and cities in a region can or should have a full range of marketing services, facilities and infrastructure. One of the benefits of having a well-developed and integrated system of towns and cities is that it provides access to a wide range of functions for a large number of people without each settlement having to provide all of them.

A.I.D. has already developed applied methods of regional analysis that can be used to identify the market towns and cities that perform important support functions and to determine their investment needs (Rondinelli, 1985). Incremental changes in the allocation and location of already-planned investments can be the basis for building a stronger network of market centers from which to provide the services, facilities and productive activities needed to stimulate rural economies.

For these towns to perform their functions effectively, however, they must be linked together physically in a network that forms an integrated market system. Investments are needed in roads, telecommunications, and rail and waterway transportation. A.I.D.'s studies of rural-urban road investments in developing countries indicate the pervasive impacts these physical linkages can have on both agricultural and urban development. Among the benefits of farm-to-market and arterial roads in countries with conducive agricultural policies have been: lower transport costs, significant agricultural production increases, changes in crop composition, adoption of commercial inputs and more effective agricultural extension services (Anderson and Vandervoort, 1982). The extension of road systems also facilitates the spread of agricultural processing activities in rural regions, increases land values in areas along the roads, and stimulates new and more effective marketing patterns. Roads increase access to off-farm employment, and provide easier access for a larger number of rural households to social and public services located in towns and cities.

CONCLUSIONS

In brief, development programs for market towns and cities that improve urban-rural linkages and strengthen regional marketing systems can make important contributions to increasing agricultural production, expanding employment, and promoting private enterprise.

But before A.I.D. can engage in policy dialogue with governments in Africa or extend financial and technical assistance effectively, much more needs to be learned about rural-urban food and input-supply marketing systems in developing countries. Although A.I.D. has sponsored a large number of

commodity marketing studies in developing countries, neither it nor other international assistance organizations have done extensive research on the spatial characteristics of urban food marketing systems or the regional patterns of market interaction.

Nor do we understand fully the social and economic changes--some of which can be adverse for the poorest rural households in the short run--of expanding market systems in subsistence agricultural regions.

Much more research also needs to be done on the dynamics of market towns and small city growth and on the kinds of investments that support and facilitate development of market towns and small cities at different stages of growth.

Little comparative research has been done on the strengths and weaknesses of different organizational structures for decentralizing financial and management responsibilities to municipal governments in African countries or on the most effective means of generating local revenues.

Despite these gaps in knowledge, however, policies and programs for developing market towns and cities and strengthening urban-rural marketing linkages will offer A.I.D and African governments a challenging opportunity in the future to stimulate agricultural development and guide urbanization in mutually beneficial ways. The success of those policies and programs may well determine the success of national economic development efforts in Africa during the next decade and the early years of the next century.

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Visit to the municipality of Sinfra

**STRENGTHENING OF LOCAL MANAGEMENT CAPABILITIES
FOR ECONOMIC GROWTH: THE COTE D'IVOIRE CASE**

BY

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Even though it has now entered the thoughts of all political leaders, the concept of economic development is recent. In the first stage, economic development in third world countries took place in a voluntary manner through large projects. Modern agricultural lands increased, factories sprang up in the midst of fields, modern infrastructure was installed here and there. While most of the time being definitely useful, this equipment quickly found a limit during the economic crisis. Such projects were expensive and their profitability difficult to master.

Since strategies of economic development based on major poles is running out of speed, a new way remains to be explored; that of development based on existing localities in order that they may themselves generate economic development or contribute to that development. In this context, the vast movement of decentralization which started in Côte d'Ivoire in 1980 is likely to offer an alternative solution. We shall examine successively the stages and the characteristics of Ivorian decentralization, its major forms of intervention and the factors which help to reinforce it.

A) The stages and characteristics of Ivorian decentralization

After a gestation period begun in 1978, the recent Ivorian decentralization movement has known two major stages, one in 1980 and the other in 1985.

Since 1978, lawmakers decided to increase the number of communes (local administrative districts) and established 26 communes with full responsibilities. The movement was thus launched. After two years of gestation during which initial legislation designed to regulate their operations was prepared, the communes became a reality in 1980 with the election of the first municipal councils by universal suffrage.

This initial stage of decentralization was first and foremost a phase for the preparation of laws (to date 9 laws and 25 decrees) and the initiation of the operation. This first stage was limited to the agglomeration of Abidjan

where ten communes and a central city unit were created, as well as the most populous and active areas in the interior of the country. This phase reached a population of some 3,000,000 inhabitants.

The second phase of decentralization started in 1985 with the creation of 98 communes in various localities. This was a remarkable growth in the communal field bringing the total number of officials elected by universal suffrage to 3,910 as against 1,210 previously, and the population covered by communes up to 4,200,000 which represents about half the population of the country.

As an enlargement phase, this second stage is also marked by a deepening of the operation where the priorities are: greater concentration on rigorous management, the establishment of a real community development policy and a greater respect for the legal texts and rules. The major thrusts of this second phase are important as they will largely determine the stages to follow.

To describe Ivorian decentralization, we should distinguish the political, economic, social and legal aspects.

From the political point of view, decentralization has had the full support of the Head of State, the Government and of the Party. The most vivid proof of this support is the fact that, in spite of the limited financial means of the state, nearly 60 billion Francs CFA have been placed at the disposal of the communes. Although having benefited from external financial aid it can and must be noted that the operation was integrally supported by the Ivorian Budget.

Looking at their economic weight, the Ivorian communes manipulate a total annual budgetary mass on the order of 36 billion Francs CFA ; and sums allocated for investments total a little more than 12 billion Francs CFA.

Compared to the State budget, the communes represent about 6% of the operating budget and 8% of the investment budget. The communes directly employ some 13,000 persons. In indirect way it can be estimated that the communes have created about 8,000 jobs through the limited investment that they are carrying out.

From the social point of view, decentralization covers the entire national territory, including the most disadvantaged localities.

As far as the political personnel is concerned, all social categories are concerned. The country's professionals feel very concerned by the decentralization exercise and are massively represented in the municipal councils. The posts of mayor are occupied almost exclusively by these professionals which is an indication of their attachment to their regional origins.

Considering the legal aspects of decentralization, it must be noted that all the communes enjoy an identical legal regime whatever their size or place, whether rural or urban. Thus the communes from the smallest to the largest, from the richest to the poorest, enjoy the same rights and have the same responsibilities. At the head of each is a mayor elected by the municipal council. The municipality constitutes a collegial organ around the mayor and the municipal council - the deliberating organ - decides on the duties of the commune which the mayor and the municipality are charged with carrying out.

In the administrative organization of the state, the commune is the only decentralized level. The actions of state are taken over locally by its representatives who are the prefects and sub-prefects and the external services of the technical Ministries.

The commune of 1980 is therefore a recent entity which benefited from the patronage of the political hierarchy. Let's examine its actions from a daily point of view and let's see if the planned objectives are being met.

B) Types of interventions of Ivorian communes

Besides the types that can be defined as classic, the communes intervene in an indirect way, the mayor acting as a stimulator and as a catalyst. Both aspects of this point will be examined.

The Ivorian communes have at their disposal a general competency clause which enables them to intervene in all areas whenever local interests are involved. In practice, the communes orient their activities towards four major sectors: general services; collectivity services; social, cultural, and human promotion services; and economic services. The budgetary amounts that they devote to each of the above-mentioned areas allows one to see where the communes are most active. At the operating expenses level, the community services are ahead followed by general services. Concerning investments, the communes prioritize social, cultural and human promotion services, closely followed by community services.

Thus the communes appear as a provider of services rendered to the population. The creation of a municipality begins with the improvement or simply the providing - when nonexistent - of a gamut of services to the inhabitants of a city. Therefore, it can be said that the population of a commune has a tendency to appear to be favored in the eyes of those who live in localities not yet erected into communes. This represents an important element of the study presently being conducted on the increase in the number of communes, given that it is difficult to envisage the perpetuation of a differential treatment of Ivorian localities.

Concretely, municipalities are particularly able to render important services in the carrying out of daily-life administrative actions, the disposal of household refuse, and in the educating children.

Besides the classic administrative activities - notably the elaboration of civil status certificates - the communes have intervened in sectors which to date have received very little attention, such as the collection of household refuse, which requires particular dynamic management.

In the same way, the level of needs to be satisfied in specific areas such as the education of children, have led the communes to react to satisfy the demand.

Concerning collectivity services (collection of household refuse, road maintenance, public sanitation, etc...) it would be wrong to say that sub-prefectures were negligent in this regard. However, the system of delegation of funds as practiced, did not allow the meeting of immediate needs. On the contrary, the municipality - with an autonomous budget - can rapidly react to needs as they are expressed.

Concerning the education of children, the needs are immense. Each municipality has involved itself in the construction of schools. To date approximately twenty communes are involved in the construction of junior high schools and approximately ten are already involved in building high schools, or are preparing to. The generalization of the municipalities' intervention in the educational sector will create important financial problems considering the heavy burden that educational expenses represent in the government budget.

Possibly the municipalities should envisage fixing the cost of their services when they build or maintain schools just as the private sector does?

In intervening in a determined manner in the construction of schools, the municipalities are placed at the turn between classical modes of operation where the product or the services are procured finished and the novel modes of operation. With the construction of a high school no one doubts that the mayor and the municipal council wish to satisfy electors. Furthermore, it's the economic results which are targeted.

Indeed, a high school represents 300 to 500 young people from surrounding areas who will live locally; this is as many consumers with an economic purchasing power - parents being obliged to give money to their children to enable them to eat and be lodged. In a commune in the west of the country, the construction of a high school enabled the emergence of local opportunities for poultry production and vegetable farming. Previous attempts had failed for lack of buyers.

In addition to the interventions that can be qualified as "classic" and related ones such as the example of high schools, more and more municipalities attempt completely new actions. The example of municipalities' interventions in the agricultural development sector is in this regard, particularly significant. Since 1983, the municipality of Daloa started with the placement of young people in agricultural production. It acted as the interlocutor of international organizations and government enterprises for the establishment of agricultural lands and fish ponds. Almost no expense related to this

activity was budgeted previously and thus activity would not have been possible without the effective action of its mayor.

With the proliferation of municipalities in 1985 and especially due to the fact that new municipalities are located in rural areas, it could be expected that mayors would get more and more involved in agricultural matters.

As a general rule, they intervene as facilitators in census taking of uneducated young people living in the municipality; they test their motivation, and act as a liaison between the population of the municipality and the organizations that can assist in agricultural development. In addition - and this aspect can be qualified as essential - mayors impose themselves as speakers before the traditional powers of the village elders to obtain land for young people to establish themselves. If until now, results haven't been spectacular in this area, it is because true actions require time before bearing the first fruit. Nonetheless, one can cite some twenty municipalities where such activities have been initiated. Concerning modern agricultural equipment to be used by young farmers, experiments have been initiated where a municipality will buy agricultural equipment from its own budget to be rented out on a daily basis to farmers.

Another experiment took place where the mayor of a municipality of a cotton production area in the north of the country organized a trip to a diversification of agricultural production within the municipality. The experience is promising and the first cotton seeds will be planted soon.

Aside from the traditional actions which are relatively costly because they constitute an important part of expenses, and apart from the new intervention areas just mentioned, the municipalities act efficiently in the organization of food markets, in the construction of shops which are rented to retailers, in the establishment of car and bus stations, and in the construction of warehouses for the storage of food products. If the municipalities' interventions in these areas are in general fruitful in terms of revenues to the municipality, the latter hesitates to invest because quite frequently decayed infrastructure already exists that meets commercial exchange needs. The improvement of this infrastructure such as markets, is not perceived to be a priority, the collection of taxes is seen by the elected officials as something which is independent of the quality of the infrastructure.

Municipalities therefore constitute dynamic organs likely to solve the daily problems of its population and efficiently help them find long term solutions to problems of economic importance. To ensure these goals, what are the communes management resources?

C) Financial sources available to the communes and how to reinforce them

Just as we remarked earlier, Ivorian communes have benefited from substantial financial aid from the State. In reality, this financial

assistance represents 24% of the total amount of the communes' cash inflow, even though this portion is more important in the smallest communes. The communes enjoy former State taxes related to property ownership and commercial activity whose contributions are now paid into commune coffers.

This cash inflow represents 35% of the communes total revenues. The communes can also sell the services they offer - and these receipts represent 21% of the total.

Embryonic in the beginning, the human resources and management techniques have ceaselessly developed and improved with the passing of time. The efforts of local collectivities to better master their management constitutes a priority of the supervising authority. In reality this is seen through the increase in the number of actions aimed at developing professional aptitudes of the communes' employees and by the traffic of directives and explanatory circulars.

If during the first phase of communalization only two or three operations were undertaken over a five year period, there have already been six since 1986 concerning 382 beneficiaries and representing 791 hours of instruction. The originality of the system which has been put in place resides in the fact that the design of these actions and the educational interventions are carried out by civil servants at the Department of Local Collectivities (DLC). In order to increase the volume of development workshops on professional aptitudes at work, a vast program is being elaborated with World Bank, UNDP and USAID financing.

Concerning management techniques in the communes, the legislature wanted them to be very effective. Concerning the budgetary and accounting fields, the communes dispose of a complete budgetary nomenclature that permits them to fix at the budget level, and to retrace in their accounts, the various operations by nature and by function. Thus it is possible through this nomenclature to verify the adequacy between the receipts coming from a specific activity - such as refuse disposal - and the related expenses.

In addition the communes are expected to draw up a three year development program which shows the operations to be carried out during the three following years and this to be prioritized. The plan is revised each year with the intention of adding new operations or modifying the order of priorities. This three year development program has been designed to oblige elected community officials to integrate their actions within a context which is more comprehensive than the simple annual budget and to relate the operations between them.

At the same time the three year programs permit the supervising Authority to know the communes' priority orientations and to verify in advance, their compatibility with the objectives fixed in the national plan.

The reinforcement of the communes' management capabilities could not be complete if measures had not been taken with a view to a better mobilization

of receipts. Already, experiments for a better yield from property taxes have been undertaken from simplified maps. Positive results are apparent but the nature of a property tax itself remains unpopular with the population. On the other hand, the payment of a tax against service rendered or in direct connection with a commercial activity is much more easily accepted. The rationalization of the collection of these type of receipts is to be developed; in the same way, the extension of the number of services that yield taxation is advisable. It is obvious that a commune that puts great efforts into household refuse disposal and public sanitation could convince people to accept that a fixed tax should be collected for this purpose. Experiments at taxation on refuse disposal will soon be carried out.

However, whatever the operational methods used, however effective they may be, the real effectiveness of communal management remains in the fact that possibilities for discussion exist between the concerned population and the elected municipal officials. This link is, in our opinion, the most sure guarantee that the most suitable solutions will be found. This is generally so, except in unusual situations to which the supervising Authority accords vigilant attention.

Conclusion

In summarizing the stages and the characteristics of decentralization in Côte d'Ivoire, the objective is to give a few salient points that would permit a clearer view of the breadth of the communes' activities. These are varied and, if interventions of the classic types continue to constitute the essential part of the expenses of the communal budget, the Mayor is more and more a stimulator of actions which have not been transferred to the communes.

In fact, by the grace of effective management tools that constitute the budgetary and accounting nomenclature and the three year program, the communes are proving themselves capable of intervening in an effective manner in all realms of economic and social life. They benefit from the ever improving qualifications of the communes' personnel. It is thus demonstrated that the commune constitutes an alternative strategy to that of the great poles of development. The commune therefore responds effectively to the



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GENDER ISSUES IN RURAL-URBAN MARKETING NETWORKS

BY

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As governments and donors plan for increased development of market centers (in secondary cities and towns) as links between rural and urban areas in Africa, the planning and implementation of projects need to consider African women's crucial roles of agricultural producer and processor, trader and wholesaler, and household manager and decision maker. Lele noted "that overlooking women's role in production in formulating and implementing agricultural policies and programs has particularly unfortunate consequences for efficiency and welfare losses in Africa" (1986;206).

This paper considers women's roles in agricultural production briefly and then focuses on gender issues in agricultural marketing systems. In addition, it is pointed out that rural--urban "linkages" are in fact traders' skills, knowledge, and resources involved in the distribution of commodities as well as basic infrastructure and institutions.

Recommendations are offered to assist in the planning of agricultural intensification, infrastructure, market location, transportation, credit and micro-enterprise programs, and regulatory policies.

I. WOMEN IN AGRICULTURAL PRODUCTION

African women perform 30 to 70 percent of the agricultural labor in the smallholder sector depending on the area and on the commodity. In the past, it was thought that their work was limited to the production of food crops for subsistence. However, in many places they are fully involved in the production of cash and non-food crops as well as in livestock production for local consumption and for sale (Boserup 1970; Spring 1985, 1986, 1988; Staudt 1975-76; Rogers 1980). Women's roles as producers and household managers mean that they make decisions (either on their own or in conjunction with men) concerning the allocation and retention of commodities for the household and for sale. Women's contribution to production is not matched by their access

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to land tenure or by their access to the means to achieve agricultural intensification. Although some rural women and higher income urban women own land in their own right (that has been acquired by inheritance, gift, purchase, or clearing), the majority cultivate land belonging to husbands and male relatives. This has consequences for long term improvement, holding size requirements for certain commercial enterprises, and collateral for credit or input programs.

Many writers note women's importance in production, but when they discuss the need for incentives to motivate farmers, there is often little recognition that women as household heads and as wives are usually constrained compared with men in terms of their access to production resources (land, labor, and capital) and extension services (training, inputs and credit programs, and mechanization). Although it is generally the case that women (especially female heads of households) are more likely to be low resource farmers, there are examples of high resource female farmers and women who have access to new technology (Moock 1976; Spring 1988). Plans to provide incentives to farmers have to account for the tendency to overlook women farmers who are typically left out for the usual programs by virtue of their lack of contact with extension, absence of membership in farmers' organizations, lack of collateral or adequate farm size, or low levels of literacy (that make them "ineligible" for certain training programs).

Agricultural intensification usually includes the use of new species, varieties, cultivation practices (including mechanization), marketing strategies, and knowledge of policies. Gender must be factored into discussions about structural transformation, especially because women's access to resources such as agricultural inputs and credit through the public sector (government, parastatal, or other programs) has been so reduced compared with that of men's. Whether or not women's access to fertilizers, improved seed, agricultural production and food security need to account for how production and market conditions (extension services, pricing, transport, housing, etc.) affect men and women differently.

II. WOMEN AND AGRICULTURAL MARKETING SYSTEMS

The internal marketing systems within African countries link rural and urban areas as well as different regions in the transfer of rural agricultural commodities and manufactured goods. Whether daily or periodic, these internal markets function to exchange locally produced goods, to bulk agricultural produce in rural markets for internal trade to larger, urban markets, and to distribute both locally manufactured and imported goods from urban to rural

areas.²

Within Africa there is considerable variation in the extent to which marketing systems are highly developed and to which small and intermediate towns and cities exist and play roles in agricultural marketing. In parts of West Africa, for example, there are well-developed market hierarchies (involving systems of rural periodic markets, market towns, and large cities) with flows of goods both upward through the markets from rural to urban areas and flows of manufactured goods from urban to rural. Other regions have much less well-developed hierarchies or no hierarchy at all. Rural periodic markets, if they exist, may simply serve the surrounding hinterland, with few or no links to larger centers. Alternatively, there may be systems of small shops that help provision rural areas or small numbers of urban based intermediaries who buy produce from farmers. These latter types of arrangements are more common in areas with low levels of urbanization and where there is no system of intermediate towns and cities.

Despite these variations, traders play important roles in agricultural marketing systems throughout Africa. Traders act as key participants in all marketing systems, bulking produce, buying and selling goods, arranging transport, and providing credit. There are various types of traders ranging from part-time traders/producers in local exchange to full time intermediaries engaged in the distribution of goods on a large scale. In some areas particular ethnic groups dominate trade activities.

Women in much of Africa play key roles in both local trade and as intermediaries. Trade is an important aspect of urban informal sector activity and an important source of income for women. There are regional variations ranging from marketing systems where women are the key participants at all levels of trade, to those where their role is limited to certain commodities, to those where men are the key participants at all levels of trade, although women market some commodities, to those where men are the key participants at all levels or trade, although women market some commodities including cooked foods. Subsumed within these regional variations are gender differences in terms of the scale of trade, the type of commodities traded,

²The terminology used in this paper conforms with that generally used in the literature on market place systems (e.g., Berry 1967; Smith 1978). Periodic markets are those that meet on a regular, but not daily, basis and are found in rural areas throughout Africa. Periodic markets can serve three different functions -- local exchange, internal trade, and central place functions -- and often do so simultaneously (Smith 1978:13). The participants who trade in periodic markets include farmers and traders, both part time and full time. Intermediaries are traders who engage in vertical trade, moving goods between rural and urban markets. They frequently do their buying in rural periodic markets and their selling in urban markets, although they may also buy directly from individual farmers. In the latter situation, farmers may be more dependent on a limited number of intermediaries, whereas in situations where there is a system of rural periodic markets at which intermediaries buy, farmers have relatively good outlets for their produce.

and the locale (urban or rural) of the markets. These variations in women's participation cannot be correlated exactly with the extent of commercialization and urbanization of the system, although their greatest participation does seem to be in those areas where market hierarchies are among the most fully developed.

Despite these variations, however, the data demonstrate two central points about women's participation in African agricultural marketing systems: (1) in much of Africa, women play major roles in the internal distribution of agricultural commodities and (2) for many women, trade and marketing activities are important components of their income and contribute to family and household incomes as well.

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In West African marketing systems (especially Ghana and Nigeria), women comprise the central participants at all levels of distribution for most of the major commodities. These areas historically had high levels of urbanization with intermediate towns and cities that functioned as regional market centers. Cities such as Kumasi in Ghana and the Yoruba cities in Southwestern Nigeria are largely commercial centers and have markets that are linked to the surrounding rural hinterlands. In these systems, women traders are "middlemen" who are responsible for organizing the distribution of goods from one rural region to another and from rural to urban areas. For example, in Southwestern Nigeria, they do this by carrying out the following key functions: (1) selling locally-produced agricultural commodities in rural periodic markets (rural traders); (2) bulking agricultural commodities and arranging for their transportation to local and regional urban markets (intermediary traders); (3) breaking bulk by resale to retailers in the urban markets (intermediary traders); and (4) retailing in markets of both intermediate and large cities (retail traders) (Trager 1976-77).

In the process of carrying out these activities, women traders move foodstuffs and goods over considerable distances both within regions of the country and between regions using a variety of mechanisms, including regular "customer" relationships and credit ties in organizing and maintaining this supply system (Trager 1981a:50, 1981b). Women in Ghana play the central role in nearly all marketing and distribution activities. Their activities include the assembling of farm produce at periodic markets and at individual farms, the transport of produce from rural to urban areas, as well as the wholesale and retail trade in urban markets (ATRCW 1984:1-2). The most important source of farm produce sold in urban markets is "the woman wholesaler who acts as a first-level intermediary and may either purchase directly from the farm and transport the goods to the urban market for sale or she may buy bulk from a local periodic market for sale in the urban centers" (ATRCW 1984:23). Clark noted that:

Market women handle the exchange of local foodstuffs produced by small-scale female farmers that make up most of the local diet. Market traders manage the physical flow of goods and bargain the prices at which consumers have access of food. They likewise stimulate farm production through prices, and by providing dependable retail and wholesale outlets. These economic positions join traders' individual roles as breadwinners for themselves and their families (1987:1).

In other regions of Africa, women play a less central and visible role in marketing systems, but one that is nevertheless important in at least some aspects of distribution. These are found in areas with both relatively low levels of urbanization with few intermediate cities as well as in areas with more extensive urban development usually where cities have for the most part been administrative and political centers rather than centers of market place activity and commerce. In such areas, there is gender variation within the marketing system in terms of type of commodity, scale of trade, and location of the markets. There is also evidence of changes in gender participation that relate to changes in the economy. For example in Zimbabwe, women have been primarily responsible for production and distribution of fruits and vegetables in the Shona-speaking area since before the colonial period. Their role in the marketing of fruits and vegetables became even more central during the colonial period. More recently, however, men have taken on the role of wholesalers while women continue to be the retail traders (Horn 1987).

In Burkina Faso, the importance of women's participation in agricultural marketing depends on the commodity as well as the region of the country. The large-volume grain market supplying the cities is now largely controlled by men, but women are still heavily involved in small-scale grain trade in the western part of the country. Women also dominate in the trade in other types of produce, such as vegetables (Saul 1986).

Even in areas of Africa where women are in seclusion, they may play crucial roles in local trade and marketing systems. Hill has shown how Hausa women in seclusion in Northern Nigeria carry out two types of trading activities from their houses: wives of local farmer-traders retail grain and other produce such as cowpeas on their husbands' behalf, and about two-thirds of all women are also house-traders on their own account, selling cooked and processed foodstuffs (Hill 1969; 1971). Thus, even when women are not visible in market places, it cannot be assumed that they play no role in the organization of distribution.

Finally, there are regions of Africa where women play a very small role in rural market trade, but where their urban market activities are increasingly important. Evidence from countries such as Uganda and Tanzania, where marketing systems have much less historical depth than in West Africa, and where urban systems likewise are relatively recent and undeveloped, indicates that rural market trade is dominated by men. A case study of small markets in the Rufiji district of Tanzania shows that "all of the sellers and more than 90 percent of the buyers are men;" however, this is "in sharp contrast to the large number of women sellers found in the periodic markets meeting once or twice a week in other parts of Tanzania" (McKim 1981:66). In a study of Ankole, Uganda in the 1960s, over 90 percent of the full-time traders were male, as were about 75 percent of the part-time traders (Good 1970:69-71). On the other hand, in the major urban area of Kampala, men only outnumbered women traders by a ratio of 3 to 2, and in some Kampala markets women were more numerous (Good 1970:71).

In the urban retail market trade, especially in the informal sector activities, women tend to predominate both in those market systems where they control much of the trade as well as those where their overall role is less central. There are three major components to women's urban market activities: (1) they engage in retail trade of agricultural produce in urban market places; (2) they process produce for sale; and (3) they function as vendors or prepared and cooked food, especially as street vendors. These three sets of activities are interconnected and may be carried out by the same people, although usually they are not. Together, retail market trade, food processing, and street food vending comprise a large portion of the urban informal sector occupations open to women (Trager 1987; Jules-Rosette 1982). Cohen (1986:25) argues both that although food processing and vending street foods provide women with important sources of income, women should not automatically be locked into or restricted to these enterprises nor should the enterprises be deemed of "Marginal economic value" to society.

As with distribution from rural areas, there is regional variation in the extent to which women participate in urban retail trade of agricultural commodities. They predominate in much of West Africa, but in other regions, such as Southern and Eastern Africa, women have been less prominent, although their role appears to be increasing. In a study of Lusaka, Zambia, Beveridge, and Oberschall found that there had been marked changes in sex ratios in market activities since the 1950s. Whereas men dominated nearly

all trade activity, including the fruit and vegetable trade in the 1950s, by 1971, women had come to play a much more prominent role in "the fruit and vegetable trades...[and]...had continued to monopolize the sale of prepared foods, beans, nuts, spices, and kaffir corn, and had made inroads in the trade in other commodities" (1979:62). Even in areas where women are not the predominant retail market traders of agricultural produce, they do play a key role in food processing activities, both of raw produce for retail trade and of prepared foods for vending. Many staple foods require some type of processing at some stage before retail sale to consumers. For example, in Nigeria, cassava is processed into gari: this is usually carried out in the village or small town before distribution to urban markets. On the other hand, maize may be removed from the cobs, or kola nuts from the husk by the market traders who buy them in rural markets; intermediaries based in intermediate cities and small towns often do this work. Similarly, processing of the food flavoring known as dawadawa in Northern Nigeria is carried out by women in small towns and cities, before sale to regional and urban markets (Trager 1987:246).

The processing of prepared food and drink in large urban areas is carried out by women in many parts of Africa. Beer brewing has been especially important in Southern and Eastern Africa; "among other forms of unlicensed commerce for women...beer brewing is the option with the highest economic profits and the greatest legal risks" (Jules-Rosette 1982:8; Mbilinyi 1985:89). Recently, attention has been focused in particular on the roles of women in the street food trade, with research showing the importance of prepared street foods for urban residents' diets and the role of street foods in the urban economy (Cohen 1986; EPOC 1985). In the EPOC-coordinated street foods research project, two studies were carried out in intermediate cities of West Africa. In Ziguinchor, Senegal, women comprised 53 percent of the street food vendors, whereas in Ile-Ife, Nigeria, they were 94 percent (Cohen 1986:5). These studies demonstrate the importance of street food vending as an informal sector occupation for women. In addition, street food vending has important implications for demand for rural produce; in Ziguinchor, it is estimated that street food sellers process over three tons of millet weekly during the peak season (Cohen 1986:29).

In summary, women play key roles in many crucial aspects of agricultural marketing systems. In some parts of Africa, they largely control and organize the internal trade in basic agricultural commodities. In other regions, they dominate the trade in certain crops, or at specific levels of trade. Even in those regions where women's role is minimal in rural trade and in the movement of produce from rural to urban areas, they play important roles in urban retail trade and in food processing and the sale of prepared foods. Finally, in all areas, women's trade activities are central to the incomes they earn.

III. RURAL-URBAN LINKAGES

Marketing systems are an essential component of rural-urban linkages in Africa and women play key roles in organizing the movement of goods through those systems. In those systems where women are primarily responsible at all levels of trade, they are the ones who create and maintain the linkages necessary for the functioning of the system. For example, intermediaries in Ghana and Nigeria who bulk produce from rural to urban markets must (1) organize the supply by buying either at the village or rural market level, (2) arrange transport, and (3) organize sales to other intermediaries or to retailers in the urban market. Such activities require knowledge and timing, and are often carried out when there is little available information (beyond personal knowledge) of market conditions. Thus, when "rural-urban linkages, are referred to, what is in fact occurring in the utilization of traders' skills, knowledge, and resources (including personal ties) to carry out distribution of agricultural produce from rural to urban areas effectively.

In those areas where women are primarily engaged in urban retail trade, food processing, and vending or prepared foods, their role in rural-urban linkages is perhaps less direct and visible, but nevertheless important. Food processing and prepared food vending require raw materials that are supplied through the market system. The demand from these activities creates linkages through the food production and distribution system, as in the case of the utilization of millet in Senegalese street food trade noted above. The Northern Nigeria production of dawadawa, a condiment made from locust or soybean, takes place in small towns; the supply of raw produce comes from the rural hinterlands and the sale after processing goes to regional markets throughout the north. While the extent and level of commercialization and urbanization affect the extent to which these linkages are developed, it is important to note that backward linkages from food processing and prepared food vending can have significant implications even in relatively non-urbanized contexts. In most large, capital cities, there is considerable demand for these products, and the raw materials for them come from the rural areas. In systems without well-developed market hierarchies, the existing linkages may require strengthening and reinforcement.

IV. SECONDARY CITIES AND MARKET TOWNS

In the agricultural market systems under discussion, small towns and intermediate cities are of great importance in facilitating the distribution of goods. Frequently, it is traders based in those centers who are involved in the first stages of bulking produce from rural areas and bringing it to larger markets for sale. There have been a number of discussions of the role of secondary cities and market towns in development, both of a general sort and with regard to specific locales (Southall 1979; Hardoy and Satterthwaite, forthcoming; UNCRD 1983; and Bromely 1984a, 1984b). Much of the work discussed in these publications is largely prescriptive and is

based on central place analysis; the results have been more concerned "with the form of national settlement systems...than [with] their essential functions" (McNulty 1985). Nevertheless, these studies have been useful in pointing out both the potential and some of the problems associated with the role of small towns and cities as well as in arguing to promote their growth and development in ways beneficial to their surrounding hinterlands (e.g., Bromley 1984b; Adalemo 1979; Trager 1979). Bromley suggests that "well selected and carefully-implemented changes in local marketing systems can make significant contributions both to economic growth and to reducing socioeconomic inequalities (1984b:337). Several studies have suggested that rural market centers in Western Nigeria and elsewhere could be important loci for rural development activities (e.g., Adalemo 1979; Trager 1979; Rondinelli 1987).

However, neither Bromley nor others concerned with this issue address gender in considering the development of small towns and market centers. There is little attention paid to the participants in the essential activities of these towns and to the different interests that different participants have. It is sometimes noted that urban middlemen may establish oligopolies, in which small producers are forced to "sell cheap and buy expensive" (Bromley 1984b:329). But there has been little investigation of the extent to which they actually occur in specific market systems. A partial exception is the study of consumer exploitation by market traders in Cameroon that concludes that "allegations of price gouging and other exploitative practices on the part of food crop vendors are largely unfounded." (Boyer and Davis 1988).

Most such discussions have paid little attention to gender issues and to the different interests and concerns that men and women may have with regard to their activities in such towns. The women traders who operate in small market towns, buying produce from rural producers, probably do not have the same interests as the farmers who sell to them (Trager 1979:150). In order to develop small and intermediate centers, the ways in which different groups--farmers and traders, men and women utilize these centers need to be considered. Given that women are among the key participants in the movement of goods in many African market systems, strategies based on the development of market towns and cities need to examine their specific interests.

V. POLICY ISSUES AND RECOMMENDATIONS

A. Agricultural Intensification

Women's needs will not be met by "grafting on women" as a category to existing...[projects]...because they have different needs and specific societal constraints" (Moser 1985:25). Policies affecting agricultural intensification cannot assume that structural transformation takes place in a gender-neutral environment or that a general awareness of the sexual division of labor will translate into plans for action. If market

structures and private suppliers in small towns and secondary cities are to be the vehicles to impact on the rural areas by delivering agricultural inputs or to be the loci for credit and micro-enterprise activities, then the ways in which gender differences or similarities affect access will have to be studied. Information on production, sales, and access to extension or to inputs will have to be collected and disaggregated by gender, and strategies for assuring participation in credit, training, and other programs will have to be integrated into project design and implementation (Spring 1985;1988).

Recommendations:

(1) Improve the knowledge and information base for the design and implementation of both rural development and urbanization projects by collecting sex-disaggregated data on the farmers and commodities produced, the recipients of extension services, and the types of traders and the goods marketed.

(2) Investigate women's access to agricultural inputs in the private sector, and devise strategies for their involvement in private sector development.

(3) Devise strategies to enhance and insure women's involvement in urbanization projects and make certain that formal sector and rural commercialization interventions do not have differential and negative impacts on men and women.

B. Market Infrastructure

In many regions of Africa, market place infrastructure is poor. Given that traders spend long working days in their base market and/or travelling to other markets, the lack of infrastructure and services in the markets place serious constraints on the traders' ability to perform effectively. Ghanaian urban market traders listed a number of problems in the markets: (1) sanitation--lack of drainage, poor or no refuse disposal, and no or poorly maintained toilets; (2) access to water--lack of public taps, malfunctioning public taps, and private tap owners who demand fees; (3) services--need for childcare, health clinics, and schools near the market; and (4) miscellaneous needs for cooking facilities, roofing and protection from rain, and electricity. In rural markets, the problems are likely to be even more basic. Most rural markets have no facilities other than sheds, and many are simply held in open spaces or near large shade trees. Another serious constraint is the lack of storage facilities.

Recommendations:

(1) Improve market place infrastructure particularly the provision of basic services such as sheds, water, and sanitation, especially in rural and intermediate city markets.

(2) In urban markets where women predominate, explore the provision of childcare centers, clinics, and schools located in the market.

(3) Provide storage facilities and insure access by women traders and retailers.

(4) Make market administration accountable for maintenance services.

C. Locational Issues Concerning Markets and Housing

The location of market places and areas for selling can be an issue, especially in large cities where new large commercial areas are being constructed and in areas where new housing settlements are being developed. Market places may be moved in favor of large-scale commercial development, and in most cities, street vendors are prohibited from selling in central city locations. As a result, market traders and street vendors--especially women--find themselves being harassed by authorities and unable to earn incomes from these activities (see section on regulatory policies below). (The most dramatic case was the bulldozing of the main market place in Accra, Ghana at the beginning of the first Tawlings regime). Further, when urban housing is constructed, little attention is paid to the income-earning activities of women particularly their need for space for trade, food processing, and renting rooms.

Recommendations:

(1) Recognize the continuing need for market places in central city locations and do not allow their destruction in favor of large-scale commercial development.

(2) Women should have access to programs that provide capital for transport such as the purchase or rental of vehicles.

E. Credit and micro-enterprise programs

Access to credit is a major problem for producers and market traders throughout Africa, and especially for women and small-scale traders. In recent years, various micro-enterprise programs have assisted in setting up credit programs for very small-scale enterprises. However, these assistance programs frequently fail to reach those women who are prominent in production or trade. In urban areas, street vendors are often excluded because of the nature of their activities (Cohen 1986:15). Women intermediaries based in smaller cities, who are responsible for much of the distribution from rural to urban areas, are rarely targeted.

Recommendations:

(1) Target specific groups (i.e., women who are small scale and commercial agricultural producers, intermediary traders based in smaller

cities, and street food vendors) for credit and other micro-enterprise programs.

(2) Repayment schedules should be flexible to accommodate traders and vendors whose incomes have seasonal fluctuations.

F. Regulatory policies

Traders are frequently the target of state regulatory policies (Clark 1987). While this is especially true of street vendors, regulatory policies may also focus on other traders, as in efforts to tax them. The result is that traders spend time and money confronting street food vendors have been addressed by McGee and Yeung (1977) and Cohen (1986).

Recommendations:

(1) Regulatory policies aimed at banning street vending and/or removing vendors from central city locations need to be changed and acceptable locales for street trading, especially in central city locations, need to be found.

(2) Services that can enable street vendors to provide better quality and more sanitary produce--e.g., access to water supply or training courses in hygiene--are needed.

(3) Regulatory policies directed toward traders (e.g., taxation efforts, relocation of market places, etc.) need to be reexamined in light of the recognition of the importance of informal sector occupations.

(4) Change policies that inhibit women's access to tenure of land and ownership of market stalls, shops, and other commercial establishments.

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00319

04080

EL-LAKANY, M.H.

FUEL AND WOOD PRODUCTION ON SALT AFFECTED SOILS
SEMINAR ON FORAGE AND FUEL PRODUCTION FROM SALT AFFECTED
WASTELANDS, W AUST 19-27 MAY; (1984); EN
XA/EG; pg 1-3

The author discusses the problem of wood and fuel production in arid and semi arid zones and that of soil salinization. The productivity of woody species on salt-affected soils has received very little attention in forestry research. Establishing energy plantations or biomass farms has been recommended and practised in several countries, although for different purposes. Reforestation and afforestation with salt-tolerant trees and shrubs on soils too saline to sustain crops or under irrigation with saline water can be undertaken to satisfy at least partially the needs for wood and fuel and as a means of soil rehabilitation. Mangrove species offer good material to select from, especially for planting along shorelines of many tropical countries. Besides being tolerant to salinity, species should have wood of high calorific value and preferably be multipurpose in nature.

SALINITY; FUELWOOD; SOILS; ENERGY; PLANTATIONS;

00320

B02271

FAO

WOOD FOR ENERGY

FAO FOR TOP REP NO. 1; (1983); EN

XZ; pg 1-40

The booklet describes the present problems and the promise the future holds in the field of energy forestry. More people depend on wood than on any other source of energy for their daily energy needs. Therefore wood is still the world's most important fuel, and unfortunately it is also in desperately short supply. The role trees can play in easing world energy problems is much broader than is generally realized. Fuelwood and charcoal have, until recently, been regarded simply as substitute fuels, but it is now clear that they are also fuels of the future. Fuelwood and charcoal are relatively cheap to produce compared to fossil fuels and are derived from renewable resources. Trees also offer a range of ecological, agricultural and social advantages which cannot be paralleled by any other energy source. The developed countries are reinvestigating the possibilities of mobilizing their forest biomass for energy, and in the developing countries, energy plantations may provide a novel and exciting springboard for development. This publication records some of the achievements of the FAO projects in energy forestry; it is also intended to encourage a greater use of FAO expertise in forestry for energy in the future.

ENERGY FORESTRY; FUELWOOD; CHARCOAL; ENERGY SOURCE,

00321

B02505

FAO

WOOD ENERGY DEVELOPMENT: REPORT OF THE FAO-ESCAP REGIONAL
WORKSHOP, BANGKOK, 13-16 DECEMBER, 1983

(1984); EN

XZ; pg 1-116

This book reviews the current situation of wood energy development in Asia and the Pacific region. The discussion topics are 1) fuelwood in the region: current situation and programmes; 2) management of existing fuelwood resources for wood energy supply in Asia; 3) creation of new resources for fuelwood and wood energy, 4) improvement of wood energy use - problems and potentials in promoting charcoal manufacture: a case study from Indonesia; 5) substitution possibilities in relation to fuelwood and charcoal; 6) research and dissemination of research results in wood energy - prospects and problems; 7) regional cooperative measures of wood energy development.

WOOD; ENERGY; FUELWOOD; CHARCOAL PRODUCTION; RESEARCH; REGIONAL COOPERATION;

00322

01247

FLOOR, W.M.

ENERGY OPTIONS IN RURAL AREAS OF THE THIRD WORLD
EIGHTH WORLD FORESTRY CONGRESS; (1978); EN

XA/XL/XP; pg 1-12

The paper examines and assesses the use of energy in rural areas of the developing countries and compares the use of fuelwood with other forms of energy. The energy consumption pattern of rural areas shows that 95 per cent is derived from non-commercial energy sources. The major energy use in these areas is for cooking, and firewood is the most important energy source for this purpose. Alternatives are solar energy, biogas, electricity, gas, coal and kerosene. Most developing countries have to implement reforestation and anti-erosion programmes. This means that fuelwood will still be the most appropriate energy source for poor people, the more so if the thermal efficiency of fuelwood is increased by simple and cheap means. It is concluded that although this study was done for domestic activities, the conclusions reached also hold for industrial activities where fuelwood is used. In deciding what action should be taken, a distinction should be made between short-term, medium-term and long-term plans.

ENERGY; RURAL AREAS; DEVELOPING COUNTRIES; FUELWOOD;
AFFORESTATION;

00323

02700

FRENCH, D.

<THE> ECONOMICS OF RENEWABLE ENERGY SYSTEMS FOR DEVELOPING
COUNTRIES

(1979); EN

USAID; XA/XL/XP; pg 1-68

The report outlines the benefit-cost techniques that allow the renewable energy systems (e.g. solar pumps, biogas plants and solar cell arrays) to be evaluated from the standpoint of the individual buyer. Detailed benefit-cost analyses are provided for three systems: 1) a 40 hp solar thermal irrigation pump, Senegal, 2) a family-scale Indian biogas plant, 3) a 5.5 kw solar cell irrigation pump on the borders of Lake Chad. Neither the solar

thermal pump nor the family-scale biogas plant appears to be profitable. The solar cell pump has positive net benefits by economic measures but is unlikely to be competitive with diesel power. None of these systems shows any immediate promise for developmental application. Some of these devices will be of interest to people who are using a substantial amount of energy that is the relatively rich. Given these findings, organizations concerned about the poor might as well give renewed attention to meeting basic energy needs through less sophisticated systems: village woodlots, improved wood stoves, hand or pedal pumps and grinders, hydraulic ram pumps, etc.
COST BENEFIT ANALYSIS; RENEWABLE RESOURCES; FUELWOOD; VILLAGES; WOODLOTS; ENERGY SOURCES;

00324

02697

GELLER, H.S.; DUTT, G.S.

MEASURING COOKING FUEL ECONOMY DURING FUELWOOD SURVEYS

(1981); EN

FAO; ; pg 1-46

Fuelwood is used to a large extent in the rural areas of developing countries, where it is a principal energy source. Growing populations and inefficient use of this energy source have helped to create a shortage of fuelwood. The shortage is associated with problems like the substitution of agricultural and animal waste for firewood, increasing labour for obtaining fuel, and heavy expenditures for purchasing fuelwood. This paper discusses four points for evaluating cooking fuel economy during a fuelwood survey in developing countries. These are 1) the resources for testing the fuel economy of cookstoves, 2) the methods for measuring stove performance in the field and in the laboratory, 3) the procedures for conducting a series of tests, and 4) the techniques for interpreting test results.
FUEL ECONOMY; STOVES; FUELWOOD; POPULATION CHANGE; DEVELOPING COUNTRIES;

00325

01943

HALL, D.O.

SOLAR ENERGY THROUGH BIOLOGY: FUEL FOR THE FUTURE

ADVANCES IN FOOD PROCESSING SYSTEMS FOR ARID AND SEMI ARID LANDS

(MANASSAH, J.T. & BRISKEY, E.J. ED); (1980); EN

XZ

The paper describes the biomass resource as well as conversion technologies and how they are being implemented in various countries. Biomass provides about one seventh of the world's energy. Most of this use occurs in developing countries and more so in the rural areas where heavy dependence on biomass is

charge separation across membranes is discussed. It is concluded that since photosynthesis is the key process in the living world and will continue to be, the development of photobiological energy conversion systems has long-term implications. We might have an alternative way of providing ourselves with food, fuel, fibre and chemicals in the future.

SOLAR ENERGY; BIOLOGY; FUELS; BIOMASS; TECHNOLOGY; FOOD; FIBRE; CHEMICALS;

00326

01679

HALL, D.O.

NEW AND RENEWABLE SOURCES OF ENERGY

UN CONFERENCE ON NEW AND RENEWABLE SOURCES OF ENERGY. BIOMASS PANEL; (1981); EN

XZ; pg 1-85

This report contains an introductory summary on the conference topic. The need is expressed for developing and exploring new areas from which energy required for domestic and industrial use can be obtained. Summaries on national energy studies at both village and national levels are provided for a number of countries in the tropics. Basic energy statistics and energy balances of least developed countries retrieved from the OECD Report of 1967-77 are included. An extensive discussion on possible alternative ways of utilizing waste products as sources of renewable energy and the methods of processing industrial and other urban wastes are outlined. And finally a section of plantation energy sources is added. Trees and tree crops with eminent potentials are mentioned.

EUPHORBIA TIRUCALLI; ELAEIS GUINEENSIS; HEVEA BRASILIENSIS; BIOMASS; FUELWOOD; ENERGY; CLIMATE; PHOTOSYNTHESIS; TECHNOLOGY; RESEARCH; BIOGAS; AGROFORESTRY; HARVESTING; CHARCOAL; INTERCROPPING; BIOLOGICAL PRODUCTION; PHYSIOLOGY; TREES; RENEWABLE RESOURCES;

00327

03691

HOSIER, R.

SOCIAL BENEFIT-COST ANALYSIS OF FUELWOOD DEVELOPMENT PROJECTS IN KENYA

(1982); EN

BELJER INSTITUTE; XA/KE; pg 1-55

The need for appropriate forest technology as a solution to the rural fuelwood shortage.

00328

03545

HOSKINS, M.W.

**COMMUNITY PARTICIPATION IN AFRICAN FUELWOOD PRODUCTION:
TRANSFORMATION AND UTILIZATION**

ENERGY FOR AFRICA: SELECTED READINGS (FRENCH, D. & LARSON, P.

EDD); 1980; EN

XI; pg 155-187

The author explores issues raised when residents are included in the effort to solve local fuelwood needs through forestry for local community development programmes. It is acceptable that such a programme is not a very easy task but it might be the only viable option since top-forestry is not working. In this paper the author looked at various problems which donors, implementers and participants raise and at the possible approaches to programme design which mitigate some of these problems. Ideas given in this paper are not proven solutions to the problems, but they are rather offered to stimulate discussions while searching for better techniques in their field. In conclusion the author indicates that it is only through shared experiences, new ideas, documented failures and successes that one can hope to deal effectively with the issues and eventually reach the demonstration and dissemination stage. The community forestry programmes are still in the experimental stage; however, since a sound environment and the availability of forest products are vital to agriculture, industry and life itself the programme is potentially of great interest to the community.

FUELWOOD; LOCAL COMMUNITIES; RURAL DEVELOPMENT; DONORS; DESIGN;
METHODS; COMMUNITY FORESTRY;

00329

04908

JONES, J.R.

**SOCIOECONOMIC DIAGNOSIS ON THE CONSUMPTION AND PRODUCTION OF
FUELWOOD IN THE PENINSULA OF AZUERO, PANAMA**

(DIAGNOSTICO SOCIO-ECONOMICO SOBRE EL CONSUMO Y PRODUCCION DE LENA
EN FINCAS PEQUENAS DE LA PENINSULA DE AZUERO, PANAMA)

CATIE SER TEC INF TEC NO 32; (1982); ES

XL/PA; pg 1-94

This report represents the results of 266 interviews carried out on the peninsula of Azuero, Panama, in order to define the firewood situation, especially the consumption and production by small farmers. *Matayba* spp. and *Byrsonima* were the most used and preferred species. Nearly all farms interviewed reported a forestry component, although in most cases on a small scale. Farms in Azuero reported limited sales of tree products, including fruit and wood products.

BYRSONIMA CRASSIFOLIA; FUELWOOD; SOCIOECONOMIC ASPECTS; SMALL
SCALE FARMING; DEFORESTATION; WOODLOTS; SPECIES LIST; HUMID
TROPICS;

00330

00714

KALLA, J.C.

**STATISTICAL EVALUATION OF FUEL YIELD AND MORPHOLOGICAL VARIETIES
FOR SOME PROMISING ENERGY PLANTATION TREE SPECIES IN WESTERN**

RAJASTHAN

ANN ARID ZONE; Vol: 16, No: 1; (1977); EN

XP/IN; pg 117-126

Attempts are made to generate fuel yield prediction equations for the tree stands in arid areas. Five species, *Acacia tortilis*, *Acacia nilotica*, *Azadirachta indica*, *Albizia lebbek* and *Prosopis juliflora*, were selected for a series of experiments which were to culminate in the derivation of fuel-yield equations. The results revealed that collar diameter and height are the only properties that should be expected to have positive bearing upon fuel-yield prediction performance of these tree species. Some species, however, revealed that there is a need to consider other variables, which could be postulated to be more relevant for fuel-yield prediction. All the statistical data, the formulated equations, and analysis are tabulated.

ACACIA TORTILIS; ACACIA NILOTICA; AZADIRACHTA INDICA; ALBIZIA LEBBEK; PROSOPIS JULIFLORA; ENERGY; MANAGEMENT; PLANTATIONS; AFFORESTATION; ARID ZONES; SEEDLINGS; EXPERIMENTS; SPECIES LIST; FUELS; CROPS;

00331

05003

KORSMO, H.

CAN ENERGY PLANTATIONS BECOME BALANCED ECOSYSTEMS

PROGRAMME GROUP B: BIOMASS GROWTH & PRODUCTION REPT NO 8; (1983);

EN

XZ; pg 1-40

This report deals with the possibilities of obtaining a sustainable yield from energy plantations as a balanced ecosystem. Examples taken from undisturbed and disturbed forest ecosystem are used to illustrate differences in nutrient budgets. Intensive energy plantations should be cultivated on fertile soil in the temperate zone, if whole tree harvesting does not cause serious depletion. The report ends with recommendations for research on factors that may have an effect on the energy plantations.

ENERGY; PLANTATIONS; TEMPERATE ZONES; SOIL FERTILITY; CYCLING; FAST GROWING TREES; NUTRIENT UPTAKE; FORESTS; ECOSYSTEMS;

00332

01948

LEDIG, F.T.

SILVICULTURAL SYSTEMS FOR THE ENERGY EFFICIENT PRODUCTION OF FUEL BIOMASS

ACS SYMP SERIES, NO 144: BIOMASS AS A NON-FOSSIL FUEL SOURCE; (1981); EN

XZ; pg 447-461

Production of biomass by forests is highly energy efficient. Purely exploitative schemes are more efficient than highly intensive silviculture. However, net energy yield increases with intensity of cultivation, so silvicultural systems approaching those of agricultural cropping should be favoured from an energy production standpoint. Efficiency can be further increased by breeding, an area neglected in forestry for centuries after it has become a proven asset in agriculture. The rate of production of biomass can be increased by breeding for rapid growth.

Simultaneously, it should be possible to reduce energy inputs by

breeding for trees that do not require supplemental fertilization or by engineering new symbiotic relationships with nitrogen fixing organisms.

SILVICULTURE; BREEDING; FAST GROWING TREES; ENERGY SOURCES; FUELS; BIOMASS; AGRICULTURE; CROPS;

00333

05369

LEWIS, C.E.; TANNER, G.W.; TERRY, W.S.

DOUBLE Vs. SINGLE-ROW PINE PLANTATIONS FOR WOOD AND FORAGE PRODUCTION

SOUTH J APPL FOR; Vol: 9, No: 1; (1985); EN

XN/US; pg 55-61

To find planting patterns for growing high volumes of wood while maintaining forage for cattle and wildlife habitat, slash pine (*Pinus elliotii* Englem) was planted in various configurations to increase the open space between rows while holding tree density constant. Thirteen years after planting, there were few significant differences in survival, height and diameter; basal area and total wood volume were as good or greater in the 4 x 8 foot double-row configuration spaced 40 feet apart. Double row configurations produced more forage than single row. This configuration offers a high timber volume and forage mass alternative to the currently favoured 8 x 12 foot spacing used for dual resource management.

PINUS ELLIOTTII; FOREST PLANTATIONS; FOREST GRAZING; CATTLE; WILDLIFE; SPACING; WOOD; RESOURCE MANAGEMENT;

00334

B01350

LITTLE, E.L.

COMMON FUELWOOD CROPS: A HANDBOOK FOR THEIR IDENTIFICATION (1982); EN

XZ; pg 1-354

The main objective of this handbook is to aid the identification of common trees and shrubs grown for fuelwood, mainly in the tropics. It contains botanical descriptions of 90 tree species. The book is designed to help in the recognition and naming of growing plants and specimens through non-technical descriptions and illustrations. The species described represent many environments.

SPECIES LIST; FUELWOOD; CROPS; BOTANICAL DESCRIPTION;

00335

B02364

MONTALEMBERT, M.R.; CLEMENT, J.

FUELWOOD SUPPLIES IN THE DEVELOPING COUNTRIES

FAO FOR PAP NO. 42; (1983); EN

XA/XL/XP; pg 1-125

The primary objective of this report is to draw the attention of governments concerned and of the international community to the seriousness of the problem of fuelwood supplies. Given the extent and diversity of the situations covered, this study is comparatively general in nature, but it should serve to sound the alarm wherever symptoms of deficit have been detected. The report

this system, nutritious grasses or grass-legume mixtures are raised between tree rows. The author presents guidelines for afforestation in these arid zones.

ACACIA TORTILIS; ALBIZIA LEBBEK; FUELWOOD; ENERGY; PLANTATIONS; SILVOPASTORAL SYSTEMS; AFFORESTATION; ARID ZONES;

00338

801921

NAS

FIREWOOD CROPS: SHRUB AND TREE SPECIES FOR ENERGY PRODUCTION

Vol: 2, (1983); EN

XZ; pg 1-92

This is the second volume in the series, the first one having been published in 1980. The purpose of this report is not to delineate strategies for growing and using firewood but rather to provide some general concepts and methods for planners and technicians to consider. The emphasis is on species suitable for firewood for individual families. Species suitable for plantations, for fueling small industries, electric generators and crop curing are also discussed. Particular attention is given to multipurpose trees and shrubs that have uses in addition to providing fuel; plants that can adapt well to different sites, establish easily and need little care; plants that thrive in problem environments; and plants that can fix nitrogen, growing fast and coppice.

SPECIES LIST; FUELWOOD; PLANTATIONS; FAST GROWING TREES; RURAL COMMUNITIES;

00339

03689

O'KEEFE, P.; SHAKOV, D.

FUELWOOD IN KENYA: THE POSSIBILITY FOR AGROFORESTRY CENTRES (1981); EN

BEIJER INST; KA/KE; pg 1-53

The purpose of this paper is to describe the findings of a Kenya Ministry of Energy and Beijer project and in the light of these findings to suggest a suitable policy for the establishment of agroforestry centres. The paper has four parts: 1) the nature of the fuelwood crisis, 2) the organization of current forestry efforts, 3) structural impediments to afforestation efforts including a review of alternative nursery costs and seed availability, and 4) an outline of species to be utilized in a variety of demonstrations. In the appendix, consideration is given to stove design technology and its deployment, as this has implications for wood demand.

FUELWOOD; AGROFORESTRY; AFFORESTATION; SPECIES LIST; STOVES;

00340

06095

OHLER, F.M.J.

<THE> FUELWOOD PRODUCTION OF WOODED SAVANNA FALLOWS IN THE SUDAN ZONE OF MALI

AGROFOR SYST; Vol: 3, No: 1; (1985); EN

XA/ML; pg 15-23

The characteristics of a fallow farming system in the Sudan zone of Mali are outlined. Sorghum and bulrush millet are the staple

must be determined that: first, the demand is large enough to make the undertaking viable; and, second, the expertise is available to operate it. It should be pointed out that such facilities have rarely been profitable in Africa, and are, therefore, usually operated by the public sector.)

A distribution system is needed. Someone has to be responsible for purchasing and storing the seeds and then selling them at the retail level. The extension service often performs this task, but if the demand is large enough, it can be performed by the private sector. Businesses that supply fertilizers would most likely supply seed as well. It is important that the seeds are properly certified, and there is some way of assuring that whoever supplies the seeds to farmers can be held accountable for their quality. Also, packaging and storage must be adequate to prevent seed deterioration, especially losses due to insects and funguses.

Agricultural Equipment

Agricultural equipment ranges from tractors and irrigation equipment to farm implements used in hand cultivation. These products do not need to be produced in the regions where they are used. In general, their production requires economies of scale and they are, therefore, more appropriately produced in large factories or imported from abroad. Often there is pressure to produce animal traction equipment and many hand tools locally, but this pressure should be resisted because rarely can a small workshop produce these products as efficiently as factories can.

In Niger, for instance, there are four small factories that produce animal traction equipment. All are operating well below capacity. Nonetheless, about five years ago, the Government of Niger and USAID decided that an animal traction equipment factory should be established in the private sector to meet the needs of the farmers in Niamey Department. A feasibility study showed that most farmers in Niamey Department did not want the animal traction equipment that was to have been produced. But even if they had, a small private sector factory could not produce the equipment at a price the farmers could afford. The decision was made not to go ahead with the project.

Somewhere in the country there must be organizations or enterprises that produce or import the appropriate equipment. In countries with small populations one factory is often sufficient. In larger countries, or countries with large modern agricultural sectors, several factories may be appropriate. These factories should be located in cities with electricity and the necessary ancillary services.

The capacity to repair agricultural equipment and supply spare parts is required in the rural areas. Small businesses located in market towns and

blacksmiths located in villages can provide this capacity.

Credit

Most credit is needed is to purchase fertilizers and agricultural equipment, which account for the largest outlays in modern agriculture. This credit is rarely provided by the private sector, except to very large farmers, because transaction costs are too large and the size of individual loans is too small. It should be emphasized that the problem is not high default rates. Surveys throughout developing nations have shown that small farmers have higher repayment rates than large farmers, especially when the credit is not associated with new experimental technologies. However, the costs of dealing with large numbers of small farmers are necessarily high. Therefore, some sort of assistance to the private banking system has been proven necessary, either through cooperatives or through the agricultural extension service.

If there is a satisfactory level of demand for agricultural and other credit, banks will generally open branches in market towns and assume responsibility for their own facilities. Banks can open branches in small towns with little or no support infrastructure. The only requirement is a transport link to a larger bank that has communication contact with the central office. In regions that produce one main crop for export, credit is often provided by the exporting enterprise or parastatal. This generally works well because the institution providing the credit is the same one that is buying the commercial production.

Summary

Supplying agricultural inputs does not require much manufacturing capacity in rural areas. What is most needed is adequate storage, a means of distributing the inputs to the farm level at a cost that farmers can afford, and a source of credit for small farmers. Under some circumstances, it may be appropriate to consider producing certain seeds. Finally, if the technical package includes mechanization, repair services are required. In areas of high commercial production, these services are provided by the private sector. Very little investment is needed for infrastructure and market facilities. Where commercial production is low, these services must be provided by the government or with government support. This should be done only where there is a clear potential for increased commercial production so that government involvement can eventually be phased out.

ROADS

Trunk Roads

Here we must differentiate between trunk roads and rural roads. Trunk roads, along with railroads and river transport, are needed to link agricultural production areas to large urban areas and port cities. Although this transport network is critical to a viable agricultural export sector, it is best addressed from a national perspective rather than solely as a rural growth issue. The basic criterion for investments in trunk roads is the level of traffic. Market towns serving the most productive agricultural areas will be served by the best roads. Not providing these roads results in increased transport costs for large quantities of agricultural products. For areas that produce export crops sold in highly competitive world markets, the increased transport costs can effectively block sustained growth. This is the case, for example, in much of Zaire. It is no exaggeration to say that the single greatest obstacle to rural growth in Zaire is the lack of a national transport network for the evacuation of export crops from remote production areas to port cities.

Rural Roads

Trunk roads have to be complemented by rural roads linking production areas to market towns. Constructing rural roads is the most expensive investment related to rural growth. Building rural roads is justified primarily by the value of commercial agricultural production that the roads make possible. Where there is no significant potential for commercial agricultural production, there is usually no economic justification for constructing a rural road.

The analysis to determine the need for rural roads consists of the following steps:

- First, identify where agricultural production is likely to occur;
- Second, determine the value of the crops to be marketed and subtract the costs of production -- extension, inputs, labor, opportunity cost of the land -- to arrive at a net value of production that is attributable to the new road; and

- Third, compare the net value of increased production to the investment cost of the road and the annual maintenance costs. If the benefit stream is larger than the cost stream, the road has a positive rate of return. This is the standard cost-benefit analysis for a rural road investment.

Recurrent Costs

A positive rate of return, however, is not enough to justify the construction of a rural road. The net benefits must be large enough so that a percentage can be allocated to road maintenance, without placing an undue burden on the agricultural producers. In Zaire, for example, an AID-financed project for corn production in North Shaba province built or rehabilitated about 1,200 kilometers of roads over an eight-year period. During this time, the quantity of corn marketed in the project area increased from 11,000 metric tons to about 50,000 metric tons. By the end of the project, a 5 percent tax on the quantity of agricultural products marketed would have been enough to cover the costs of maintaining the roads. With this tax no outside resources would have been required for the maintenance of the road network. Clearly these roads turned out to be a sound and sustainable investment.

Road Standards

Even when rural roads can be justified, there is always the question of what standard of road to build. There are three benefits to higher standard roads:

- Traffic can move faster on good roads, thereby reducing transportation costs;
- Good roads deteriorate less rapidly so annual maintenance costs are less; and
- The better the roads, the larger the area of commercial agricultural production.

Traders will evacuate agricultural products on very poor roads, but there is a distance beyond which they cannot offer a remunerative price to the farmer and still cover transport costs. Some of the roads in the North Shaba project opened up areas where commercial production would not otherwise have been possible.

At a minimum, roads must have adequate drainage so that the damage caused

by erosion during the rainy season does not require annual reconstruction. Beyond that, the decision on the standard of road must be based on the additional benefits to be obtained. Transport cost savings and road maintenance savings can be easily quantified based on engineering standards. Benefits resulting from increasing the agricultural production area are more difficult to measure. A complicating factor is that in areas of relatively high population density, the road system can result in increased and more diversified economic activity.

An important issue in the North Shaba project was whether to upgrade the roads for use only during the three-month corn marketing season, or build higher standard roads that could be used most of the year. The decision was made to construct the higher standard road. In Kongolo zone, where population exceeded 15 persons per square kilometer, the roads allowed substantial commerce other than corn, thereby making the growth process more dynamic and sustainable. Some of the roads were used for much of the year, not only when corn was being marketed. This area will most likely continue to grow and at least some of the rehabilitated roads maintained at their present level with local resources.

In the Nyunzu zone, where population density was only five persons per square kilometer, the roads were used exclusively to transport corn. For nine months of the year the roads are not used except for an occasional government vehicle. It is unlikely that these roads will be maintained at their present level. A frequent criticism of the North Shaba project was that the road standards were higher than necessary for the level of economic activity in the area, especially in the Nyunzu zone.

MARKET-RELATED SERVICES

When considering the need for market services we should keep in mind the final objective: the reliable delivery of agricultural products to their final markets in the quantities and quality demanded. Most unprocessed agricultural products are generic, which means that slight differences in price, quality, or reliability of delivery can result in substantial loss of markets. The services needed for effective agricultural marketing are: first, a network of traders and market information; second, market facilities; and, third, commercial credit. A brief discussion of each follows.

The Marketing Network

The marketing network consists of the entire marketing chain from the farmgate to the final destination. Most agricultural marketing systems in

Africa are inefficient by modern standards, mainly because of poor market information. Improvements would directly effect rural growth. Top-priority attention should go to establishing effective linkages between production areas and final markets, whether domestic or foreign. This happens automatically for those export crops that are purchased in market towns or at the farm level by buying agents of large export firms. These firms know exactly what the markets want and, over time, have established relationships based on reliable delivery and consistent quality. Where these linkages do not exist, the best approach is to improve the information system so that the private sector is able to respond better to market conditions.

In situations of limited information, traders focus exclusively on short-term gains. If farmers are badly informed they are paid less than the market price. If there is no easy way to monitor quality, producers and traders cut their costs by providing inconsistent quality. Gradually, the markets adjust by buying everything that is offered, but at a discount to adjust for unpredictable quality. In more sophisticated markets, inattention to quality precludes any sales of commercial production. When market information is widely and openly disseminated, however, market activity becomes more responsive to market conditions. Farmers are more likely to receive higher prices, and this tends to increase production. Also, quality expectations become known, and prices and production become responsive to quality differences.

At the market town level, the most important improvement would be to improve the flow of information. Initially, this can best be done through government agencies, but in the long run there cannot be any major improvements until the private sector recognizes the benefits of making an improved information system an integral part of its marketing operations.

Market Facilities

The need for market facilities depends to a large extent on the type of product and the requirements of the market. At a minimum, storage is needed to minimize losses and maintain quality. Some crops need processing facilities. Processing can range from the removal of impurities, drying, sorting, and grading, to processing the crop into its by-products.

Effective processing requires efficiency and consistency. Generally, traditional methods of storage and processing are the least expensive, but also the least consistent in terms of quality control. The type and cost of a facility depends on the market. Where the market does not differentiate for quality, traditional facilities are often the most appropriate. More modern facilities are needed for some export crops, and where farmers are attempting to enter more sophisticated and potentially more lucrative markets. The key

is to know the market and not be too ambitious. Refrigerated storage, and mechanized sorting and grading, for example, are very expensive and are justified only for the most sophisticated markets. Attempts to modernize marketing facilities without assured markets generally prove to be poor investments.

Once again, initiatives in improving market facilities are best left to the private sector. Only when private firms are willing to invest substantially in improved facilities should the public sector become involved. Private firms are in the best position to know if such investments are feasible. However, market facilities require large investments and can be appropriate candidates for government subsidies. Examples of possible investments are: refrigerated storage, special facilities for mechanical sorting and grading, and small factories for preliminary processing. Also, for some export products such as fruits and vegetables, an institution that sets standards and monitors quality control is needed. This can be organized within the private sector, but is most effective when government inspections are part of the certification process.

Credit

Credit facilities in rural areas are not an absolute necessity for agricultural marketing. For export crops, the exporting firms usually have access to capital, either from their own funds or from large banks. Similarly, large traders of agricultural goods usually have their own sources of financing. The main beneficiaries of credit institutions in rural areas are small traders who do not have access to financial institutions in large cities. Creating local credit institutions to finance marketing activities should be seen as an effort to increase competition in the marketing of agricultural products, rather than the breaking of a critical marketing bottleneck.

CONSUMER GOODS AND SERVICES

To understand the demand for consumer goods and services in rural areas, we need to look at how rural people spend their money. Farm families usually make up 90 percent of the rural population. Although farm incomes per capita tend to be lower than those outside of agriculture, in the aggregate they account for most of the disposable income in rural areas. The level of income is very low, frequently less than \$100 per capita per year.

Small farmers typically spend less than 30 percent of their cash income on agricultural inputs. The remainder is spent on consumer goods and

services. About 60-80 percent of consumption expenditures are for agricultural products other than foodgrains, such as meat, fish, dairy products, fruits, and vegetables. The remaining 20-40 percent is spent on textiles, fuel, and miscellaneous consumer goods such as soap, dishes, cosmetics, and medicines. A very small percentage is spent on consumer durables such as bicycles and radios. There is also a limited demand for services such as restaurants, bars, carpenters, cobblers, and blacksmiths, amounting to less than 5 percent of total consumer expenditures.

The main point is that the supply of these goods and services does not require any special initiatives or facilities. Whenever there is income to be spent, there are traders with something to sell. If there is a means of evacuating commercial agricultural production there is a way of delivering consumer goods to the agricultural producer. Furthermore, much of the income is spent on agricultural products that are produced and sold locally.

Manufactured goods are generally brought into the area in small quantities. These are sold along with locally produced agricultural products in traditional markets or delivered directly to remote villages. An extreme case is in remote areas of North Shaba where farmers grow corn as a cash crop. In these areas, the road is opened once a year to evacuate the corn. The traders who buy the corn bring consumer goods with them and these goods are sold to farmers at the same time that the corn is purchased. This provides sufficient incentive for farmers to keep growing more and more corn year after year. This situation is, of course, not ideal in terms of maximizing rural growth. As noted above, a road open all year would help encourage crop diversification and the increased availability and larger selection of consumer goods would provide an additional incentive for further increases in production.

OFF-FARM EMPLOYMENT GENERATION AND SUSTAINED RURAL GROWTH

Generally, where rural infrastructure and market towns are well developed, agricultural productivity is high. Conversely, where infrastructure is not well developed, the agricultural resource base is often marginal and no new technologies have been introduced to increase productivity. In most of Africa agricultural productivity is still at a low level, thus rural infrastructure and market towns are not well developed. Increasing agricultural productivity through new technologies is possible in many areas but is not happening. Investing in infrastructure and market towns before agricultural productivity increases is putting the cart before the horse, and the desired development impact does not occur.

Assuming that steps are taken to increase agricultural productivity, what must be done to assure maximum rural growth and maximum off-farm development? What can be done is directly proportional to the agricultural potential of the

area. The steps to be taken, listed by potential impact on rural employment and incomes, follow.

Crop Diversification

During the early stages of commercial production usually only one or two crops are marketed. Further growth is achieved through crop diversification and does not require much in terms of additional infrastructure and market facilities. Often crop diversification results in the increased use of existing infrastructure and facilities, thereby increasing their impact.

Experience throughout Africa has shown that rural employment and income generation occur mostly in the agriculture sector, not in agro-processing or small-scale industry. Programs to increase rural employment outside of agriculture consistently face problems of absorptive capacity. Very few opportunities for viable investments usually exist. Typically, they are limited to one- or two-employee enterprises that produce goods for the local population. In fact, most off-farm employment in rural areas is in retailing, not small-scale industry. Although competing in agricultural markets is difficult, rural areas are much more competitive in agricultural products than in manufactured goods, including processed agricultural goods. Higher competition in agricultural products almost always exists during the early stages of commercial agricultural production.

Agro-Processing

Once commercial agricultural production becomes well established in an area, the next step is to increase the value added by processing the agricultural products. This is usually very difficult to achieve because, first, production facilities are already established elsewhere and are difficult to compete against; and second, the utilities and supporting services in large cities are better able to support industrial enterprises. Assuming that the agriculture base exists to support an agro-processing industry, decisions regarding investments in infrastructure and utilities must take into account other economic activities that are likely to accompany this new industry. Such an analysis is very complex and involves studying the demographics of the area, its comparative advantages relative to other regions of the country, and transport and communication links with large consuming areas.

The most important infrastructure requirements are paved roads, electricity, and telecommunications. These have to be as reliable and efficient as they are in the large cities, or industry will not be able to compete. Once the investments are made, other private sector services follow. Services include banking, insurance, passenger and cargo transport, and

various middlemen needed for large-scale commerce. This level of economic activity can occur only in highly productive regions with large populations.

The decision regarding whether and how much to invest in utilities should be based on a standard cost-benefit analysis. Costs are easy to calculate. They consist of the initial investment and annual operating costs. The investment is depreciated over the life of the equipment to provide for replacement. Benefits are more difficult to calculate. The objective is to generate enough revenues through utility charges to cover operating costs plus depreciation. Usually, projections cannot be based on existing conditions. Assumptions have to be made regarding the increased economic activity that is likely to result from the utility investment. Projections are made for the number of industrial, commercial, and residential users, and the rates that they will be able to pay. These rates should not be much higher than those in the large cities, or else new industries will not be able to compete. If the resulting revenues do not equal the operating costs -- including depreciation, the utility will have to be subsidized. If the analysis indicates that subsidies will be required indefinitely, the investment is not justified on economic grounds.

It must be emphasized that investments in agro-processing are one of the riskiest in the developing world. There is hardly an African country that has not invested in one or more agro-processing industries. These countries see agro-processing as a way to derive more value added from their agricultural production. Typically, they place restrictions on the export of unprocessed agricultural products in order to assure maximum utilization of local agro-processing capacity. In most cases, these efforts have failed and today there is probably not one country in Africa that does not have an agro-processing facility that is either closed or operating at only a fraction of capacity. Most successes have been at the initiative of the private sector or parastatals that are knowledgeable about and sensitive to world market conditions. Once again, a key precondition is that the local infrastructure and supporting services be as well developed as in the locations where competing facilities are already located.

Small-Scale Industry and Other Enterprises

The industries that are easiest to establish can produce light consumer goods for the local population. These goods must have little or no economies of scale and require no extensive support system of utilities and services, that is available only in large cities. Such industries are usually food processing industries, and small shops that manufacture furniture, clothing, and other basic consumer goods. These industries account for a very small portion of total employment in rural areas. They generally grow in line with demand, but do not provide a direct impetus for rural growth, and do not

require large investments in infrastructure.

The transition from the production of consumer and other goods for the local population to production for markets outside of the region is very difficult. This transition cannot occur until the small city or town has an infrastructure and service base that is similar to the system in large cities. As with agro-processing, the key requirements are paved roads, electricity, and telecommunications. Here again, the main competition is from established businesses in large cities that benefit from a well-developed system of infrastructure and supporting services. Subsidies are usually needed during the transition period, while the necessary supporting system becomes established and fully functioning.

Optimal Investment Strategy for Sustained Rural Growth

If there is one lesson learned from rural development efforts in Africa it is that it is much easier to build on an existing healthy situation than to turn a bad situation around or start a development process where one is not already underway. Rural growth initiatives have been successful when new technologies or new markets have been developed and production has started to grow. This is especially true when the increased production is for export. Investments in infrastructure and services in these situations lead to higher levels of productivity, crop diversification, agro-processing, and other economic activities. This continued growth is necessary to generate the resources to sustain the higher level of infrastructure and services. Not taking advantage of these opportunities means that economic activity will stabilize at a level reflecting the new technology or new market, but the potential for sustaining a dynamic growth process will be lost.

On the other hand, investments in regions that are not growing are likely to have little impact on rural growth. A good example is the Villages Centres program in Congo. Congo is the most highly urbanized country in Africa, with 60 to 70 percent of the population living in the four largest towns. The Villages Centres program was intended to improve economic and social services in selected rural areas in order to reverse rural exodus trends. None of these programs worked, despite the fact that some of these regions have abundant agricultural resources. More recently, the Congo government has started a program to promote large commercial farms near urban areas. This may have a higher impact on production since it is following an existing trend rather than trying to reverse it.

This is not to say that all investments have to be in productive, fast-growing areas. Declining trends that can be reversed should be, and disadvantaged areas should be helped. Moreover, some low-growth areas have a strong resource base with a large potential for growth. Investments are

sometimes justified in these areas on a small scale, if there is technology that can be readily adapted to local growing conditions, and an existing market for the increased production. However, it must be recognized that these investments generally do not have a positive rate of return in terms of impact on production and incomes. They also require sustained resource transfers from more-developed regions and sectors. This is occurring, for instance, in Botswana where resources from the mining sector are used to finance social and economic infrastructure investments in rural areas. These investments do not have a large enough impact on rural growth to have a positive rate of return. They are simply a way of using earnings from diamond exports to improve the quality of life of the rural population.

CONCLUSION

Most of Africa is in the early stages of commercial agricultural production. At this stage, rural growth, incomes, and employment come almost entirely from agriculture. Therefore, the need for infrastructure and services is directly related to what is needed to sustain agricultural growth. Investments aimed primarily at off-farm economic activities are unlikely to have much impact.

The most important requirement for the marketing of commercial crops is roads. Other than roads, little infrastructure is needed. The key supporting service requirements are for input distribution and agricultural marketing. The government must take a role in improving market information, distributing inputs to the farm level, and helping to provide credit for inputs. The private sector is well positioned to take care of the rest.

Supporting commercial agriculture should be the main thrust of rural development efforts in most of Africa for the foreseeable future. In rural areas in selected regions that are highly productive and where agricultural technology is relatively advanced -- for example, in certain areas of the Ivory Coast and Kenya -- efforts are needed to move from agricultural growth to agro-processing and other off-farm economic activities.

Moving from agricultural growth to rural growth that is more broad based has proved to be difficult in many developing countries. Success depends largely on the priority given to agriculture in national development strategies. Many countries concentrate on increasing labor productivity through large investments in industry. The result is a high rate of industrial growth, and assuming investment choices are wise, high overall growth. The growth, however, is concentrated in urban areas and, because it is capital intensive, this growth is accompanied by high levels of unemployment. Also, industry absorbs most of the available capital, leaving

agriculture behind, thereby holding back, rather than contributing to, overall growth. Resource transfers into agriculture are necessary to produce the food and agricultural raw materials needed by the rest of the economy.

An alternative development strategy is to concentrate on increasing agricultural productivity. The objective is to increase agricultural production and incomes, create a demand for labor-intensive goods so that surplus agricultural labor can be employed, and eventually transfer resources from a productive agricultural sector to the nonagricultural sectors. This strategy generally results in slower growth in the short and medium terms, but the growth is not concentrated in large cities and generates more employment.

Investments in market towns are also likely to have a greater impact when the development strategy is agriculture-based because:

- First, the initial growth is in agricultural incomes. The expenditure patterns of small farmers generate an increased demand for goods that have a large labor content and can be produced in small cities and towns.
- Second, goods purchased by wage earners and other low-income households become more abundant and less expensive, thereby reducing the cost of labor and encouraging labor-intensive production systems. The industry-based strategy, which results in a relative abundance of capital, has the opposite effect.
- Third, a development strategy that is agriculture based creates resources in rural areas. As we have seen, these resources are essential for the financial sustainability of rural infrastructure and market services.

In short, many countries have development strategies that are urban based and distort resource allocations and relative prices so that it is difficult for market towns to compete with large cities in nonagricultural economic activities. This reduces the overall requirements for and impact of investments in rural infrastructure and supporting services.

**INFORMAL ACTIVITIES IN AFRICAN URBAN NETWORKS
(ROLE OF MICRO-ENTERPRISES IN A MARKET TOWN ECONOMY)**

BY

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Obviously, town development cannot be, by itself, the driving force of the development of rural areas; quite to the contrary, it might lead to the depletion of rural areas, which might thus lose their momentum. Only an increase in production and an improvement in well-being in rural areas can maintain a real and durable development in African countries. However, to achieve this end, it is absolutely necessary to improve the service and production infrastructure of the towns. What are the local strengths, what are the innovation and investment capacities which can be the basis of such development?

I. Towns, markets and traders

We have thus, in the first place, the transfer problem in the economic relationships between urban and rural areas, as well as the problem of benefit distribution, which is the basis of capital and know-how accumulation. Concrete studies devoted to this question are uneven and, in general, rather old. Let us thus state the following basic concepts:

Any town -and practically any village, except in the few completely self-sufficient areas- has a market, a location, with varying facilities, where the population can periodically (as a rule, once or twice a week) buy rural commodities from the producers themselves or from traders who are the sole intermediaries between producers and consumers. The influx of sellers and buyers attracts craftsmen who take advantage of the crowd to find buyers for the items they make or repair: bicycle repairmen, manufacturers of shoes and buckets using discarded rubber material, etc. These regular meetings are also important as traditional get-togethers: dissemination of information, renewal of mutual help links, possible meeting of a spouse, etc.

However, trade relations between rural and urban areas provide for more specific opportunities than the periodic markets, a basic linkage between two economies which is to be found in all societies to just about the same extent.

A special instance of relations between town and market is called the "caravanserai", or "emporium", if we use an old Latin term.

They are markets whose ability to attract buyers and sellers (these functions are fulfilled in turn by the same operators) goes much beyond the mere relations which exist between a population center and its usual supply area. In an extreme case, they are crossroads where traders, who have covered considerable distances, meet to exchange their goods. In the XIXth century, West Africa had a number of very important trading centers which were the meeting point of the caravan trails. The most famous, and probably the most important of such towns was Salaga, today a mediocre small town in Central Ghana, but for a long time the unavoidable contact point between the Ashanti (who prohibited access of foreign traders to the heart of their empire) and the caravans which poured from the Dioula, Mossi and, above all, Haoussa areas. According to the first European visitors, Salaga received daily several thousand traders. Fantastic quantities of kola nuts, cattle, clothing material and all the best handicrafts were traded there. A neighbourhood organization insured that each community found an environment which met its own requirements, while Islam insured, on an overall level, that each and everyone was part of a universal community based on mobility and trade.

In spite of their prosperity, these towns-caravanserais, on the periphery of the Ashanti empire (like Salaga, Kintampo, Kete-Krachi, etc.), in the Baoule area (the Baoule also prohibited access by foreigners), in unavoidable stop-over places (like Sansamme-Mango, in the North of Togo, at the fording-place on the Oti River) or at the main cross-roads of the caravan trails, were only convenient spots useful for this trade; they were neither its driving force nor its beneficiaries (except as normal consequences of their being host-towns). The "terminal-towns", that is the point of origin of initiatives and capital, like Kumasi, Kano, Kong or Djénne, were the only true trading towns. If, for one reason or another, (in general, because a change in border...) trading routes did change, the towns-caravanserais just disappeared all of a sudden. It happened to Salaga, following the collapse of the Ashanti empire, conquered by the British in 1874: the traffic routes changed and the immense city soon became a melancholy ghost-town.

There are still today such large-scale trading centers, for example in the South-East of Togo: Emile Le Bris¹ has shown the dense market network in this small, over-populated, over-exploited area, criss-crossed by a network of weekly markets so that, practically every day, a market is to be found within ten or twelve kilometers, thus enabling women to supplement with trade the all too meager resources obtained from the family farm (farming is a male prerogative, while trade is reserved to women).

Some of these markets are gigantic, like that of Vogon, the largest in Togo, where 20,000 traders (mostly women) and craftsmen are to be found every Friday afternoon. There, the powerful women traders from Lomé come and buy masses of cassava and maize to feed the capital-city. When, late at night, everybody is back home, having walked all the way or travelled by truck or by bush-taxi, what does remain in Vogon? Almost nothing, except heaps of refuse.

1/"Les marchés ruraux de la circonscription de Vo", ORSTOM, 1984, 95 pp.

bush-taxi, what does remain in Vogan? Almost nothing, except heaps of refuse. The product of a powerful chieftainry, Vogan is only a mediocre "sous-préfecture", with about ten thousand inhabitants, with no population increase and no economic potential.

In order to analyze the trade relations between urban and rural areas, what is important, therefore, is not only the distribution of markets, but the distribution of traders, their place of residence -and in particular the most powerful of them, those who truly accumulate profits -where venture capacities are to be found, including possible reinvestments in rural areas. The market towns are the only true poles of a regional development policy which makes use of the local resources which exist only there. It is therefore of fundamental importance (although technically difficult) to spot these social groups which can be the local actors in the development process, supplementing or replacing Government interventions.

However, we should have no illusion: these groups capable of local economic initiative are very few in Africa, except in a few countries with a true indigenous capitalism, as Nigeria -at least, in the South-Eastern part of the country- and, on a much smaller scale, Ghana. Most African countries are, both spatially and structurally, strongly "macrocephalic": the head -that is at the same time the Capital-city and the State- has monopolized all the ruling functions, most of the employment-generation and capital appreciation activities and therefore attracts the bulk of the migrations to the cities. The other towns tend to loose all their regional functions (which, of course, does not mean that they loose all growth potential: local activity can lead to the development of middle-size towns). Instead of a balanced network, of a harmonious pyramid of urban centers with a regular hierarchy, a hypertrophied head tends to dominate, with the Central Government and the major economic organizations pooling their power; we have a metropolis which rules over a cluster of equally weak secondary towns, i.e. towns which cannot play a balancing role. A development based on local centers, is -it must be said- against a spontaneous evaluation, which in general tends to promote spatial concentration.²

II. AN EXAMPLE OF URBAN NETWORK: TOGO

In this very delicate task of looking for possible local groups which could play a dynamic role, we can use only, in the concrete case of Togo, the results of the 1970 and 1981 census.³

2/A. M. Cotten and Y. Marguerat : "Deux réseaux urbains africains, Cameroon et Côte d'Ivoire", Cahiers d'outre-Mer, 1976 et 1977.

3/Various photocopied documents by the writer (Centre ORSTOM and Direction de la Statistique, Lomé, 1980 to 1988) as well as Y.Marguerat: "L'armature urbaine du Togo", ORSTOM, 1985, 166 pp.

In spite of the coarseness of this instrument, we note however that the various approaches (rate of growth, potential for attracting migrations, housing infrastructure, etc.) give converging information and that the best explanation is provided by the analysis of the citizens functions, which makes it possible to somewhat refine the pessimistic image of a country which, to paraphrase a well-known expression, could be summed up as "Lomé and the Togolese desert".

It appears that the towns in Togo can be classified into five categories, each with highly specific characters:

1) Lomé (600,000 inhabitants, or more than half of the population of the country) is in a category by itself. (There are few African countries in which a second city -as in Burkina Faso, in Cameroon or in Congo- can bear the comparison with the macrocephalic capital-city). It monopolizes between one half and three-fourth of all urban functions.

2) Six towns can be classified as true urban centers -with a rapidly growing population of between 15,000 and 60,000 inhabitants. Atakjam, Sokod, Kara and Dapaoung are the seats of the administrative regions in the hinterland, with large public investments (devoted to urban infrastructure rather than to production facilities) and a strong position as regional trade cross-road. Kpalim and Anho are mere prefectures, but with an old trade past, which gives them a regional (and national) importance. These towns are practically the only ones (with the capital-city) which have trucks and taxis, i.e. the elements of a transportation system.

3) Seven other prefectures are only weakly urbanized centers; next to the properly urban functions fulfilled by administration (the main function in the North), trade and crafts (a majority in the South), farmers represent 30 to 45% of their active population (5,000 to 20,000 inhabitants).

4) The last seven prefectures are in fact towns of similar size, but with a majority of farmers (50 to 65%); a more or less marginal nucleus of administrative functions permits to classify them as partially urban centers; this is not the case of some very large villages (with more than 10,000 and, in two cases, 15,000 inhabitants) where the active population has 80 to 90% of farmers (never 100%; as soon as a certain threshold is reached, there appears of necessity some non agricultural functions, such as crafts, education, health, etc...

5) Although the Togolese law recognizes as "towns" only the twenty one prefectural seats (which are the only one having the status of communes and falling under the City Planning Directorate), about twelve other towns, with no administrative function, still deserve to be called infra-urban centers; they include less farmers than other urbanized active population: they are large markets (Ktao, Ani, which are indeed closer to "caravanserai" than to "market towns"), mining centers (Hahoto), isolated industrial towns (Dadja), or old towns, fallen in disrepute, where women have remained the sole traders (although with very little capital) and thus maintain a minimum of trading activity (Agbodrafo, Tazaville, Glidji).

This functional typology which, as indicated above, summarizes the urban characteristics, can also be refined by the use of a territorial dichotomy: the southern towns, generally resulting from an old trading activity (predating the colonial era or linked to the development of export crops) are characterized by a local trade and prosper or decline with it. The Northern towns (some of them did experience a period of economic prosperity, like Mango -today quite in decline- or Sokod, still the economic capital of North-Togo), are dominated by their administrative functions, with all the political risks that they entail, which may affect favorably or unfavorably one town or another: these towns remain above all a sort of relay-stations for the State.

Except Lomé and the six "true towns" (which have a regional potential, even though this potential is minor compared with that of the capital-city), the other towns have, in truth, practically no capacity to mobilize energies or resources. Submerged in a rural world which has few productive capacities -yet able to adapt themselves (witness the large "rural-rural" migrations or the recent development of cotton cultivation) but generally passive, the small centers with a low urban potential appear hardly capable of having a development of their own, because they themselves lack momentum: market-villages and rural towns can hardly be anything but the stepping stones for an investment strategy by the State or by the cities to provide the rural areas with the urban elements they need (social services, cultural activities, trade functions, technical production and maintenance centers for equipment or housing, etc...). Any regional action should be based on a realistic diagnosis of the local potential, or lack of it.

III. ECONOMIC AND SOCIAL FUNCTIONS OF COTTAGE INDUSTRIES

Among the local non-farm activities which are found both in villages and in large towns, one might be emphasized because it plays a fundamental economic and social role, although it is not generally well known: I am referring to cottage industries (which make up 7% of partially urbanized towns, 12 to 15% of the other towns).

While small trade is often a part-time activity for people -women in particular- who devote most of their time to farming, cottage industries require a full-time technical apprenticeship (and a small starting capital). Like "micro-trade", cottage industries characterize a "poverty economy" in which extremely limited monetary flows provide access to services to all. Just as we see a one kilo package of sugar cubes sold three cubes at a time (with a 30% profit), or a pack of cigarette sold one cigarette at a time to customers who cannot make the investment required for the purchase of a whole pack, similarly the small craftsman (producer or repairman) works in general with very small profit margins, because of the fierce competition: customers pays more attention to low price than to quality (too bad if the repair holds only for a few weeks, provided it costs a few CFA francs less). This economic flexibility is absolutely vital for the survival of citizens, very few of whom could pay the prices prevailing in the modern formal sector.

One of the essential elements of this cottage industry economy is the exploitation of apprentices (they are trained by imitation and practice, without the theoretical bases which would open the way for a later development). In the landlocked countries of Western and Central Africa (Mali, Burkina Faso, Niger, Congo, Zaire), the apprentice is trained while working without pay for many years for his master and trainer; the latter is in no hurry to put on the market his former pupils who will automatically become new competitors. From Ivory Coast to Cameroon (we do not have information about the other countries), the apprentice must, in addition, pay for his training in cash and with gifts (a bottle of spirits, in particular). In Togo, written contracts between the master and his apprentice (or, rather, the latter's parents) date back to at least the beginning of the 1920's, while the general practice of monetary payments started around 1950.

For the last few years, the decrease in school attendance (since the civil service stopped providing jobs and social promotion opportunities, while the modern sector, smothered by the economic crisis, is laying off its employees or, at least, no longer recruit any new ones) has brought about a marked return of the young population to apprenticeship: girls (less numerous) return to sewing and, to a lesser extent, hair-dressing, boys to much more diversified trades, such as carpentry, mechanical repairs, plumbing, electrical repairs, tailoring. At the same time, with the increase in the number of applicants, the cost of apprenticeship has shot up (it has at least doubled in three to four years in Lomé). It is difficult to prove that the already low quality of training has deteriorated; however, one often sees this overabundant man-power being used for something quite different from the original purpose of apprenticeship, for example doing household chores for the master, or carrying boards across the city, thus saving the cost of truck transportation...

However, before being shocked by this overexploitation of youth, we must realize that we cannot offer them today any other option (except for a dubious return to the rural areas, but what are the tasks, the equipment, the structures we can offer them?). In addition to their economic function -to provide the lowest income groups with an opportunity to obtain a minimum of services at a very low cost- crafts have therefore a quite important social function to fulfill at the present time, namely to be a damping device for youth unemployment (at least in the short run, because the number of trained craftsmen increases faster than demand).

Can we do something about these two problems, i.e. technical mediocrity and overexploitation of youth? There have been very few attempts, in Togo, at strengthening the small private activities: a National Center for the Promotion of Small and Medium-size Enterprises collapsed because of the lack of competence of its staff; a plan for an organization of "two-wheels" mechanics is under consideration; there is a carpentry cooperative society, organized with the help of the Evangelical Church, another cooperative is being planned at Solcod by the Volunteers for Progress; a "group" of housing trades, organized by I.L.O. in Lomé, works satisfactorily... In sum, very few things have been done. But, tailors and seamstresses did organize themselves

as a trade union and succeeded in imposing to all their members a single apprenticeship contract and, more importantly, a technical test at the time of the "discharge" of the trained worker (while, in the other trades, nothing guarantees that the newcomers have a minimum of competence).

This remarkable example of self-organization of a trade is rich in lessons. It urges caution, first of all, about the choice of a method; in other words, a solution is to be based on an appropriate analysis, in this case on an analysis of the "informal sector". Other terms have been suggested to connote what is not the modern sector (public and private: both have many things in common and also many similar methods, such as State corporations or joint enterprises) and is not "traditional": such activities are, in general, no more than half a century old.

Indeed, this sector does not have the "structures" of a modern economy (written accounts, in the first place, this being probably the first criterion for selection, but also a technical hierarchy of the staff, the application of social and tax laws, etc...); this does not mean that it does not have -as we have just seen- its own structures: therefore, the term "unstructured" is not satisfactory. The term "informal", which is easy, is thus to be adopted, as meaning "not formalized" and, better yet, "not formalisable", i.e. because of its very nature, outside the rules and regulations, as well as the statistical methods, which the State (and the Chamber of Commerce) wants to impose. We know how the African States, which are generally strong in human resources, can be weak in physical resources, in particular in the field of evolution and control. We can, at best, send in the streets teams of tax collectors to receive taxes and licences, but no country has enough controllers to verify what is actually happening in the thousands of workshops which exist in the large towns (in Lomé, about 8,500 of them) or are scattered in the many small towns.

This means that any action based on force instead of persuasion, on authority from above (even legitimately) instead of a free and trustful cooperation which respects the interests of everybody, is doomed to failure. And this includes the interests of the masters in exploiting the apprentices: it would be useless and dangerous to try and do away with it by a stroke of the pen; one can only try and limit it, for example, with a barter formula: "acceptance of a less unfavorable status for the apprentices in exchange of public assistance" (technical assistance and credit are the two most crying needs of the crafts sector). We must have a fair appreciation of both the division of power and the partners in order to act efficiently.

* * *

In conclusion, a regional development -and, in particular, a rural development- which does not want to be fully dependant on public entities, can hope to find in the trading middle-class of some middle-size towns some starting capital and some skills to be used for improving local opportunities. The smaller towns and the large villages can only offer the employment

potential of their informal sector. Too closely linked to daily life and to its pace of work, small and micro-trade does not seem in a position to undergo a large development. On the other hand, being so scattered, so fiercely self-sufficient, cottage industry can be structured and changed from within, thus improving its technical abilities and maintaining its role as trainer of youth without increasing its costs beyond the very limited means available to the local population.



Members of the Ghanaian delegation

**RURAL REGIONAL ANALYSIS FOR INTERVENTION PLANNING:
THE RURAL-URBAN EXCHANGE RESEARCH FRAMEWORK**

BY

AVROM BENDAVID-VAL, SARSA PROGRAM

I. INTRODUCTION

The rural-urban exchange research framework (RUE) is a practical tool for identifying measures that efficiently expand opportunities for broad-based income generating activity in rural regions of developing countries.[1] Its focus is on increasing income from agricultural production and marketing and on multiplying this income within the region. It is based on the proposition that rural-urban exchange is a primary mechanism in the essential dynamic of rural regional development. This dynamic is one in which farm income results in demand for off-farm activities, and the earnings from these activities in turn lead to further demand for both farm and nonfarm production. The research framework is most useful in regions where household farming predominates and produces surpluses.

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In such regions there are development interventions possible in urban centers and their surrounding areas that would foster expansion and diversity in local rural-urban exchange so as both to benefit farming and expand town-based income earning opportunities. The research challenge addressed by RUE is to identify the best such intervention possibilities hidden within existing regional systems of production and exchange. The output of RUE research is meant for use in planning public sector development interventions, but can serve to inform private sector investment as well.

The following sections of this paper are structured first to introduce the reader to the basics of RUE, then to introduce the regions in Kenya and Somalia in which it has been fully applied, next to summarize findings from those studies that bear on basic premises of the RUE construct, and then to present recommendations and conclusions from those studies. Research

experience with RUE has not only confirmed its premises and utility, but has also shed new light on the subject of rural-urban exchange, its centrality in the regional growth process, and implications for regional development intervention strategies.

II. THE RUE RESEARCH FRAMEWORK

The Basic RUE Model

Farm households market their surplus produce to earn income. Whether the sale is made at the farmgate, a storage facility, a collection and bulking point, a public marketplace, a factory, or the depot of a parastatal, it is most often a rural-urban exchange: much of the produce is destined for markets in urban centers, and much of the money the farm household receives in exchange comes from urban centers. This money income is, or could be, multiplied into much more income for many more people in the region. The regional income multiplication process is initiated largely by purchases of farm inputs and household consumption items from town-based enterprises that, in turn, give rise to further exchanges in and among towns as well as between farms and towns.

The starting point for RUE, then, is a simple model composed of three spatially distinct components:

- a. Farm-based agricultural production;
- b. Three major categories of town-based economic activities that are the basis for exchange with farm households:
 - marketing of farm produce;
 - supply of inputs for farm production;
 - supply of goods and services upon which net income is expended; and
- c. Corresponding goods and money flows (exchange systems) between farms and towns.

From the perspective of the basic RUE model the farm household is a production and consumption unit from which marketed produce flows out and to which inputs and goods and services purchased from net income flow in. A marketing channel for farm produce may encompass a chain of exchanges and functions -- brokering, grading and bulking, transporting, storing, processing, retailing, and so on -- at a succession of places. Inputs for agricultural production include tools, supplies, equipment, credit, information, labor, and the like. Net income expenditures include those for food, health, education, personal services, household items, transportation, observances, home improvements, and other household goods and services. Different types of farms are likely to have different patterns of rural-urban exchange; thus, the systems of exchange associated with agricultural marketing, input supply, and net income expenditures can be quite varied

throughout the region. RUE research concentrates on the commodities and patterns of exchange most important to broad-based income generation in any particular case.

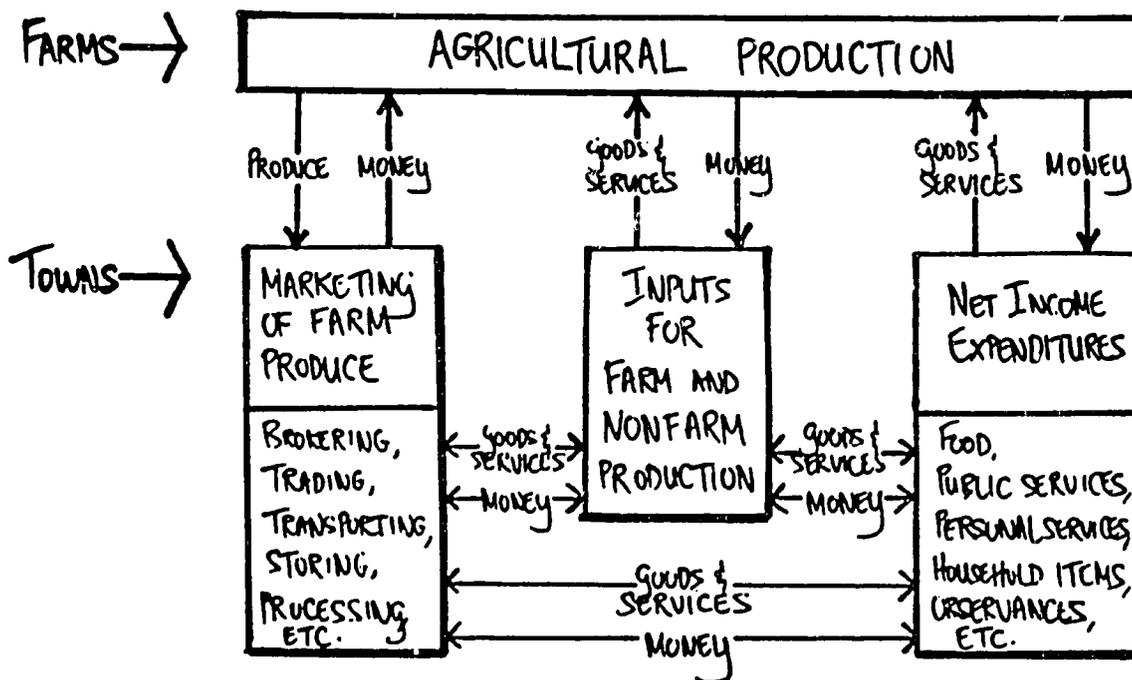


Diagram #1
The Basic Rural-Urban Exchange Model

As the starting point for the research framework, the basic model is meant to draw attention to critical systems of exchange internal to the region through which current household income is generated; its purpose is not a comprehensive representation of regional income and expenditure flows. Thus, the horizontal arrows in Diagram #1 represent income-multiplying second and subsequent rounds of exchange as being generally intraurban or interurban, even though many households earning income from them may be farm households. Moreover, the inputs represented are only those purchased within the region; net income expenditures are only those made locally; and uses of net income other than for locally purchased household goods and services, such as remittances, taxes, savings, and large investments, do not appear in the basic model. They are, however, addressed in the research framework, as will be seen later.

The Key Commodity Systems Perspective

Analysis of a specific region entails translating concepts underlying the basic RUE model into terms relevant to key regional commodity systems. Diagram #2, an adaptation of the basic RUE model to represent a regional palm nut and oil commodity system, provides a graphic illustration of the commodity system concept as used in the RUE framework.

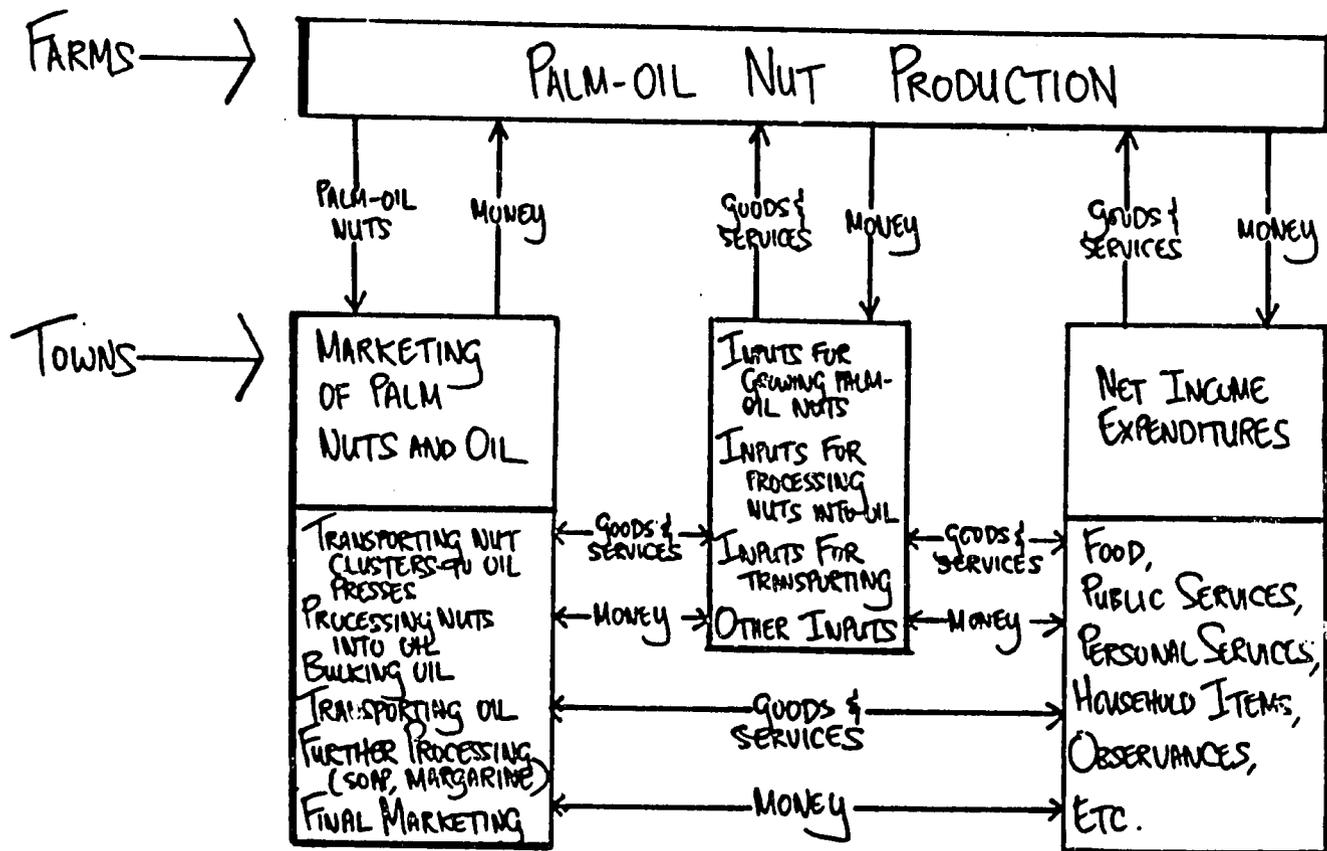


Diagram #2
A Palm Nut and Oil Commodity System

Once three or four "key" agricultural commodities are identified for a study region, marketing, input supply, and net income expenditures associated with each of them are traced through their chains of exchange, in both geographic and economic terms, from one transaction point to the next. For each of these transaction points information is developed concerning the economic incentives and responses at work: prices, quantities traded, price margins, and so on. Data documenting each of the key commodity systems are generally not gathered independently. Rather, a broad range of data is gathered at discrete locations in the region and subsequently ordered and analyzed by key commodity systems.

Analysis of three or four commodity systems is generally adequate for obtaining the necessary insights into principal income generating and multiplying mechanisms at work in the region because in many rural regions of developing countries a relatively small number of commodities tends to

predominate among those marketed.[2] The overwhelming proportion of household income in these regions is directly or indirectly linked to marketing, production, and spending of net revenues associated with the key commodities.

The Conditioning Environment

Through analysis of the key commodity systems indicators of potential intervention opportunities are uncovered. These indicators, however, merely reflect factors in the larger environment that condition prevailing incentives and responses. It is in this conditioning environment that interventions will be made, ultimately to be reflected in the economic indicators associated with key commodity systems. Major categories of factors in the conditioning environment include:

- Social structure and cultural characteristics
- Natural resource access and management
- Physical infrastructure
- Available technology
- Household income from other sources
- Availability of inputs and consumption goods and services
- Uses of net income other than for consumption expenditures
- Institutional arrangements
- Macropolicies
- Final market characteristics

An early task in RUE studies is to identify the key commodity systems upon which research will concentrate. An auxiliary task is to identify key factors in the conditioning environment bearing on the economic performance of those commodity systems. Then, as they collect information on prices, quantities, and other measures of production and exchange, RUE field survey teams also collect related information on the conditioning environment.

Analysis for Intervention Identification

Indicators of possible intervention opportunities are derived in connection with specific transaction points (or activities associated with them) within key commodity systems. The indicators include:

- low productivity,
- high input prices,
- low producer prices,
- high price margins,
- low income multiplication effects, and
- high differentials between the prices of commodities at the last transaction inside the region and prices outside the region.

Once such indicators have been found, both quantitative and qualitative information on key factors in the conditioning environment are analyzed. The

aim of the analysis is to explain the indicators and develop hypotheses concerning types and locations of interventions that would broaden and deepen opportunities for:

- increased production and returns to farmers,
- increased nonfarm value added,
- expanded trade between farms and towns, and/or
- otherwise expanded regional income multiplication.

Alternative intervention possibilities are evaluated by calculating their likely effects on quantitative measures at various transaction points in the key commodity systems.

III. THE KUTUS AND KISMAYO RUE STUDIES

Experimentation with aspects of the RUE research framework was carried out during SARSA field work in Ecuador, the Philippines, and Zaire. Full applications were then undertaken in rural regions of Kenya and Somalia. What follows briefly describes these latter two regions and the natures of the RUE research efforts in them.

Kutus Region, Kenya

Kutus town is located in Kirinyaga District, about an hour and a half northeast of Nairobi by motor vehicle. The study region is roughly a circle with a seven kilometer radius around Kutus town, the only urban center within it. Several major paved roadways that converge at Kutus link it with larger towns in the District as well as with secondary cities and with Nairobi. The surrounding agricultural lands are reasonably well connected to Kutus by rural roads.

The population of the Kutus region is about 50,000, of which one-tenth live in Kutus town. There are approximately 1,300 town households and 4,500 farm households in the region. Farming in the region is essentially a smallholder activity dominated by coffee production, but in which several other commodities are also well represented. The region is relatively prosperous by Kenya standards.

SARSA research in the Kutus region was carried out in 1987/88. It was undertaken in support of the government's Rural-Urban Balance strategy and the Rural Trade and Production Center (RTPC) investment program. These initiatives are meant simultaneously to promote agricultural expansion and off-farm enterprise and employment opportunities, particularly in market towns. The purpose of the research was to provide insights into types of investments that might be made in and around RTPC towns, using the Kutus area as a pilot case. The research was also designed to provide guidance for policy reform and RTPC program implementation.

Key commodities selected for study were coffee, maize, and tomatoes. Coffee was selected because it is the major export crop and the predominant source of agricultural cash income for farm households. Maize is a staple grown by all farm households in the area, but is also widely grown for sale, primarily through regulated channels. Beans are often intercropped with maize, are commercialized to precisely the same degree, and are marketed precisely the same way; the maize commodity system, therefore, also served as a surrogate for the beans commodity system. Tomatoes were studied because they are a highly commercialized crop representative of several vegetable crops grown largely for export from the region and sold through unregulated markets.

Kismayo Region, Somalia

Though it is in a neighboring country, the Kismayo region contrasts sharply with the Kutus region in every respect. It encompasses the entire lower "point" of Somalia defined by the parallel at 1 degree north, an area encompassing about 42,000 square kilometers. Most of the agricultural land is concentrated in the vicinity of the Jubba river, which traverses the eastern extremity of the region from north to south. The larger part of the region is rangelands. The port city of Kismayo, population about 60,000, is the largest city in the region. It is located 400 kilometers south of Mogadishu, a distance that takes about eight hours to cover by truck. The region has two secondary centers of approximately 25,000 people, 12 towns between 2,000 and 25,000 in population, and 25 hamlets of less than 2,000 population. A paved road connects Kismayo with the two secondary centers and continues on to Mogadishu. Dirt tracks link all other urban centers.

The population of the region is estimated at 400,000, of which about a third are from herder households and somewhat more than a third are from farm households. Reliable estimates of total household income cannot be made, but RUE surveys documented the net annual cash income of the farm and herder population from sale of the principal regional commodities to be approximately \$55 percapita. The lower Jubba Valley/Kismayo region is one of the few relatively favored agricultural areas in Somalia, and the region's bananas and livestock provide major contributions to Somalia's foreign exchange earnings.

The objective of the 1987/88 RUE study in the region was to develop information that would enable the government, donors, and others to account properly for the current and potential capacities of rural and urban areas each to reinforce development of the other. The commodities selected for study in the Kismayo region included cattle, the dominant "agricultural" commodity in the region; bananas, a plantation-based export-oriented commodity; and maize, a smallholder staple grown also for local trade.

IV. FINDINGS FROM THE KUTUS AND KISMAYO STUDIES

Basic premises of the RUE construct are that: (a) farm household spending fuels regional income multiplication and creates significant demand for urban goods and services; (b) income from agriculture is central to regional economic growth; (c) different commodity systems have significantly different implications for expansion in regional farm and town household income. In what follows, these premises are recast as questions, and findings from RUE studies in the Kutus and Kismayo regions that bear on them are presented. The findings, however, also have significance for the broader understanding of rural-urban dynamics and their role in the rural regional development process.

Does Farm Household Spending Fuel Regional Income Multiplication And Create Significant Demand For Urban Goods And Services?

Table 1 summarizes information from the Kutus and Kismayo region RUE studies concerning average farm and herder household consumption spending that accrues as income to regional households. "Accrues as income to regional households" means that the spending results in wage or profit income to workers, producers, marketers, or proprietors in the region. Accrual estimates are based on field surveys that traced chains of transactions back to outlays by suppliers of inputs to sellers of consumption goods and services. The accrual calculation, which is suggestive of income multiplication potential, is a rough alternative to a true multiplier calculation.

The table shows the amount of such spending as a proportion of average income of farm households, and also as a proportion of their total consumption expenditures. Table 1 also shows the proportions that accrue as income to all regional households as against the proportions that accrue only to town households in each region.

On average, Kutus region farm households make local consumption expenditures amounting to 40 percent of cash income and 60 percent of total consumption expenditures in a manner that accrues as income to regional households. Over a third of this accrues as income to households in Kutus town. Not shown in Table 1 is the fact that this represents about 80 percent of income earned in the town from consumption spending by regional households. Slightly less than two-thirds returns as further income to farm households in the region through food sales, wages, and earnings from off-farm enterprises.

Table 1
FARM AND HERDER HOUSEHOLD CONSUMPTION SPENDING
IN THE KUTUS AND KISMAYO REGIONS

	Consumption Spending By	
	Kutus Region Farm Households	Kismayo Region Farm and Herder Households
<u>Household Consumption Spending That Accrues as Income to:</u>		
Regional farm and town households		
- as a % of household income	40	68
- as a % of total household consumption spending	60	56
Regional town households only		
- as a % of household income	16	47
- as a % of total household consumption spending	25	38

Source: Computed from survey database for SARSA 1988a and 1988b.

Thus, Kutus region household consumption expenditure data, especially when viewed in light of the extremely small size of the defined study region and its proximity and easy access to larger cities, strongly suggest that farm household spending is indeed a major factor in demand for local goods and services. Both rural and urban households benefit substantially from this spending, and study data suggest that as income levels of farm households rise the proportion of expenditures made locally tends to increase somewhat.

In the Kismayo region, well over half the consumption expenditures of rural farm and herder households combined, accounting for nearly 70 percent of the cash income of these households, are made in a manner that creates income for households in the region. Over two-thirds of this amount accrues as income to town households. Other study data show that although rural farm households are the poorest in the region and herder households are the most remote, together they account for nearly 40 percent of local town household earnings from consumption expenditures by regional households. If consumption expenditures by farm households living in small towns are added in, this figure rises to a conservatively estimated 64 percent.[3] Moreover, households in small towns capture roughly one-quarter of earnings from rural farm and herder household consumption spending; another quarter accrues as income to rural farm and herder households, but the major portion of the trade involved takes place in small towns.

The RUE studies in the Kutus and Kismayo regions were meant to document the current situation. One can only infer from the data that expansions in farm household income would generate considerable further income among the

region's households and generate considerable further demand for urban goods and services. But the work of other researchers examining these relationships from different perspectives supports the inference. For example, Hazell and Roell (1983) found that a 10 percent increase in rural household income produced a 13.4 percent increase in expenditures on rural (including rural town) goods and services in Nigeria, and a 20.5 percent increase in Malaysia. Freeman and Norcliffe (1980), in their study of 50 market towns in Central Province of Kenya, found that an average of 70 percent of sales by nonfarm enterprises were made to farm households within a five mile radius.

Is Income From Agriculture Central to Regional Economic Growth?

It is common knowledge that agriculture often accounts for only a portion, not infrequently for less than half, of total farm household cash income.[4] How important, then, is income from farming, as against other sources, for the regional income multiplication and investment processes that are the foundation of rural regional economic growth?

Based on the Kutus and Kismayo region studies, the answer would seem to be, farm income is not only very important, but central, on four counts:

- first, it is a significant component of farm household income, and therefore the basis for a substantial portion of farm household consumption expenditures;
- second, many nonfarming sources of regional household income are indirectly dependent upon income from farming;
- third, the rate of investment by farm households in town-based activities is at least initially related to levels of income from farming;
- fourth, for many town households income from farming provides a basis for undertaking entrepreneurial risk.

Table 2 shows that farm households in the Kutus and Kismayo regions indeed derive only about a third of their cash income from their farms. However, when farming wage income is added in, farming accounts for over half of average farm household income in both regions. Although herders in the Kismayo region engage in a variety of activities, close to 90 percent of their cash income is derived from herding. Moreover, data from the RUE studies show that as farm household incomes rise, the amount derived from agriculture continues to rise even as the amount derived from other sources increases.

Table 2
PROPORTIONS OF FARM AND HERDER HOUSEHOLD INCOME
FROM FARMING OR HERDING

	Percent of Average Household Income From		
	<u>Farming own farm, herding own herd</u>	<u>Farming or herding wage labor</u>	<u>Total</u>
Kutus Region Farmers	33	23	56
Kismayo Region Farmers	35	19	54
Kismayo Region Herders	87	0	87

Source: Computed from survey database for SARSA 1988a and 1988b.

Many nonfarming sources of income are indirectly dependent upon income from farming because they are directly linked to commercial farming activity; the extent to which this activity will be sustained, much less expanded, depends in turn upon the income farm households derive from it. Table 3 provides an indication of the relationship between final sales of agricultural commodities, and income earned from agricultural input supply and marketing in the Kutus and Kismayo regions. The table shows that for each 100 shillings of final sales of the key agricultural commodities in each region, between 27 and 60 shillings are earned by members of regional households engaged in input supply or marketing (including providing inputs to suppliers and marketers) for the commodities. Between 37 and 70 percent of these earnings accrue to town households.

Rural-urban marketing systems are severely constrained in both the Kutus and Kismayo regions. In the Kutus region, coffee is marketed through a national cooperative system that circumvents Kutus town. This same system supplies coffee farmers with production inputs, and these inputs are used by farmers for all their crops. Maize is marketed through a parastatal, and local processing, except for household use, is prohibited. In the Kismayo region, maize farmers use virtually no inputs. Moreover, in the best harvest years they market only 30 percent of their crop, which accounts for only 50 percent of local demand, and the locations and quantities of demand and supply vary greatly with the extent of rains each year. As a result, a well-established regional marketing system based on local traders does not exist. Though frequently observed in the breach, by law veterinary supplies and borehole operation for cattle are provided through government facilities. In light of this, the figures in Table 3 are remarkable, and suggest a much greater potential where better rural market systems are found.

Table 3
REGIONAL NONFARM EARNINGS FROM SALES OF KEY COMMODITIES

	Local Earnings Accruing Per 100 Shillings of Regional Final Sales*					
	Input Supply		Marketing		Total	
	Whole region	Town(s) only	Whole region	Town(s) only	Whole region	Town(s) only
<u>Sales By</u>						
Kutus Region Farmers	19	5	8	5	27	10
Kismayo Region Farmers**	29	16	13	13	42	29
Kismayo Region Herders	28	10	32	19	60	29

* Includes sales to final consumers within the region and the first sales transactions, whether final or intermediate sales, outside the region.

** Sales by banana plantations are excluded from the Kismayo region data because the plantations are operated in an enclave manner with virtually no input, marketing, or net revenue earnings accruing to the region, except for labor wages.

Source: Computed from survey database for SARSA 1988a and 1988b.

Again, findings from the Kutus and Kismayo region RUE studies corroborate the conclusions of other researchers examining the question from different perspectives. For example, Haggblade, et al. (1987), using data from 12 African countries and 4 Asian countries, found a strong correlation between growth in agricultural income per farm household member and rural nonfarm employment. In a study in the Muda River Region of Malaysia, Bell, Hazell, and Slade (1982) found that for every dollar generated directly by agriculture an additional eighty cents of value added was created indirectly in the local nonfarm economy. Krishna (1976), Mellor and Mudahar (1974), and Rangarajan (1982) reported similar findings.

Information developed during the course of survey work for the Kutus and Kismayo region studies indicates that regional economic expansion is indirectly dependent on agricultural incomes in a way not related to current household consumption or commodity input and marketing exchanges, and therefore not encompassed by the basic RUE model. Earlier, reference was made to the fact that about two-thirds of local farm household consumption spending returns as further income to farm households in the Kutus region through food sales, wages, and earnings from off-farm enterprises. In fact, 37 percent of Kutus region farm household income is derived from self-employment in town businesses that generate income for both farm and town households.

Table 4 shows that between 20 and 30 percent of rural farm and herder households in the Kutus and Kismayo regions own nonfarm businesses. These businesses are enterprises in fixed premises that generally represent material investments in town economies. The nature of the survey data makes it impossible to determine precisely what proportion of these businesses are inside regional towns, but field observations and cross references with other study data indicate that the vast majority of them are located there. Moreover, Kismayo region farm households living in small towns are not represented in Table 4. Survey data indicate that the proportion of these farm households with nonfarm enterprises is much higher, possibly as high as 50 percent, and that generally their nonfarm activities are located in the towns where they live.

Table 4
RURAL HOUSEHOLDS OWNING NONFARM BUSINESSES

	Percent Owning Nonfarm Businesses
Kutus Region Farm Households	21
Kismayo Region Rural Farm Households	28
Kismayo Region Herder Households	22

Source: Computed from survey database for SARSA 1988a and 1988b.

Study data reveal a correlation between investment by farm households in town businesses and levels of farm income. In the Kutus region, the proportion of farm households owning town businesses ranged from 0 percent among households in the lowest farming income quintile to 45 percent among households in the highest farming income quintile. Comparable data are not available for Kismayo region farmers, but among herder households, 82 percent of those owning an urban shop and 64 percent of those owning other urban property were in the third of sample households with highest incomes.

Interviews with farmers revealed well-calculated investment strategies that were indeed linked initially to levels of income from farming. As farming incomes rise, farm households often invest in off-farm enterprises as part of a strategy to diversify their income sources so as to offset the risks of dependency on agriculture and gain the highest returns on invested capital. As they prosper from these diversified activities, they tend to make larger

investments in farm production. This is consistent with the findings of Freeman and Norcliffe (1980), Haggblade et al. (1987), Kitching (1977), and others.

Income from farming figures in the overall economic strategies of many town households as well. Table 5 shows that rather high proportions of Kutus and Kismayo region town households are engaged in farming or herding, and considerably more derive wage labor income from these activities. Interviews with town households in the Kutus and Kismayo regions indicate that in many cases social values, heritage identity, and prior family possession play a part in the ownership by town households of farms or herds; but whatever the case, the assets are taken very seriously, and the returns from them enter into the calculus of urban entrepreneurial risk by these households.

Table 5
TOWN HOUSEHOLDS ENGAGED IN FARMING OR HERDING

	Percent Deriving Income From*	
	<u>Farming own farm, herding own herd</u>	<u>Farm or herding wage labor</u>
Kutus Town Households	32	15
Kismayo Region Town Households	50	20

* Some households may derive both self-employment and wage earnings from agricultural activities.
Source: Computed from survey database for SARSA 1988a and 1988b.

Do Different Commodity Systems Have Significantly Different Implications for Expanding Regional Household Incomes?

Intuitively, the answer would seem to be yes, yet regional studies often consider agriculture in aggregate as one of several economic sectors. How important is it to analyze the separate characteristics and income multiplication potentials of input supply, marketing, and consumption spending associated with different agricultural commodities produced in a region? Table 6 enables comparisons for three types of indicators from the Kutus and Kismayo regions that help address this question.

Table 6
INDICATORS OF REGIONAL INCOME MULTIPLICATION POTENTIAL
FOR KEY COMMODITIES

	Percent Accruing as Income to Regional Households From		Characteristics of Consumption Expenditures Associated With Producer Net Revenues
	Input Purchases	Marketing Margins*	
<u>Kutus Region</u>			
Coffee	45	24	LP, M
Maize	50	78	SP, F
Tomatoes	40	50	?, ?
<u>Kismayo Region</u>			
Maize	96	58	SP, ?
Bananas	48	36	--0--
Cattle	91	61	SP, ?
Milk	81	91	SP, F

LP/SP = Large Purchases/Small Purchases

M/F = Male/Female purchasing responsibility

* Based on "regional final sales," as described in Table 3.

Source: Computed from survey database for SARSA 1988a and 1988b.

In the Kismayo region the low level of banana input purchases accruing as income to regional households, as compared with input purchases for other commodities, is striking. Equally striking is the fact that this level is in the same range as prevails for all commodities in the Kutus region. Inputs other than labor for banana production in the Kismayo region and for all commodities in the Kutus region are supplied by virtual monopoly arrangements through national organizations that operate essentially outside the regional economies. While in Kutus private traders are permitted to deal in agricultural inputs, they are discouraged from doing so by price controls that leave them generally inadequate margins. Thus, regional income multiplication resulting from input expenditures for these commodities is constrained primarily by the consequences of macropolicy. With regard to maize, cattle, and milk in the Kismayo region, local income multiplication from input expenditures is constrained primarily by levels of production and associated production techniques.

Income accruing to regional households from marketing the key commodities is significantly lower for coffee in the Kutus region and for bananas in the Kismayo region than for other commodities. This again reflects monopsony marketing arrangements that largely bypass the regional economies. Maize in the Kutus region is sold by small traders on the open market for local consumption, and through larger traders to a parastatal for regional exports. Heavy involvement of local traders is reflected in the high proportion of

maize marketing margins that accrues as income to regional households. Tomatoes in the Kutus region are grown overwhelmingly for outside markets, to which they are conveyed primarily by Nairobi-based traders. This accounts for the moderate level of local income accrual from tomato marketing.

In the Kismayo region, local income accruals from maize marketing are below what they might otherwise be for reasons mentioned earlier; a larger more reliable local supply would foster more locally-based trading. The figure for cattle is depressed somewhat by an oligopsony of Mogadishu-based trading companies that control overseas export marketing. The absolute volume of local income generated through milk marketing is constrained primarily by limited production and marketing capacity for this highly perishable commodity.

Survey data regarding consumption expenditures associated with net revenues from specific commodities in the Kutus and Kismayo regions are, unfortunately, weak. However, the data do show that large household consumption outlays, such as school fees, medical care, expensive clothing items, and consumer durables tend to result in much less regional income multiplication than small day-to-day consumption expenditures, such as for food, casual clothing, consumer nondurables, transport, and personal services. Construction is often an exception to this. Particularly with respect to Africa, three other relevant points were highlighted by Downing and Santer (1988) in their exhaustive review of case study literature and further analysis of data from the Kutus region RUE surveys. First, men and women in farm households are frequently responsible for different crops. Second, men and women frequently control the use of income from their respective crops. Third, women tend to use their income for small daily household welfare purchases made close to home; men tend to use their income for larger purchases and to spend a great deal more of it in distant locations.

The third column in Table 6 lists characteristics of consumption expenditures made with producer net revenues from key commodities. In the Kutus region, payments to farmers for coffee are made in lump sums several times a year. This, together with the fact that farmers can obtain credit for large consumer purchases against their accounts with the coffee cooperative, and also the fact that coffee is generally a male-controlled crop, results in a tendency for coffee income to be used for large purchases. However, coffee farmers are among the more prosperous in the region, and thus a good deal of local household and investment construction is financed by coffee net revenues.

Maize is a staple. It is usually stored after harvest, and the 41 percent of the Kutus region harvest that is marketed is generally sold off in limited quantities as the need to meet expenses arises. Evidence suggests that maize is often a female-controlled crop, and that expenditures associated with maize net revenues have high regional income multiplication effects. Tomatoes, while sold locally, are essentially a cash crop in the Kutus region. Available evidence on the use of tomato net revenues is inconclusive partly

because, while growing rapidly, the absolute volume of revenues and acreage devoted to tomatoes were relatively modest at the time of the survey.

In the Kismayo region, most maize farmers are poor, and revenues from the small portion of the harvest that is sold are used for day-to-day purchases, a high proportion of which accrues as income to regional households. By and large, net revenues from bananas are transferred out of the region by plantation owners. Herder net revenue from cattle is generally used for household maintenance, and generates considerable additional income in the region. Wealthier herders often invest in urban economies in the region, but anecdotal information suggests that they also transfer portions of their earning outside the region. Milk is produced relatively close to urban centers, especially the larger urban centers, where it is marketed. Production and marketing are the responsibility of women, and net revenues tend to be used for small purchases with high local income multiplication effects.

Hence, there are enormous differences among commodity systems in the opportunities they represent for interventions to foster broad-based regional economic expansion and diversification. For some commodities, the greatest and most immediate benefits would result from measures that increase local participation in input supply or processing/marketing functions; for others, improved access by farmers to a broader array of local goods and services would be the highest priority; and for those already well integrated into the regional economy, measures leading to business. Seizing the best opportunities requires knowledge of the influences of crop and commodity characteristics, spatial characteristics, gender roles, technologies, social systems, marketing patterns, institutional frameworks, and macropolicies unique to each commodity system.

V. RECOMMENDATIONS OF THE STUDIES AND CONCLUSIONS

Intervention recommendations arising from RUE research carried out by SARSA in the Kutus and Kismayo regions are presented in cursory form in Table 7. Sixteen such recommendations were developed for the Kutus region, and 21 were developed for the Kismayo region; the table includes a representative sample of ten for each region. Full discussions of the recommendations, their justifications, and their likely consequences based on information generated by the RUE studies appear in SARSA (1988a and 1988b).

The first column in Table 7 shows the commodity system with which each recommendation is most closely associated; that is, the commodity system in which the indicators of intervention opportunity were revealed, or were most strongly manifested. Yet in all cases the benefits would extend considerably beyond the specific commodity system to foster greater income multiplication and economic growth throughout the region, and in many cases would directly benefit producers of other commodities as well.

The interventions recommended do not constitute a strategy, nor have they been prioritized; they are in fact interventions recommended for consideration in local and national decision making frameworks where competing priorities and resource allocations are debated. They do, however, reflect a strategic approach aimed at improving public sector performance of its legitimate functions in support of constructive private sector economic activity. Recommendations that may appear to second-guess market forces, such as "Small workshop space in Kutus," actually refer to local government initiatives to make possible a type of private sector activity for which demand and private investment capacity, but also non-market barriers, exist.

The final column in Table 7 identifies the primary purpose of each intervention, in accordance with the sought-after results of RUE-based interventions mentioned at the end of Section II. Again, most interventions will serve more than one of the four purposes. For example, "Privatized veterinary and borehole operations" in the Kismayo region would not only stimulate expanded regional income multiplication, but would also increase production returns to herders by reducing input costs and improving input availability.

The interventions are grouped in three categories: physical capital, institutional capital, and macropolicy. Physical capital investments alone, while decidedly beneficial, would yield but a fraction of their potential in the prevailing policy and institutional environments of the Kutus and Kismayo regions. Indeed, macropolicy reforms are clearly among the "regional interventions" likely to have the most immediate, dramatic, sustained beneficial impact on income generation dynamics in these two regions. Together with explicit intervention recommendations, the RUE studies produced powerful regional-level evidence of this.

Table 7
INTERVENTIONS RECOMMENDED FOR CONSIDERATION
IN THE KUTUS AND KISMAYO REGIONS

<u>Commodity System</u>	<u>Intervention</u>	<u>Primary Purpose</u>
KUTUS REGION		
<u>Physical Capital</u>		
All	Selected market infrastructure in Kutus	EFTT
All	Small workshop space in Kutus	ERIM
Coffee	Coffee input supply/pickup depot in Kutus	EFTT
Coffee	Improved road segments in the north	IPRF
Tomatoes	Wholesale produce bulking depot in Kutus	INVA
Tomatoes	Improved road segments in the southeast	IPRF
<u>Institutional Capital</u>		
All	Small business revolving loan fund in Kutus	ERIM
Tomatoes	Tomato marketing cooperative in Kutus	INVA
<u>Macropolicy</u>		
All	Relaxed farm input price controls	EFTT
Maize	Relaxed maize price and marketing controls	IPRF
KISMAYO REGION		
<u>Physical Capital</u>		
All	Improved larger-to-smaller town road links	ERIM
All	Extension of electric grid to Jamaame town	ERIM
Maize	Small farm mini-irrigation near Jubba river	IPRF
Cattle	Additional boreholes in strategic locations	IPRF
Cattle	Improved access roads to smaller towns	EFTT
<u>Institutional Capital</u>		
Maize	Participatory management of river water use	IPRF
Milk	Milk marketing cooperative in Kismayo	IPRF
<u>Macropolicy</u>		
All	Relaxed commodity price controls	INVA
Bananas	Free market input supply and output marketing	EFTT
Cattle	Privatized veterinary and borehole operations	ERIM

IPRF = increase production returns to farmers.

INVA = increase nonfarm value added.

EFTT = expand farm-town trade.

ERIM = otherwise expand regional income multiplication.

Source: SAPSA 1988a and 1988b.

Because of their focus on rural-urban exchange, key commodity systems, and the conditioning environment, the RUE studies in the Kutus and Kismayo regions called attention to the relationships between specific macropolicies and local economic growth processes. The Kutus region study, for example, provided empirical evidence that price and marketing controls of the government of Kenya were undermining opportunities for rural-urban trade even as the government was investing heavily in facilities to expand the roles of market towns. In the Kismayo region, government policies aimed at maximizing its foreign exchange earnings were degrading the economic and resource base of the region and driving underground the productive energies on which those earnings depended. The RUE studies made inescapable the conclusion that the objective of economic expansion and diversification in rural regions required complementary reforms and investments at national and local levels.

The RUE studies also shed special light on local rural-urban relationships. Even before the studies were undertaken, most would have agreed that the concept of separate rural and urban development is invalid, that towns and hinterlands have production, marketing, and consumption relationships that to a great extent make their economic expansions interdependent. But the studies revealed intricate multidimensional webs of economic and household interdependencies that hitherto had not been fully appreciated in these regions.

These webs are in constant flux and perhaps can never be fully unravelled analytically: farm households own town enterprises, town households own farms, farm households live in towns, town dwellers earn wages on farms and in nonfarm rural enterprises, farm household members earn wages in town enterprises, and so on. Labor, capital, and commodities shift back and forth between hinterland and town seeking the best returns, hedging short and long term risk, and responding to socio-cultural imperatives. Farm and town economic activities are organically related not only as independent entities, but also as components of the economies of households acting as diversified businesses. The operative calculus of economic optimality may be quite elusive.

This argues strongly for regional development strategies aimed at improving local markets by reducing transaction costs and barriers to entry and resource mobility, -- that is, by improving efficiency of market structures and facilitating market expansions -- rather than attempting to define and directly address the best economic interests of regional households. For intervention planning consistent with this approach, the Kutus and Kismayo region studies confirm the utility of a research framework such as RUE that is minimal, systems-based, non-normative, rural-urban exchange oriented, and can be expanded incrementally and coherently in accordance with the dictates of emergent findings.

NOTES

[1] The conceptual underpinnings of RUE were first described by the present author in "Means, Motivators and Markets in Rural Regional Development" (Bar-El et al. 1987). Since then, RUE field research exercises were undertaken by SARSA in Kenya, Somalia, and Zaire that provided the foundation for refinement and elaboration of RUE as discussed in this paper. While the author was director of the field studies, many associates of the SARSA project participated in them, and through their participation contributed to development of the research framework. These contributors are identified in SARSA (1987, 1988a, 1988b). The results of SARSA field experience were synthesized by Jeanne Downing and Gerald Karaska together with the present author in SARSA (1988c), upon which portions of this paper draw. In addition, the work benefitted from contributions by Eric Chetwynd, John Grayzel, and Daniel Dworkin, of USAID's Office of Rural and Institutional Development.

[2] RUE studies in Kenya, Somalia, and Zaire, for example, showed that the three major agricultural commodities or commodity groups in each case accounted for about 90 percent of average farm household money income from farming in the study regions.

[3] "Small" towns are defined functionally in the Kismayo region study, but most are between 2,000 and 8,000 in population.

[4] Reference to this fact is made by many authors. Examples are Freeman and Norcliffe (1980), Haggblade, et al. (1987), International Labor Office (1982), Kitching (1977), and Matlon (1979).

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The Mauritanian delegation

CONCLUSIONS OF WORKING GROUPS

FRENCH SPEAKING GROUP 1

"Strengthening rural growth policy to take into account market town factors"

Question No. 1. What policies or other actions are necessary to better integrate market towns in rural development?

a. Organization of rural areas:

On the human level: Through the setting up of farmers cooperatives, in order to obtain credits which enable them to finance small development projects. By a sound policy of management training including function literacy.

On the material level: By the creation of collection points for agricultural products and storage warehouses. By the construction of rural roads to facilitate the flow of products.

On the technical level: By the dissemination of new technologies.

b. Decentralization of services to the benefit of rural communities

Question No. 2. What are the obstacles to the implementation of coordinated policies leading to sound program planning?

There are two kinds of obstacles hindering the implementation of a good coordinated policy aiming at consistent program planning.

1. ECONOMIC AND TECHNICAL OBSTACLES

- Few financial resources
- Lack of infrastructure
- Weakness of agricultural commodities marketing system
- Lack of price incentives
- Weakness of national research organizations.

2. POLITICAL AND INSTITUTIONAL OBSTACLES

- Poor project integration,
- Lack of popular involvement in project execution
- Lack of consultation and coordination between central authorities and local implementing agencies
- Lack of decentralized decision making
- Insufficient identification of the needs of the population by national managers
- Insufficient links between research and development activities
- Insufficient preparation of programs to be presented to donors.

Question No. 3. What actions are necessary to overcome these problems?

What concrete steps should be undertaken to help USAID, for example, develop and monitor its programs?

- Effective financial, material and human resources decentralization through strengthening local authorities.
- Local populations should be associated with project identification and design.
- Training of all actors (farmers in cooperatives, women producers, and traders ...)
- Price incentives for producers.
- Provide infrastructure adapted to local needs (roads, warehouses).
- Guarantee outlets for local commodities.
- Promotion of local commodities.
- Establish processing units in market-towns.

FRENCH-SPEAKING GROUP NO. 2

"Strengthening urban development policy to take into account the requirements of rural development"

As a prerequisite to any discussion, we decided to first define the meaning of "market-town". Since it was difficult to achieve consensus, we adopted both an analytical approach (which takes into account the distinctions between towns) and an overall approach (which takes into account the whole urban system, including the state capitals, which are trade centers).

Question No. 1. What policies or other activities are necessary to better integrate rural development into urban development planning?

The strengthening of market towns follows the adaptation of the criteria according to which they are defined in each individual country; it requires a policy of:

1. institutional and administrative reform, e.g. decentralization made possible by administrative and financial autonomy.
2. restructuring the urban framework so as to emphasize economic functions.
3. promotion of their internal dynamism.
4. opening of rural areas to the outside world.
5. development or support of market towns' original productive functions.
6. agricultural mechanization.
7. agricultural research.
8. promotion of production and price guarantees.
9. training of producers.
10. training and employment of rural youth.
11. training and employment of women.
12. urban and regional transportation.
13. employment promotion in these towns in order to improve the income of the inhabitants.

However, these various policies do encounter some obstacles.

Question No. 2. What are the obstacles to a coordinated urban development policy leading to consistent program planning?

1. difficulties in establishing integrated local development strategies.
2. lack of land surveys.
3. lack of a socio-economic data bank.
4. conflicting relationships in production.

To these first four obstacles, other deficiencies should be added:

5. deficient and/or inadequate urban development plans.
6. insufficient financial resources.
7. deficient and/or poor distribution of human resources in rural areas.
8. lack of coordination among the various ministries.

Lack of collaboration among the various actors, particularly the small producers, when action programs are set up. This brings about a lack of interest on the part of these actors or a series of unconnected actions.

This situation is aggravated by:

9. the lack of coherence of Government and donor on financing policies.

All these obstacles can be overcome if some specific actions are taken.

Question No. 3. What actions can be undertaken when a policy or program is established in order to achieve a better integration with urban development planning?

1. identify criteria applicable to market-towns.
2. develop integrated local development strategies, whatever the difficulties are.
3. conduct land surveys in order to assure a good financial management.
4. improve rural, urban and regional infrastructure.
5. provide adequate resources when responsibilities are transferred.
6. set up a local tax system to promote the development of market-towns.
7. establish a regulatory and promotion policy for small businesses.

8. ensure proper coordination between ministries in order to promote market-town development.
9. identify and emphasize, in the urban development plans, the infrastructure, equipment and other services which could promote economic development of market-towns.
10. establish and identify projects in close association with the local population to avoid possible resistance and to ensure that projects are accepted.
11. allocate human resources adequately in rural areas in accordance with the requirements of economic and social development.
12. promote the use and control of measuring instruments and weights.
13. facilitate access to land.
14. promote national development plans for market-towns and to ensure coordination of donor financing policies.
15. establish trade promoting infrastructure and financial networks.
16. conduct a diagnosis consisting of data collection of urban development indicators and establish data banks.
17. promote the development of services required by the rural areas: credit, administration.
18. introduce technologies for agricultural commodities processing.
19. improve housing.
20. set up socio-cultural and educational facilities.
21. facilitate access to credit.
22. facilitate access to inputs: pesticides, fertilizers, seeds.
23. distribute energy and water to rural areas.
24. ensure urban and regional transportation.
25. maintain rural feeder roads.
26. organize producers.
27. train producers.

28. establish cooperatives.

29. create warehousing and processing units for agricultural products.

ENGLISH SPEAKING GROUP 1

"Strengthening Rural Growth and Urban Development Policies to take into Account Market Town Factors"

Question 1: What policies and programs are necessary to strengthen the linkages between market towns and rural development?

Policies and supporting programs:

1. Establish criteria for selecting growth centers for rural development. Growth centers are market towns which are already experiencing some growth in certain activities or which have the potential to grow.

Example from the Gambia; three towns which are at crossroads of trade/transport networks in a region.

2. Devise specific policies for those centers which have been selected. These policies should concern land use in and around the market town; the types of infrastructure investments needed in and around the market town (i.e. main road and feeder roads; electric power; water supply; storage facilities for agricultural produce; market structures; and social infrastructure - educational facilities, health facilities, etc...).

The program to implement these policies involves appropriate/selective investment programs which give priority to those key actions which can accelerate growth of the market towns.

3. Promote agricultural development, which means encouraging the production of a surplus for marketing.

This can be done by an appropriate marketing policy that encourages farmers to produce more commodities. This also involves making the proper mix of inputs available so that outputs can be increased.

Once the policy to promote increased agricultural production is decided upon, then the appropriate program can be designed to implement that policy.

Depending upon the country-specific situation, the policy may be to set a floor price for a particular crop and to have marketing boards and private traders buy the crop at that price - agreement that competition in marketing is best for all concerned: farmers, traders, etc. because it makes actors use scarce resources efficiently.

The program to encourage the production of a surplus may also involve the establishment of farmers' co-ops in order to mobilize resources to procure agricultural inputs needed to increase output.

4. Establish clear lines of authority and decision making responsibility - i.e. areas of central government concern and local government concern. It is important to emphasize local involvement in policy decisions which directly impact on local people/space.

Programs to implement this policy may include improving local government capability to implement development projects as well as to increase local awareness of the potential for economic development in the area.

5. Increase local fiscal autonomy and local self-reliance.

Programs to implement this policy may involve the levy of users fees for infrastructure provided by market town authorities, the encouragement of rural savings associations so as to mobilize rural capital for development purposes.

6. Coordinate spatial and sectoral goals of rural development. Ensure that the spatial and sectoral projects and policies are compatible.

Question 2: What obstacles exist to the formulation of these policies or the planning of programs?

Obstacles or constraints:

1. Inadequate data or information base upon which policy decisions and program designs are to be made.
2. Lack of resources to develop policies and to implement programs - resources can include undeveloped human resources, lack of administrative capability, insufficient financial resource, etc.
3. The opposition of certain vested interests to any proposed changes in policies and their concomitant programs.

This involves opposition based on existing socio-cultural norms and traditions, as well as that from existing political power groups/structure. Essentially, this translates into the lack of political will to make any changes that may be needed.

4. Access to resources as an issue - i.e. equity versus efficiency - how best to deal with regional demands that may conflict with the most efficient use of scarce resources.

5. Lack of popular participation/input in the regional or national decision making process.

At the local level, decisions are made in capital.

At the regional level - decisions are made and given from above - from the capital.

6. Lack of harmony among sectoral and spatial policies.

Question 3: What actions are necessary to overcome these obstacles so that rural growth considerations may be better integrated into urban development planning and so that market town factors may be better integrated into rural growth strategies?

1. Conduct statistical surveys to gather the data needed (population census and other kinds of surveys).
 - This may require short-term technical assistance from donors.
 - Important to develop the local capability to collect and analyze the data and to do this on a sustainable basis.
 - Coordinate all data collection efforts (by donors and all government agencies) via a central data bank - thereby combining all sectoral data in one entity.
2. Provide training programs to develop the skills needed over the medium and long term.
 - Short-term technical assistance may be needed from donors.
 - Programs should include a cost - recovery scheme so as to ensure sustainability. This may involve user fees to reach commercial viability.
 - Administrative reform to increase municipal/market town capacity to plan and implement policies and programs and to improve their efficiency.
3. Emphasize education in various forms - including mass media campaigns, seminars for certain Government officials, exchange programs - to disseminate information, especially about the potential benefits of these policies and programs.
 - Encourage the formation of new interest groups to represent all participants in the rural marketing system, market towns and those localities that generate more resources should attract additional investment - this will be a self sustaining process and ensure efficiency gains over equity issues.

- Include existing interest groups, to the extent possible, so they too realize some benefits from the proposed changes.
 - Democratize government - voting process for politicians who support the policies and programs needed for market town and rural development.
 - Better analysis and more data to convince politicians to change their perceptions and thereby recognize the benefits of the proposed policy changes. Especially emphasize to them the spatial aspects of their sectoral programs.
4. Recognize that this is a "trade-off" issue, that there are political limits/realities as to what can be done, and work accordingly. Some resources may go to a region even though this may not be the best use of the resources.
 - "Re-orient" policy makers perspectives.
 - "Educate" policy makers' to the potential costs/benefits of their policies and proposed changes to them.
 5. Decentralize government, allow more local autonomy, undertake a process of political reform.
 - Local election of officials, administrative reform, local fiscal autonomy: ability to raise and dispose of resources according to local needs and priorities.
 - Encourage the creation of local self-help groups to mobilize resources for achieving objectives.
 6. Coordinate policy-making between sectoral ministries, with special attention paid to the spacial implications of those sectoral policies.
 - Consistency between spatial and sectoral policies needs to be achieved.

FRENCH-SPEAKING GROUP NO. 3

"Strengthening the effectiveness of actors in the field"

Group III thought it necessary to define the concept of market-town; a market-town can be a center whose geographical position and main activities encourage trade of agricultural and non-agricultural commodities between in hinterland and other urban centers. Its field of influence may be local, regional and international.

Question No. 1. What role should local governments and the private sector (formal and informal) play in building dynamic market towns?

A) Role of local governments

- The local government should:
 - establish basic infrastructure (feeder roads, building or rehabilitation of markets, warehouse, toilets ...)
 - design and orient regional development programs.
 - organize, process and market agricultural products.
 - create favorable conditions for the establishment of a formal and informal private sector.
 - promote the expression of public needs.
 - insure the security of persons and goods.

B) Role of private sector

- participate in marketing of agricultural products (purchase, transportation, sale)
- participate in the supply of staple commodities.
- support and help in the achievement of development objectives.

Question No. 2. What are the obstacles to:

- the effectiveness of local governments?
- the dynamism of the formal private sector?
- the dynamism of the informal private sector?

Experience in various countries has shown that market-towns, just as the private sector (formal and informal) encounter difficulties.

The following obstacles were have been identified:

Obstacles to development:

A) Of local governments

- lack of social and political coherence
 - opposition to political trends
 - ethnic and religious conflicts
- lack of financial resources
- complex administrative procedures
- poor management of available resources

B) In the formal and informal private sector

- lack of basic infrastructure
- lack of administrative support
- lack of availability of financial resources
- lack of information on prices and markets
- lack of qualified staff
- lack of creativity
- uncertain weather, which does not permit guaranteed production
- uncertainties of the market
- inadequate distribution networks
- lack of incentives for private initiative
- lack of security for people and goods

Question No. 3. What actions are necessary to strengthen local services and management capacity?

In order to do away with these various obstacles and increase the vitality of market-towns, the following priority actions are recommended:

Strengthening:

A) Management capacity of local governments

- staff training
- design and establish realistic action programs
- make decentralization effective
- establishment of appropriate techniques for the mobilization of financial resources
- create of income-generating investments

B) Private sector (formal and informal)

- adapt the investment code
- simplify administrative procedures
- invite and encourage investment by the domestic private sector
- accelerate training of nationals in business management
- facilitate access to bank credit
- strengthen and decentralize chambers of commerce
- encourage the diversification of activities

C) Women participation

- training to assist women in undertaking profit-making activities
- accelerate their grouping into socio-professional organizations
- facilitate their access to credit and land ownership
- create funding guarantees
- organize day care in market-towns.

ENGLISH SPEAKING GROUP 2

"Strengthening capacity of actors in the field"

Establishing dynamic market towns requires efficient local services and individuals in the market sector who are able to carry out a broad number of activities.

Question 1: What roles should local government authorities and the private sector (formal and informal) play in building dynamic market towns?

- a. local governments have the legal obligation to provide basic infrastructure to include markets, social centres, schools, etc.;
- b. the private sector cannot realistically be expected to provide major physical structures and utilities;
- c. local government needs to promote/encourage private sector initiatives by providing facilities and access to resources and information;
- d. local governments must know potential of areas and promote maximum use of resources especially agriculture; and
- e. local governments should be responsive to the needs and aspirations and potential of the local constituency - urban and rural; .
- f. local governments should encourage dialogue with the private sector;

Question 2. What are the obstacles to effective local government?

- a. local government is constrained by the lack of authority, responsibility, resources, information, and trained personnel to carry out these functions effectively;
- b. differing political agendas (on the local as well as the national level): local leaders designated by central government; national policy not responsive to local needs; resource allocation favouring central government priorities;
- c. highly centralized government structures delay decisions, local need not always considered;
- d. potential conflict between traditional leadership and local government; and
- e. private sector circumvention of taxation, corruption of officials.

What are the obstacles to dynamic private sector?

- a. Local government harassment of the private sector with excessive regulation, lengthy approval process, and overlapping controls;
- b. Conflict between elements of private sector, informal versus formal, informal insistence on circumventing system resulting in inefficiencies;
- c. Lack of infrastructure: roads, market structures, and lack of infrastructure maintenance;
- d. Poor circulation of information on resources, opportunities, etc.;
- e. Lack of political stability;
- f. Lack of access to credit; and
- g. Irregular communication with government over issues of concern to private sector.

Question 3. What actions are necessary to strengthen local services and management capacity?

- a. The need for training of local government officials on the importance of the formal and informal sectors. The training of trainers for government officials and apprenticeships and on-the-job training for the informal sector should be most effective;
- b. Dissemination of information from the local level to the grass roots level in order to facilitate linkages, cooperation and dialogue. With adequate information, better decisions will be made;
- c. The local government should conduct studies to identify obstacles and develop action plans to address constraints;
- d. Action must be taken to change government policies which are harmful to small business (informal sector). This may require studies and the creation of manufacturing unions;
- e. Local government should identify benefits and ensure that benefits exist for those being enticed from the informal to the formal sector;
- f. Make commodity and transportation systems more efficient through studies identifying problem areas and solutions;
- g. Generate local savings in order to make local credit available;
- h. Improve market facilities to include all women traders and producers through training and the formation of women's associations/cooperatives;

- i. Improve benefits for women by providing a just fee structure and devising strategies to allow them to own facilities (such as vehicles);**
- j. Promote dialogue between government and private sector (market associations).**

FRENCH-SPEAKING GROUP NO. 4

"Investment strategies in market-towns to promote rural development"

Aware of the different socio-economic situations in the various countries in Sub-Saharan Africa and among the various communities within countries, Group IV believes that preliminary studies should be undertaken about the nature of priority investments which should be made to create a dynamic framework for trade linkages between market-towns and rural areas.

Since the problem of linkages between urban and rural development is part of the overall problem of national development and, within a country, is part of regional development, such a study should lead to:

- the identification of bottlenecks
- the determination of required facilities and actions
- the formulation of investment strategies

Following fruitful discussions and further investigations, the members of the group decided that, whatever the region or country, market-towns can only play a useful role if there exist four types of facilities or structures, namely:

- 1) Basic equipment for:
 - water supply
 - production and distribution electricity
- 2) Support structures for agricultural and non-agricultural rural production, namely
 - a training/extension center for farmers and craftsmen
 - a supply center for inputs and development of agricultural plots
 - equipment and tool repair services
 - a production financing service
- 3) Equipment for the collection and marketing of rural products, such as:
 - warehouses
 - small processing and packaging units
 - functional markets
 - decentralized financing services for marketing activities
- 4) General services available to the population, namely:
 - Social, health, educational and social infrastructure

Regarding the scheduling of the investments, the group emphasizes the that programming must be based on a previous study. However, because of the scarcity of available resources in our countries at a time of economic crisis, the group members prefer productive and profitable investments, but indicate that the concept of profitability should not be used solely in a short-term context.

Planning the development of market-towns for promoting rural areas must take into account the needs of both the public and private sectors.

Emphasizing how difficult it is to understand the activities of the informal private sector, which is by far the most important, the group advocates that Government services and decentralized local governments coordinate their actions and operations with the private sector. To this end, the group suggests that coordination mechanisms be set up at the central and local level to permit public and private partners to plan their actions.

In such a planning process, the State and local governments must be actively involved with the private sector and adopt economic incentives for the benefit of the private sector, but they must also be careful not to fall in an undiscerning privatization of the activities entrusted to them.

ENGLISH SPEAKING GROUP 3

"Investment Strategies in Market Towns to Promote Rural Growth"

Introduction

Before answering the discussion questions, the group felt it was necessary to clarify the concept of market towns. After a brain storming session the group came up with the following definition of market towns:

Market towns are not the capital cities, but are more than village periodic markets. Market towns are human settlements where exchanges of goods and services take place in one or several identifiable places through established channels of interaction; where distinct functions are performed; market towns serve as intermediate points for assembly and distribution of goods and for intensification of production and marketing. This definition has the following assumptions:

- The area has economic growth potential and that policies conducive to growth are in place.
- There exists a willingness on the part of Government to free the market through pricing, interest rates, etc.
- Some degree of decentralization, in terms of decision-making and flow of resources is in place.

Question 1. What types of investments should be given priority in market town development projects?

The development of market catchment areas is one of the essential elements in economic growth. Access between the market towns and surrounding market catchment area and access between the market town and the next higher level of markets require a certain set of investments. The group identified two sets of investments.

The first set of investments (TYPE A INVESTMENTS) are those that allow movement of goods and services. These include:

Category 1: Those investments that provide access between markets such as:

- roads
- transport/transport depot
- transport support services
- communication facilities

Category 2: Those investments for assembling and distributing inputs and outputs, such as:

- assembly markets
- terminal and wholesale markets
- financing
- storage
- utilities

These are not listed in priority, but must follow the process elaborated in Question 2.

The next set of investments (TYPE B INVESTMENTS) are those that create value added. These include:

- agro-processing for seed production and processing; fertilizer debulking and distribution; forage and manure handling; horticulture packing; oil seed processing; cotton ginning; coffee drying and hulling; fermentation of cocoa; juicing of fruits; drying of fruits and vegetables; canning, freezing and dehydrating tomatoes; etc.
- cold storage for horticulture, fruit, meat, fish, dairy products
- Utilities such as water, electricity, sewage disposal, postal services, telephone
- wholesale markets
- small/medium enterprises such as sale and fabrication of spare parts; maintenance, lubrication and other services to the processing industry; garages; filling stations
- human resource development such as schools, manpower training, etc.
- social services such as garbage collection
- rural financial institutions

Again, priorities within TYPE B Investments would be outlined in Question 2.

Question 2. What should be the relative order and timing of these investments.

The order and timing of these investments are related to the specific conditions in each country and specific to each market town.

To determine the order and timing of these investments, the following criteria/guidelines are suggested:

1. Invest in Type A investments, i.e. (investments that allow movement of goods and services) before investing in Type B Investments which are investments that allow value added to be created and retained.
2. To determine which Type A Investment should be undertaken, conduct inventory and feasibility studies of Type A Investments.
 - Assess major gaps in income producing activities
 - Look for linkages among income producing activities that have the greatest potential for generating more income (target dominant commodities)
 - Target base of small and intermediate sized producers
3. To determine which Type B Investment should be made, conduct inventory and feasibility studies of Type B Investments.

Given a number of potential Type B Investments, we suggest going for "best bets" or "sure bets":

- Target small/medium enterprises that have forward and backward linkages with major commodities grown and marketed in the area
- Target small/medium enterprises that produce and/or trade consumer goods and services to the households that produce the agricultural commodities.

Note: A feasibility study should ask (a) can the project be done? (b) what is its rate of return or pay-back (should account not only for direct revenue generation but also income multiplication effects in the region)? (c) interventions are ranked by (a) and (b); i.e., highest pay-back, etc.

Question 3. How can investment planning be coordinated between various public sector agencies and the private sector?

Having identified some of the possibilities which make up an investment strategy, it is necessary to identify the means of implementation which will ensure coordinated action involving both public sector agencies and the private sector.

To this end, we propose that a development committee for investments (Investment Committee) be formed in each identified market town. the committee should be made up of key operators and decision makers from the public and private sectors. Members could be drawn from groups such as local government, agricultural and non-agricultural private sector, and community groups.

The Investment Committee's objectives would include:

1. developing action plans along the lines suggested earlier including the identification of existing resources for specific investments;
2. devising means for mobilizing new or additional resources for investments not currently funded.

By establishing such a committee, input from various interest groups can be assured. Prioritizing of investments will have broad based support and could lead to more efficient utilization of limited resources. Potential investors and donors will have an easily identifiable body to deal with and are likely to have more meaningful interaction in the process of their involvement in the development process.

Depending on the situation in each country, it may be advisable to formulate a legal basis for the establishment and operating mandate/charter of such a committee.

While it is realized that potential obstacles could exist in the process of establishing such a committee, particularly from politicians or the private sector with entrenched/vested interests, there is no doubt that in order to guarantee better coordination of public and private sector investment activities, the establishment of such a committee is a real necessity.

Donor agencies like USAID could assist in the formation of such committees by funding (a) seminars that would bring together representatives of both the private sector and public agencies; and (b) sector assessments and feasibility studies. Donor agencies could also co-finance development over a wider area.



Presentation of country action plans

SYNTHESIS OF COUNTRY ACTION PLANS

The final session of the Conference on "Market Towns and Rural Growth" was devoted to the preparation of country action plans by the delegations from each of the participating countries. The action plans describe each country's experience related to market town oriented policies and programs, briefly analyze reasons for the success or failure of these policies and programs, and present recommendations for future actions which would integrate market town factors in rural development planning and rural development needs into urban, particularly market town, planning. The action plans are not intended to be official policy documents but rather a reflection by the participants at the Conference on the types of actions which could further the development of the market town concept in their respective countries.

Experience to date

Few countries have promulgated explicit market town policies. Rwanda and the Gambia have recently formulated plans that specifically analyze secondary urban centers in terms of their linkages to rural areas and attempt to provide services and infrastructure to meet those objectives. Other countries have established plans along these lines that have not yet been implemented. The majority of countries represented at the Conference indicated that while they have not developed specific market town policies, many actions related to rural and secondary city development that are consistent with a market town approach have been taken.

These actions seek to achieve many objectives, the most common of which appear to be slowing rural out-migration and promoting equitable territorial patterns of development (urban-rural parity). Other stated objectives included increasing agricultural production, food self-sufficiency, increasing household revenues and providing basic urban services in secondary centers.

Although the selection of market towns for investment requires analysis of the rural development related functions typically filled by towns many of the participating delegations indicated that city selection had frequently been made on the basis of administrative roles rather than economic and supporting activities, in addition to administrative functions.

All of the delegations identified decentralization as an existing policy which reinforces the market town approach. In some countries the government has deconcentrated the offices of technical ministries on a regional basis while other countries have created some form of autonomous or semi-autonomous local government. Experience with decentralization, particularly in the latter form, has generally been recent. Local governments are typically composed of elected councils supported by administrative staffs and have some degree of responsibility for generating revenue and providing services and infrastructure.

The second most frequently identified program was the provision of rural and urban infrastructure. Over half of the action plans identified infrastructure programs carried out by the central government, local government, or para-statal development agencies. The most common forms of infrastructure have been rural roads, economic oriented infrastructure in secondary centers such as markets, storage facilities, slaughter houses, and basic urban infrastructure such as roads, electricity, water, and plots for housing.

A number of delegations also reported credit operations, generally targeting rural producers (individuals or cooperatives) and local governments (for capital investments).

Several of the countries noted that their actions were undertaken as part of an overall program of economic liberalization, therefore deregulation of agricultural production and market-oriented pricing policies were part of the strategy to increase rural growth. However, few of the plans specifically mentioned increased private sector participation in the economy as an objective or as the target of programs. Two of the countries, Congo and Burundi, indicated that research on agricultural marketing circuits, particularly in market towns, was also an element of their on-going national program.

Reasons for success and failure

Despite the large number of actions that have been taken, the delegations identified numerous factors that have inhibited program success. Insufficient or inappropriate infrastructure and poor policy and program management appear to have been the most common constraints.

Poor policy and program management refers primarily to the lack of coordination at the national level (in terms of policy formulation and program design) and local level (in terms of project design and implementation). There appears, not surprisingly, to have rarely been adequate coordination among technical ministries and between the public and private sectors. The Burkina Faso delegation referred to the rural and urban development policies prior to 1983 as being "juxtaposed" rather than coordinated. A second management problem concerns excessive centralization of technical decisions regarding development projects and credit, among others. One delegation identified the poor management by state-owned enterprises as a cause for failure.

Although infrastructure provision constitutes one of the principal areas of activity, the lack of suitable infrastructure is perceived as a primary cause for the lack of market town development. In many cases delegations indicated that infrastructure needs, particularly roads and storage facilities, remain high. In other cases, infrastructure has been poorly designed and does not correspond to development needs. For example, towns have been selected on the basis administrative functions rather than economic

activity. One action plan described local credit institutions as having been established on the basis of the number of functionaries rather than on the basis of economic operators' needs. The point was also made that infrastructure plans have been established purely on the basis of urban dwellers' needs: the plans did not consider integrating the potential economic linkages with the surrounding rural areas.

Many delegations referred to the lack of financial resources for infrastructure investment, particularly at the local level. The reasons for this shortcoming include the lack of economic activity, lack of local financial autonomy, and poor local financial management.

Two of the delegations identified the lack of sensitivity to private sector needs and the lack of coordination with private interests as reasons for the failure of market town oriented programs.

Future Actions

In recommending future actions to strengthen the role of market towns in rural growth, most delegations identified infrastructure as the most pressing need. Infrastructure needs are almost equally divided between rural roads and other transportation, basic urban infrastructure (water, electricity), and infrastructure related to economic activities and likely to promote private sector employment. This latter type of infrastructure includes markets, storage, and agro-processing equipment. Facilities particularly serving women's needs, such as day care, were also identified. In addition to the provision of infrastructure, several delegations cited the need to establish or strengthen local capacities to maintain road networks and other basic infrastructure.

A broad range of training needs was also identified including information dissemination of market conditions and prices to producers, strengthening the management capacities of small business, local governments, and women entrepreneurs. Financial management was the key training need identified for local governments.

Many delegations saw the need to strengthen local participation in the development process either by creating local mechanisms, such as women entrepreneurs' organizations, or by pursuing the decentralization process. They saw the opportunity to strengthen decentralization by increasing the financial resources and general decision-making authority of local governments.

Many delegations proposed actions to improve policy planning and coordination and to integrate more fully the concept of market towns in the planning process. At the national level, one delegation proposed establishing a ministerial coordinating committee while several delegations proposed local or regional structures to coordinate local government, ministerial, and private sector activities. Using the market town framework would require

greater coordination among the various development actors and, at the same time, the framework could serve as an integrating tool for their actions.

More research and improved data management capacities were deemed necessary to support market town policy and program development. Research areas include agricultural product flows, rural needs, linkages between urban and rural areas, and economic base and activities in secondary centers to serve as a basis for selecting towns for investments. Establishing a national data bank would improve the capacity to manage this data and provide a unified basis for decision making.

Other areas of action to strengthen market town policies include creating credit institutions for small businesses and local governments (for capital investments), decentralizing credit decision-making responsibility, and improving credit accessibility for small businesses and women entrepreneurs.

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