

Rauch, Theo; Brüntrup, Michael

Research Report

Approaches for supporting smallholders in the Global South: Contentious issues, experiences, syntheses

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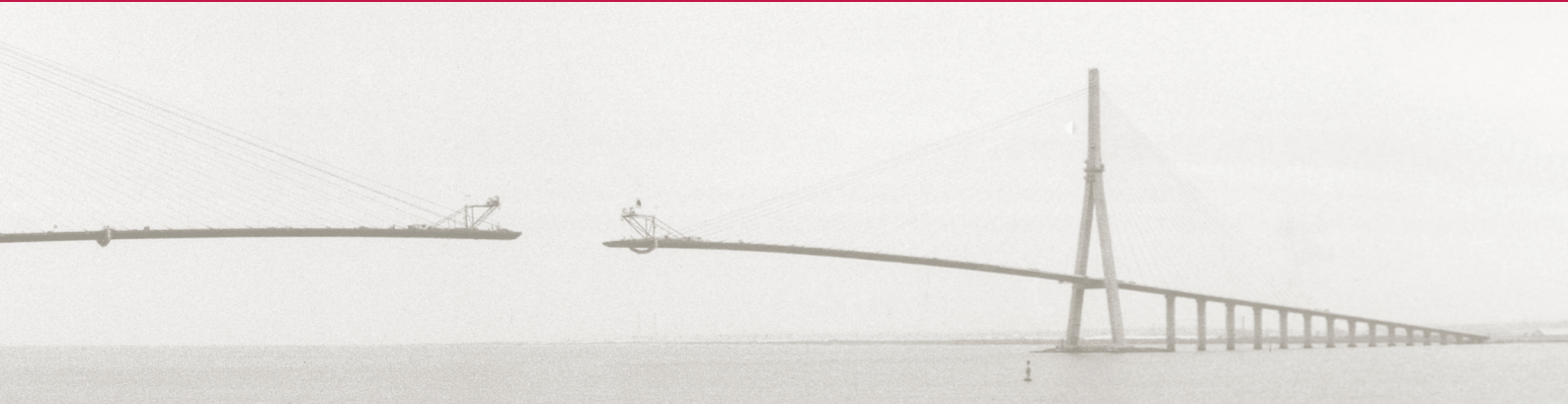
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Approaches for Supporting Smallholders in the Global South: Contentious Issues, Experiences, Syntheses

Summary

There is a widely held consensus that it will not be possible to feed the world without the help of the smallholders of Africa, Latin America and Asia, who number up to 570 million farms or 2 billion people. Given the sheer size of this figure alone, the sustainable development of smallholder farming will be key to achieving a range of other sustainability goals.

Debate rages over how smallholder households in low- and middle-income countries are to overcome these challenges given the rising global population and the increasing scarcity of farmland. Four main contentious issues have emerged from the debate over expedient development and promotion strategies: focus (holistic or support), technology (low- or high-input agriculture), institutional framework (primarily government-run or private-sector services) and alignment of market orientation (locally, regionally or globally aligned).

These four contentious strategy issues are meanwhile being melded into two “idealised” fundamental standpoints on agricultural policy: one of farm production that is based on ecological principles and local knowledge, input-extensive, aligned with regional (food) needs and funded by the public sector and, as its countermodel, farm production that is embedded in a global private-sector agricultural industry based on input-intensive modernisation.

At a local and practical level, this conceptual debate is often resolved through pragmatic compromises. Purely market-oriented approaches ignore the need for diversification and consideration of subsistence requirements, while concentrating too much on domestic markets sacrifices

opportunities for specialisation and income generation. Although government service systems often have serious weaknesses, private service providers frequently have only a selective interest in specific businesses and products. As efficient as external inputs may be, poorer smallholders are rarely able to bear the costs and risks.

An analysis of local needs and opportunities often reveals a need for target-group- and location-specific combinations of strategic elements focused on the objective of intensifying smallholder farming in a socially inclusive and environmentally sustainable way. The search process required for this should be guided by the following basic strategic principles:

- Rather than being determined unilaterally by market requirements, funding should take equal account of smallholder livelihood systems and local ecosystems.
- The quest for sustainable innovations that will increase yields and have a broad impact calls for a publicly financed process of locally adapted agricultural research that gets various target groups involved.
- The respective benefits of private- and public-sector agricultural services should be combined in public-private partnerships and aligned with the needs of the producers.
- The widespread availability of cash incomes should also be supported, not just the production of food.
- If strategies like these are to succeed, rural areas must be connected up to the rising demand in the cities by means of infrastructure. To some extent, there is also a need for well-focused protection from global competition while taking the interests of poor consumers into account.

The role of smallholder households

There is a widely held consensus that “a world without hunger” will not be possible without the contribution of the smallholders of Africa, Latin America and Asia. This view holds irrespective of the precise definition of a smallholder, i.e. whether one applies the frequently used upper limit of one hectare (72 per cent of all 570 million or so farms worldwide) or, alternatively, two (84 per cent), five (94 per cent) or even fifty hectares (97 per cent). There are several arguments supporting this consensus:

- Smallholders make a major contribution to feeding the populations of their countries.
- Some 80 per cent of the 700-800 million or so people affected by food insecurity and 65 per cent of the over 650 million poorest people in the world (daily per capita income of USD 1.90 or less) live in rural households.
- Access to food and other resources relevant to nutrition such as clean drinking water, hygiene and education is dependent on increasing smallholders’ purchasing power.
- Agricultural incomes have a major role to play in defeating poverty and securing access to food via purchasing power as non-agricultural income-generating opportunities will not suffice for the foreseeable future.

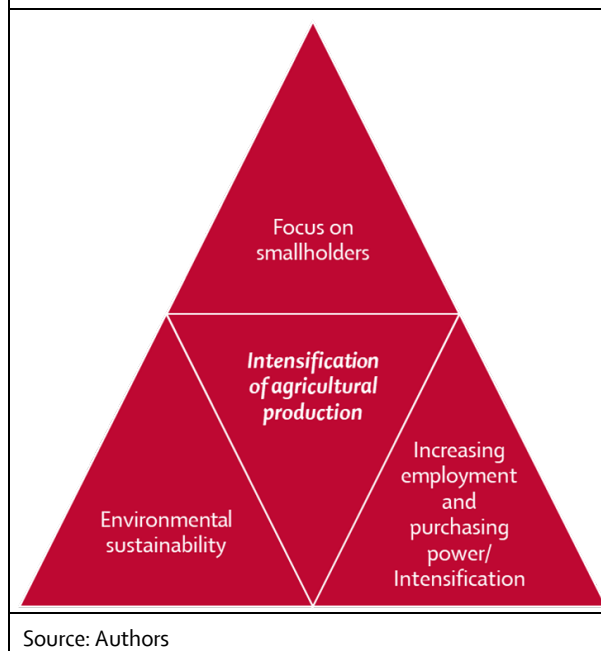
Until now, however, debate is still raging over how smallholder households in low- and middle-income countries are to overcome these challenges given a rising global population and the limited availability of farmland in many parts of the world. This paper focuses on the contentious issues concerning what kind of smallholder farming is to be promoted and with what means. These issues will first be outlined in brief before being compared and contrasted with experience gained on the ground from relevant support schemes as well as smallholding practices. Finally, this will be used as a basis for formulating recommendations for a consistent smallholder promotion policy.

Consensus

Before the contentious issues are addressed in more detail, we must first set out what agricultural development experts across the world agree on: achieving the Sustainable Development Goals (SDGs), particularly ending poverty (SDG 1) and hunger (SDG 2), will not be possible without supporting smallholder households in the Global South. Another undisputed fact is that this will have to produce sustainable agricultural ecosystems if the many environmental SDGs such as water (SDG 6) and life on land (SDG 15) are to be achieved.

There is also a consensus that mass purchasing power to buy food in cities and rural areas has to be increased to bring about food security. A further generally accepted point is that this impact triangle – increasing smallholder production, stabilising the natural bases of production and promoting employment/growing purchasing power – can only be achieved if founded on a broad-based, environmentally

Figure 1: Widespread consensus in debates over food security and agricultural development



sustainable rise in smallholder productivity, i.e. by intensifying agricultural production (see Figure 1).

Contentious issues

However, the experts are at odds over the “how” – there is disagreement over what development and promotion strategies would be expedient. For decades now, the debate amongst academics and politicians has largely revolved around the same contentious issues (see Figure 2):

Focus: is a holistic, people-centred (based on the potential, needs and problems of farming households) and territorial strategy required, as in the concepts of regional rural development (RRD) and sustainable rural livelihood? Or is it more effective to adopt a sectoral, product-focused strategy centred around market requirements, as with the value chain (VC) approach?

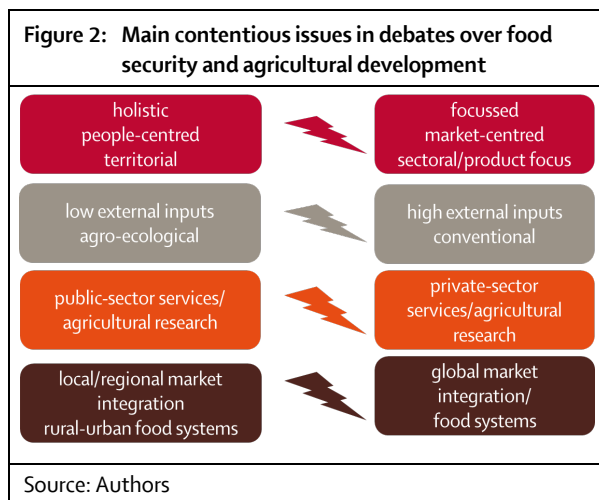
Technology: must the increase in productivity that is fundamentally required be brought about through high external inputs, i.e. based on high-yield crops, agrochemicals, motorisation and specialisation? Or are low external inputs called for, based on ecosystem interrelationships and local knowledge, labour-intensive partial mechanisation and diversification?

Institutional framework: are the necessary agricultural services to be delivered by private-sector service providers based on market mechanisms or by public-sector organisations financed by the state?

Product and market orientation: is smallholder support to be governed by a “food-first” rule focused on securing more stable subsistence production and on integration into local and/or regional food systems? Or should smallholders (also) become largely integrated into markets and attempt to

increase their income, particularly in global VCs, by focusing on high-value export products

These four contentious strategy issues are being melded into two "idealised" fundamental standpoints on agricultural policy: one of farm production that is based on ecological principles and local knowledge, input-extensive, aligned with regional (food) needs and funded by the public sector and, as its countermodel, smallholder farming that is embedded in a global private-sector agricultural industry based on the input-intensive modernisation of agricultural technology in the manner of a reworked Green Revolution.



While these debates have been argued out in political arenas by representatives of the respective academic schools and agricultural policy lobbyists for decades, hybrid forms, combined strategies or context-specific differentiation are often the order of the day in practice. This applies equally to farming practices at local level and to the methods employed by national agricultural policy and support organisations.

If one is looking to bring local experience of this kind into the international agricultural policy debate, now is the time to gauge where the possibilities and limitations of each of the classic approaches lie. On this basis, it is then possible to determine, objectively and empirically, the extent to which common ground can be found (e.g. in the form of overlaps, complementarities or agreement on the context-specific suitability of a particular option), where genuine incompatibilities exist and where any gaps in knowledge may still need to be filled.

Possibilities and limitations of classic approaches

The holistic livelihood-focused approach versus the product-focused VC approach: experience of integrated RRD and holistic livelihood approaches of the 1980s and 1990s has shown that support based solely on the logic of diversified local systems and potentials often failed because it did not take market requirements adequately into account. A lack of attractive and reliable marketing opportunities prevented incomes from being increased, meaning that the

time and money invested in intensification measures were not worthwhile either. Other drawbacks of holistic approaches include the significant outlay and the wide range of capacities required. Conversely, evaluations of VC promotion programmes reveal that a support practice oriented exclusively towards market requirements is often socially exclusive, i.e. it fails to reach poorer smallholder households because their limited potentials are not taken into consideration. Strong dependencies on unreliable and discriminatory institutional systems and contract partners often emerge as well.

Low- versus high-external-input approaches: time and again, experience of implementing all kinds of different variants of low-external-input approaches has shown that many smallholder households lack the necessary quantities of organic fertiliser (livestock manure, green manure) or the necessary labour capacity and/or machinery (e.g. for manual or biological weed control and manure transport) to be in a position to enjoy the benefits of these approaches. Conversely, there is ample empirical evidence suggesting that high-external-input systems often lead to resource degradation (e.g. soil acidification, contamination of water-courses), debt (if crops fail or prices collapse) and health problems. The dependency problem affects the supply of inputs in peripheral locations in particular. Very poor farmers are rarely able or willing to take the relevant financial risks.

Private- versus public-sector funding of smallholders: following a period of huge support for government-backed smallholder promotion from many donors, the shortcomings of inefficient, clientelistic, pocket-lining or even corrupt state extension services, agricultural banks and marketing agencies became obvious in the 1980s. Conversely, experience of the privatisation of agricultural services has shown that supply – if it happens at all – is only provided selectively for specific regions, social groups and VC products. In many other cases, it was simply not worthwhile for private-sector service providers to take on service provision for thousands of petty market producers. This is particularly the case for the dissemination of low-input systems, for local, informal VCs, for peripheral locations with little potential for agriculture, and for the subsistence production (that is often vital to survival).

Regional versus global food systems: a great deal of experience has shown that reliance on global food supply systems cannot prevent food crises and that it creates dependency relationships and discourages the harnessing of local potentials. Conversely, focusing food systems on local cycles tends to create monocultures (of staple food crops) and thus exacerbates the impact of price fluctuations on local markets and of climate risks. It also ignores the income-increasing potential of exporting high-value produce. A more seasonally balanced distribution of cash incomes can do more for food security than simple self-sufficiency in some cases. Most smallholder households thus combine subsistence with market-oriented production supplemented by non-agricultural sources of income (processing, retail, etc.)

Conclusions and recommendations

The analysis has made it clear that many of the strategies that are often portrayed as polar opposites in the debate actually (have to) be applied alongside each other at local level in real life: in the form of combined strategies, options for the target groups to pick from or differentiation by specific target group and location. Rather than reflecting an arbitrary “anything goes” approach, however, the synthesis between the classic concepts exists in the realisation that there is a need for combinations that take account of the target group and location and that are focused on the objective of intensifying smallholder farming in a socially inclusive and environmentally sustainable way. This search should be guided by the following basic strategic principles:

- Rather than being determined unilaterally by market requirements, VC promotion should be based in an equal degree on an analysis of smallholder livelihood systems and local ecosystems in order to ensure that a majority of smallholder households with less resources at their disposal are involved and that resources are used sustainably.
- The quest for sustainable agricultural innovations that will increase yields and have a broad impact calls for locally adapted agricultural and development research that is financed by public funds, is adapted to local circumstances and gets various different target groups involved. As part of this, local farmers’ and external agricultural research knowledge should be combined in a manner appropriate to the context. Total dependence on external seeds and

their patenting must be avoided at all costs. To guarantee social inclusion, labour-saving technical advancements should only be promoted where this reduces the burden of work, rather than making their jobs redundant.

- The respective benefits of private- and public-sector agricultural services should be combined in public-private partnerships. In this, the public sector has the key tasks of, firstly, organising producers into efficient producers’ organisations equipped with market power and, secondly, acting as a broker or intermediary that creates fair and trustworthy market relationships.
- If food systems are to be transformed, there is a need to promote not only sustainable food production but also the widespread availability of cash incomes to secure year-round access to food. This also includes non-agricultural incomes alongside the sale of agricultural produce.

However, strategy proposals of this kind, which distance themselves from the one-sided dogmatic adherence to certain ideal models of agricultural development, will only result in the socially inclusive, environmentally sustainable intensification of smallholder farming if demand for local agricultural produce increases on regional markets and if this stimulation of demand also filters through to rural areas. This will require protecting potentially competitive regional VCs from international competition in some cases. In addition, infrastructure will have to be improved and the systems for getting produce to market made more efficient to prevent consumers losing out.

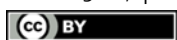
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Prof Dr Theo Rauch
Honorary Professor
Institute for Geographical Sciences
Free University Berlin

Dr Michael Brüntrup
Senior Researcher
“Transformation of Economic and Social Systems“
German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

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