



TWENTY-EIGHTH FAO REGIONAL CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN

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**FOLLOW-UP TO THE WORLD FOOD SUMMIT AND *WORLD
FOOD SUMMIT: FIVE YEARS LATER* – REGIONAL DIMENSIONS**

I. Introduction

1. This document provides a summary of the salient follow-up actions taken at the regional and subregional levels to implement the World Food Summit Plan of Action. By the time of the next Regional Conference, in 2006, all countries should be half way to achieving the WFS goal of halving the number of undernourished people by 2015. Therefore the Regional Conference in 2004 presents an excellent opportunity for collective reflection on progress made to date. The main aim of this document is to highlight the region's particular needs, opportunities and weaknesses. This review is conducted to affirm, inform, motivate, consult and seek advice on the successes and barriers of all existing programmes aimed at reducing hunger.

2. The existence of hunger in a world of plenty is not just a moral outrage; it is also short-sighted from an economic viewpoint: hungry people make poor workers, are bad learners (if they go to school at all), are prone to sickness and die young. Hunger is also transmitted between generations, as underfed mothers give birth to underweight children whose potential for mental and physical activity is impaired. The productivity of individuals and the growth of entire nations are severely compromised by widespread hunger. Hence, it is in the self-interest of every country to eradicate hunger.

3. Rapid progress in cutting the incidence of chronic hunger in developing countries is possible if the political will is mobilized. A twin-track approach is required, combining the promotion of quick-response agricultural growth led by small farmers with targeted programmes to ensure that hungry people, who have neither the capacity to produce their own food nor the means to buy it, can have access to adequate supplies. Such approaches are mutually reinforcing, since programmes to enhance direct and immediate access to food offer new outlets for expanded production. Countries that have followed this approach are seeing the benefits.

Comparative performance of regions towards attainment of the WFS Goal

4. Worldwide, the latest estimates indicate that 798 million people in the developing world were undernourished in 1999-2001, representing a decrease of just 19 million from 1990-92, the benchmark period used at the WFS. The average annual decrease since the Summit has therefore been only 2.1 million, which is far below the level required to reach the WFS goal. This means

that progress now has to be accelerated to 26 million per year, almost 12 times the current rate of reduction, if the WFS goal is to be reached.

5. But some countries have made progress in reducing the number of undernourished. China alone achieved a reduction of 58 million from 1990-92. Indonesia, Viet Nam, Thailand, Ghana, Brazil and Peru have all achieved reductions of 3 million or more and have thus helped offset the increase of 76 million in 47 countries where progress has stalled. But if China and these six countries are set aside, the number of undernourished people in the rest of the developing world has increased by 59 million since the WFS benchmark period.

Global food security outlook

6. Food consumption¹, in terms of kcal/person/day, is the key variable used for measuring and evaluating the evolution of the world food situation. The world has made significant progress in raising food consumption per person. The level of average national food consumption per person is likely to increase from 2 680 kcal in 1997-99 to 2 850 kcal in 2015 and close to 3 000 kcal by 2030 (Table 1). This implies that the number of undernourished people in the developing countries as a whole could decline from the 776 million in 1997-99 to 610 million in 2015 and to 440 million in 2030.

Per capita food consumption (kcal/person/day)

	1964/66	1974/76	1984/86	1997/99	2015	2030
World	2 358	2 435	2 655	2 803	2 940	3 050
Developing countries	2 054	2 152	2 450	2 681	2 850	2 980
Sub-Saharan Africa	2 058	2 079	2 057	2 195	2 360	2 540
Near East/North Africa	2 290	2 591	2 953	3 006	3 090	3 170
Latin America and the Caribbean	2 393	2 546	2 689	2 824	2 980	3 140
South Asia	2 017	1 986	2 205	2 403	2 700	2 900
East Asia	1 957	2 105	2 559	2 921	3 060	3 190
Industrial countries	2 947	3 065	3 206	3 380	3 440	3 500
Transition countries	3 222	3 385	3 379	2 906	3 060	3 180
Memo items						
1. World, excl. transition countries	2 261	2 341	2 589	2 795	2 930	3 050
2. Developing countries, excl. China	2 104	2 197	2 381	2 549	2 740	2 900
3. East Asia, excl. China	1 988	2 222	2 431	2 685	2 830	2 980
4. Sub-Saharan Africa, excl. Nigeria	2 037	2 076	2 057	2 052	2 230	2 420

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7. The latest United Nations world population projections indicate that the average population of 5.9 billion for the three-year period 1997-99 is likely to increase to 7.2 billion in 2015, and to 8.3 billion in 2030. However, this increase in absolute numbers represents a decrease in annual rate of growth which peaked in the mid-1960s at 2.04 percent and fell to 1.35 percent by the mid-1990s. Further deceleration will bring it down to 1.1 percent in 2010-15, and to 0.8 percent in 2025-30. Practically all the average annual increase in world population of some 70 million people until the year 2015 will take place in the developing countries.

8. Despite the slow progress in reducing the absolute numbers of undernourished people, the considerable overall improvement suggested by the projected numbers should not be

¹ The more correct term for this variable would be “national average apparent food consumption” since the data come from national food balance sheets rather than consumption surveys.

downplayed. More and more people will be living in countries with medium to high levels of per capita food consumption. By 2015, for example, 81 percent of the world population will be living in countries with an intake of more than 2 700 kcal/person/day, up from 61 percent at present and 33 percent in the mid-1970s. Those living in countries with over 3 000 kcal will represent 48 percent of the world population in 2015 and 53 percent in 2030, up from 42 percent at present.

9. The number of countries with a high incidence of undernourishment (over 25 percent of population) and most in need of international policy interventions will fall sharply from 35 in 1997-99 to 22 in 2015 and to only 5 in 2030. None of these countries will be in the most populated class (population over 100 million in 1997-99). They will account for an ever-declining proportion of the undernourished total: 72 million out of 440 million in 2030 as compared to 250 million out of 776 million in 1997-99.

10. There is a strong correlation between economic growth and reduction of hunger. This effect does not of course occur automatically, but countries without economic growth or with declining per capita GDP have clearly been unable to reduce the number of malnourished or have even experienced a considerable increase. The economic growth rates of several countries that have low food consumption levels and high undernourishment are therefore likely to fall short of requirements for any significant reduction in poverty by 2015.

11. The latest World Bank assessment for 2000-15 suggests slow growth in the first five years followed by faster growth in the following ten years (2005-15), averaging 1.9 percent p.a. in terms of per capita GDP. Higher growth rates are foreseen in all regions and country groups (with, in particular, a turnaround in transition economies), with the exception of East Asia.

12. The exogenous economic growth assumptions used here and population growth are the major determinants of projected food consumption, and hence of the incidence of undernourishment.

The way ahead

13. What are the most efficient instruments and mechanisms to meet the Millennium Development Goals (MDG)? Latest intentions include:

- The *Anti-Hunger Programme*, which presents a twin-track approach to reduce the number of hungry people rapidly and sustainably. It would provide access to food and deliver immediate relief to those most desperately in need. It would also channel investments into sustainable agriculture and rural development, elevating productivity, incomes and hope in rural areas of the developing world where more than three-quarters of the world's poor and hungry live. The proposal also puts forward key elements of a policy framework to maximize investment impact, inducing complementary flows of private investment and enabling the poor and hungry to realize their development potential.
- The *Right to Adequate Food*, recognized in several instruments under international law, specifies the right of all persons to an adequate standard of living for themselves and their families, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The value added by the rights-based approach lies in the fact that it spells out obligations and responsibilities for those charge. It gives individuals and groups a claim, vis-à-vis the State and States acting together, that these should respect, protect and realize their adequate access to food. The rights-based approach also gives a clearer idea of policy measures needed and those to be avoided.
- The *International Alliance against Hunger*, which is an outcome of the *WFS: five years later*, recognizes “the urgent need to reinforce efforts of all concerned partners as an international alliance against hunger, for the fulfilment of the 1996 Summit”. The aim of the alliance against hunger is first and foremost to facilitate initiatives at local and national levels to enable the poor and hungry to achieve food security on a sustainable basis, by mobilizing political will, technical expertise and financial resources.

- The *Hunger Task Force*, which is an integral part of the Millennium Project, seeks to devise an implementation plan that will enable the totality of developing countries to reduce the number of hungry and malnourished by 400 million by 2015. The Task Force will seek to recommend programmes that fulfil the following six directives over a three-year time frame:
 - drastically increase food security of farmers in higher-risk environments and remote regions;
 - expand ownership and control of natural assets to poor households and communities;
 - improve agricultural input and product markets and business linkages to benefit the poor;
 - introduce community life cycle nutrition programs;
 - improve famine prevention; and
 - integrate hunger reduction strategies into national policies.

II. Regional dimensions: development with reduced inequality

14. Economic growth, efficiency, competitiveness and integration into international markets have been the main challenges pursued by most Latin American countries in the last 20 years. However, this quest for competitive market integration has been accompanied by continuing, when not increasing, major inequalities.

15. In an effort to achieve economic efficiency, most Latin American countries have adopted drastic instruments of fiscal discipline (with the control/redirection of public expenditure and tax reform), privatization and the opening up and streamlining of markets. These reforms were supposed to promote sustained growth and competitiveness and were to eventually generate development in those areas that had previously been neglected by productive flows.

16. However, social reality in most countries of our region appears to indicate that many of the objectives of the structural reforms, known as the "Washington Consensus", have failed to materialize, especially as regards the distribution of income and sustained economic growth.

17. Access to competitiveness and growth has been pursued at the expense of higher social, sectoral and territorial disparities. There is increasing consensus that the structural framework of our respective economies is hampering any effort to reduce injustice and hunger².

Economic growth

18. Regional GDP in Latin America and the Caribbean is estimated to have grown by 1.5% in 2003, representing a modest recovery from the -0.6% fall in 2002³. This modest economic growth appears to have been concentrated in the south of the continent, with the other subregions posting uneven, limited gains.

19. Growth in agricultural production has been relatively higher than overall economic growth. For the 14-year period between the average for 1985-87 and that for 1999-2001, agriculture grew by an average of about 2.5% each year, while the overall economy only managed -0.1%. This is explained by the fact that the adverse macroeconomic environment and the productive disparity that is associated with high social inequality and differences in opportunity continued to fuel migration from the countryside⁴, while food and agriculture

² Point 21 of the Final Declaration of the Thirteenth Ibero-American Summit of Heads of State and Government (Santa Cruz della Sierra, Bolivia, 14 and 15 November 2003) states that the structural economic reforms implemented at great sacrifice to our people and our governments have very often failed to produce sufficient results in terms of reduced inequalities and less social exclusion, and have even, in some cases, represented a deterioration or deepening of these features.

³ ECLAC, "Current conditions and outlook 2003. Economic Survey of Latin America and the Caribbean 2002-2003".

⁴ Both abroad and to the domestic informal urban economy.

production continued to increase because of higher capitalization of a polarized agricultural sector.

20. The opening up of markets in the 1990s introduced an export bias into agricultural activity. Regional agricultural exports per active rural person posted real growth of 2.8% between 1985 and 2001. Exports in 2004 are expected to represent 26% of regional GDP, as compared to 17% in 1998. However, the distortions caused by agricultural subsidies in the industrialized countries and the relative loss of competitiveness in relation to third-party countries brought the Region's share of global agricultural exports down from 14.8% in 1985 to 12.6% in 2001.

21. Agricultural prices have continued to decline, with prices of non-oil commodities in 2000-03 some 25% down from levels in 1997³.

22. The regional external debt represents more than 40% of overall GDP and there is a continuing tendency to depend on external resources for growth, although no major inflow of resources is expected in the short term.

23. Foreign direct investment (FDI) towards food and agriculture activity in selected countries in 1998-2000 (aggregation of agriculture and food industry) stood below 4% of total foreign investment and amounted to about US\$3.4 billion (1995=100)⁵.

24. Average agricultural and rural public expenditure was only 0.8% of total GDP and 11% of agricultural GDP in 1998-2000. In contrast, agricultural public expenditure in the USA during the same period represented 20.9% of agricultural GDP.

25. Remittances from Latin American emigrants grew considerably and partially reflect the situation of economic stagnation. Total remittances for 1998-2000 amounted to about US\$16.4 billion (1995=100), which is five times the sum of FDI directed to food and agriculture. The situation has been further exacerbated in recent years with the abrupt fall in total FDI: remittances were estimated at slightly less than half of FDI in 2002 and in excess of total regional FDI in 2003.

26. Institutional changes linked to with new State relations with the economy and society have resulted in the emergence of new social and economic interlocutors for decisions relating to agricultural activity.

27. In this context, there has been a clear increase in intervention and role of supermarkets in urban food distribution⁶.

State of hunger seven years after the World Food Summit

28. One explanation for lack of progress in combating hunger and the entrenchment of poverty is that economic growth in the Region has been insufficient. While any reduction in poverty would obviously seem to require economic growth, per capita GDP in Latin America has risen in the company of continuing, even deepening, inequality and poverty.

29. Progress in more than seven years since the World Food Summit has been insufficient to achieve its objectives.

⁵ FDI to Latin America has trended downwards since 2000. The national crises of Argentina, Uruguay and Venezuela made investors more risk-averse. Sluggish growth in demand in the United States economy hurt investment in Mexico, Central America and the Caribbean, where transnationals employing efficiency strategies are concentrated. The global and regional situations had a less adverse effect on FDI in the countries of the Andean Community, where the primary sector predominates, but instability in the MERCOSUR countries diminished their appeal to transnationals seeking market investment opportunities (ECLAC, "Foreign investment in Latin America and the Caribbean, 2002 Report").

⁶ In 2001, it was estimated that these new players accounted for 60% of the retail trade as an average for 12 countries of the Region (proportion ranging from 45% to 75%). These new economic players influence the setting of agricultural prices; promote the standardization of quality among different products; intervene in regulating distribution costs and displace traditional intermediary sectors in regions and countries.

30. Latin America and the Caribbean had 54 million undernourished people in 1999-2001 as compared to 59 million in 1990-1992. However, this aggregate picture conceals the fact that numbers have only fallen in South America and the Caribbean, while the number of persons with a food deficit have increased in Central America and Mexico⁷.

31. Poverty trends in Latin America are no more encouraging. While the percentage of population living in poverty fell from 1990 to 2000, the total number of poor in the Region continued to rise in the last decade, from 200 million in 1990 (48.3%) to 220 million in 2002 (43.4% of the population), including 95 million living in extreme poverty (18.8% of the population). Projections for 2003 indicate further increases in poverty and extreme poverty: 225 million people living in poverty (43.9 % of the population), including 100 million in extreme poverty (19.4 %) ⁸.

32. In proportional terms, the incidence of poverty and extreme poverty is much greater in the rural sector than in the urban sector. Urban poverty affects 30% of the population and extreme poverty 9%, while more than half the rural population is poor (54%) and one-third extremely poor (31%). Moreover, this proportion tends to remain constant and is a component of structural hard-core poverty⁹.

33. As regards income distribution, strong indicator rigidity had already been noted for 1990-97, with the situation even worsening in some countries¹⁰. A similar trend has been noted more recently (1999-2002), as ten of the eleven countries studied showed no change or a deterioration in Gini coefficient¹¹.

34. However, although the incidence of poverty and extreme poverty is higher in the rural sector, the number of urban poor has increased by about 25% since 1980. The main explanation for this is that poverty has been displaced to urban sectors by rural-urban migration, with many of today's new urban poor having been yesterday's rural poor.

Territorial disparities in Latin America

35. Technological advance and improvements in transport and telecommunications have reduced the costs that distance used to entail. Market liberalization and the withdrawal of State intervention expose regional and local areas to an increasingly competitive market, where success or failure are largely determined by the combination of attributes of individual areas.

36. Studies¹² reveal how the distribution of wealth and economic growth in the last 20 years in the global environment and in the countries of Latin America, in particular, has been characterized by the continuation and frequent deepening of interregional disparities¹³.

⁷ The Southern Cone dropped from 42 million undernourished people (1990-1992) to 33 million (1999-2001), i.e. from 14% to 10% of the population; the Caribbean saw a fall from 7.9 million to 7.4 million, i.e. 28% to 25%; Central America posted an increase from 5 million to 7.5 million, i.e. 17% to 21%; while Mexico rose from 4.6 million to 5.2 million, both figures representing about 5% of its population. FAO, "SOFI 2003".

⁸ ECLAC, "Social Panorama of Latin America 2002-2003".

⁹ Basically deficiencies in human and social capital, infrastructure and linkage with the urban environment, as well as inability of traditional public policies to trigger sustainable rural development.

¹⁰ Uruguay and Honduras were the only countries to record any notable improvement in distribution (more than 0.05 points of the Gini coefficient).

¹¹ Mexico would appear to be the only exception with a fall in coefficient of 5.1%. The figures confirm the tremendous rigidity of income concentration in the countries of the Region (ECLAC, "Social Panorama of Latin America 2002-2003").

¹² There is empirical evidence of this in: OECD (2002) "Territorial indicators of socio-economic patterns and dynamics"; OECD, DT/TDPC(2002)23; Rodriguez-Pose and Gill (2003) "Is there a global link between regional disparities and devolution" *Research Papers in Environmental and Spatial Analysis, Department of Geography and Environment No. 79*, The London School of Economics, February 2003; Silva Lira, I. (2003) "Disparidades, competitividad territorial y desarrollo local y regional en América Latina", ILPES, Dirección de Gestión del Desarrollo Local, Santiago, Chile.

¹³ Interregional disparities are understood as those existing between subnational areas within a country.

37. Productive and market growth in the last 20 years has favoured major urban agglomerations and principal commercial corridors, while rural areas with a concentration of agricultural activity, isolated areas or areas without competitive attributes for the new global context have been sidelined from these productive and market flows¹⁴.

38. At the same time, decentralization reforms undertaken in the Latin American countries have frequently consisted of transferring new responsibilities rather than relocating resources and training to strengthen institutions. The benefits of transfer would therefore appear to have been captured mainly by the more developed regions and localities.

39. In sum, rural regions and localities appear to have been those with the greatest difficulty in adapting to new patterns of development. The process of reform has altered the State apparatus and its subsidies; technical assistance has been substantially reduced and access to credit, which is vital to the small farmer, has been seriously curtailed; at the same time prices of agricultural inputs have sky-rocketed. Agricultural commodity prices, on the other hand, have trended downwards and any potential advantages from market liberalization have been overshadowed by the enormous subsidies that the agricultural sectors receive in certain developed countries.

40. The Region's disparities could therefore be summarized as follows: territorial inequalities from a concentration of growth and inflow of capital in the more competitive areas; sectoral inequalities, with competitiveness seemingly incompatible with parts of the rural sector and certain agricultural activities; and social inequalities resulting from the above and from the growing importance of know-how, education and technological advance.

41. While reverting to previous protectionist models is no solution, it is nonetheless clear that there can be no development or growth under present conditions of inequality and poverty.

42. The transfer of human, social and institutional capacities to less developed regions, sectors and populations is vital if there is to be sustainable development and stability in Latin America as a whole.

The uphill struggle for family farming

43. We need to recognize the fundamental feature of the Region's agriculture, which is that most countries have a majority of small farmers engaged mainly in subsistence activity and a minority of large producers who are highly competitive.

44. We also need to note that the agricultural sector received substantial State intervention before structural reform. However, reform and economic liberalization meant State withdrawal which in turn deprived the rural sector of one of its primary sources of funding¹⁵, particularly for the small and medium-size producers.

45. Structural change has therefore placed most of the Region's small farmers and forestry operators in a difficult situation, which has limited their competitive performance and even compromised their survival.

46. Family farming has the following competitive constraints: smallholdings usually located in areas particularly vulnerable to climatic events and with difficult access to irrigation; poor communication with urban centres; very limited capital base (equipment, tools and animals); dependence on farmer and family labour; low access to education and technological know-how.

47. All these constraints coupled with the low level of association, the weakened social fabric of communities with settler farmers and the pernicious impact of historical underdevelopment and paternalistic assistance on self-esteem and personal drive have discouraged small farmers from engaging in activities that are more profitable but also require greater commitment and carry higher risk.

¹⁴ Markusen, A. and Campolina Diniz, C. (2003) "La disparidad en la competencia de las regiones latinoamericanas: oportunidades y limitaciones".

¹⁵ A key role of the State was to promote minimum support prices programmes to foster production and marketing, to cover domestic demand for agricultural inputs and machinery, and to provide agricultural credit at subsidized rates.

48. Access to credit is another bottleneck facing family farms, and a large proportion of any loans they receive is channelled towards short-cycle crops, with very little investment earmarked for enhancing competitiveness.

49. Small farmers are faced with high transaction costs in obtaining services and inputs and marketing their products, which reduces their profit margins as compared to larger producers with greater operating capacity.

50. Efforts to give the private sector and the market a greater role in agriculture and greater decentralization of support policies¹⁶ have generated institutional vacuums, as these changes have not been accompanied by the parallel development of a new institutional framework that can offer assurance to the social actors involved.

51. Nor has the private sector been able to cover all areas previously under State intervention and, in those areas where it has stepped in, the cost has been too high for many producers.

52. The productive and social variance of the rural sector characterized, on the one hand, by a minority of large estate owners/producers, who have the wherewithal to adapt to new market conditions and who today spearhead the region's competitive integration into global markets, and on the other hand by a majority of small producers without the competitive attributes to survive in the new global environment, clearly underscores the need for differential public policies tailored to type of producer, region and production system.

The way forward

The need for a multidisciplinary approach to the rural sector

53. The distinction between urban and rural has become blurred and increasingly porous, with an increasing proportion of agricultural workers working in the countryside but living in urban areas. At the same time, the rural sector is increasingly engaged in off-farm activity, with approximately half the income of rural households in Latin America originating from non-agricultural activity.

54. Off-farm employment, mainly in the manufacturing and service sectors, provides the rural sector with a source of alternative or complementary income. Diversification of activity also helps protect rural inhabitants from falls in agricultural commodity prices and from climatic events.

55. However, availability of off-farm employment depends largely on proximity to and interconnection with urban centres, as well as the capacities and attributes of the rural locality¹⁷. In this regard, most poor isolated communities would appear to be those with the least opportunity for engaging in multiple activity as poverty exit strategy.

56. Many least developed localities opt for emigration as their exit strategy and although remittances have become extremely important in our countries (in some countries the second or even first source of income), we need to stress that this process has not generated the positive structural change needed in the communities of origin to set them on the path to local development.

57. It is important to understand the advantages of supporting a multidisciplinary approach in the design of integrated programmes and policies, employing a wide array of instruments available under the concept of the Right to Food. Recent experiences in Brazil, Argentina, Peru, Mexico and Honduras are particularly illustrative in this regard.

¹⁶ Geared towards local infrastructure projects and small farmer services, with the active participation of NGOs and farmer associations.

¹⁷ De Janvry, A. and Sadoulet, E. (2002) "El desarrollo rural con una visión territorial". Paper given at the SAGARPA-IICA International Seminar "Enfoque Territorial del Desarrollo Rural", Boca del Río, Veracruz, Mexico.

The need for penetration of rural development policies

58. There seems to be increasing recognition that public policies have often failed to trigger the intended reduction in economic and social underdevelopment. The physical, social and cultural isolation of the poorest communities often excludes them from rural development programmes, evidencing a frequent absence of communication links between assistance bodies and most isolated and needy communities.

59. There are many reasons why rural development programmes and policies have failed to produce a deep and lasting impact, including notably:

- Limited understanding of the productive, social and cultural diversity of rural societies;
- policies that fail to reach or are not accessible to the poorest communities;
- absence of appropriate regional or local focus of such policies;
- lack of coordination among assistance institutions and policies affecting the rural sector, and;
- lack of continuity in policy implementation.

60. The assistance-oriented policies of the past are being replaced by lines of action directed towards transferring capacity and decision-making authority to local communities, so that they can take charge of their own development. These new approaches are based on developing the local, sustainable and participatory profile of support programmes, where the intention is to reward collaborative association, effort and entrepreneurship.

61. However, it has very often not been sufficiently emphasized that the jump from "assisted", dependent community to enterprising, go-ahead community does not occur overnight. It calls for *gradual processes that are sustainable over time* and human and social capitalization. The Anti-Hunger Programme resulting from the World Food Summit: *five years later* proposes a set of key elements for a regulatory framework that will make this possible.

The need for a territorial, multidisciplinary and institutional approach to the rural sector

62. Rural development policies and programmes need not only to consider the functioning of fragmented and sometimes non-existent markets and information asymmetries, but also to recognize and adapt to the individual nature of each targeted community, its specificity of context and its institutional framework.

63. It is therefore crucial to consider gender (growing feminization of the countryside, different needs and operating methods of rural women) and the ethnic composition of many rural communities, as well as the environmental conditions, when formulating a development programme or project.

64. A regional dimension to rural development is essential to adapt to community specifics and coordinate its constituent multidimensionality. A territorial approach makes it possible to take specific characteristics into account, while integrating the productive aspects and processes that impact on the development of a rural community.

65. There should therefore be a gradual decentralization towards local and regional bodies, taking care, however, to avoid overly simplistic notions that could exaggerate the role of decentralization.

66. As many studies have shown, decentralization and its delegation of responsibilities has not always been accompanied by executive resources. Decentralization should therefore reserve normative functions for national and regional bodies so that these can play an equalizing role to offset the inherent territorial disparities that exist in Latin America today.

67. Action by the central or regional government would seem to be necessary to ensure that transferred responsibilities are not appropriated by local elites or dissipated with the absence of local competence.

68. Community participation is therefore also essential. Any effective rural development strategy needs to include the different social actors in agreements being discussed, in policies being applied and in impacts being evaluated.

69. Besides participation, there also needs to be interaction between the different agents and interest groups involved in local development. To function and represent the diversity of social agents, such participation and interaction needs to be anchored in an appropriate legal framework.

70. Participation and interaction, assurance and legality can only be attained in a framework of institutional strength, in a stable, regulated and coordinated structure of representative bodies. Institutions need to be strengthened to counter situations of arbitrary decision-making and limited transparency of information.

71. The following recommendations are directed towards achieving sustainable and equitable rural development:

- *Fostering competitiveness of the rural producer*: enhance access to land, inputs and technology for smallholder production; facilitate rural credit through the promotion of savings cooperatives, micro-financing and formal and informal institutions associated with access to rural credit.
- *Generate policies adapted to the multidimensional nature of the rural sector*: shift the emphasis from small farmer to extended rural household; from agricultural employment to multiple-sourced employment; from agricultural production to its agricultural linkages with agro-industry and services; promote and develop rural productive linkages with conurbations and urban areas.
- *Create links* for information and support programmes to reach the most marginalized communities and people.
- *Stimulate territorial development that is adapted to local characteristics*, while also integrating and coordinating different policies, levels of government, "assisting bodies" and the multidisciplinary of the countryside.
- *Combine decentralization* with the regulating and equalizing role of the central government (among regions) and the regional government (among localities).
- *Resolve the antithesis of market and State* through institutional strengthening and participation, social coordination and partnerships between public and private agents.
- *Promote physical infrastructures* (essential for linkage with urban centres and main productive corridors) but also education and human and social capital, so that all may benefit from new opportunities.
- *Promote an entrepreneurial spirit* but recalling the stepping stones for the neediest communities to achieve this, e.g. food security and social capitalization.

72. Without downplaying any attention to be given to the most competitive sectors and regions, we also need to stress that competitiveness and good national and regional economic performance are difficult to achieve without social cohesion. Growing and increasingly manifest injustice will only exacerbate social conflict and economic and political instability, which are of course dis conducive to competitiveness and progress. Hence the potential global, but also regional, national and local, importance of the International Alliance Against Hunger initiative promoted by the World Food Summit: *five years later*.

73. The World Food Summit objective of reducing hunger in the world, towards which there has so far been inadequate progress, can only be achieved through precise, tangible agreements that involve all social actors associated with the rural sector. The combination of political will, technical assistance, competitive markets and resources channelled to the rural sector, which is required to reduce hunger, poverty and inequality, is not the spontaneous result of determinist cause but rather the orchestrated result of human endeavour.