Chapter 7[1]

Agriculture in the World Bank: Blighted Harvest Persists[2]

Carlos Oya

In: Bayliss, Kate and Fine, Ben and Van Waeyenberge, Elisa, (eds.), *The Political Economy of Development. The World Bank, Neoliberalism and Development Research.* London: Pluto Press, pp. 146-187. Version before proofs.

1 Introduction

The 2008 World Development Report (World Bank 2007a; hereafter WDR 2008) devoted to agriculture, opens with the bold statement that "in the 21st century agriculture continues to be a fundamental instrument for sustainable development and poverty reduction", World Bank (2007a, p. 1). The roles of agriculture and industry in development are amongst the oldest themes in development studies. Indeed, the two sectors lay at the heart of (the old or classic) development economics at its origins, and the economic and social history that preceded it. Both sectors, and particularly the relations between them, were perceived to be central to the economic and social transformations associated with development. For agriculture alone, the range and complexity of issues considered are significant. Explicitly, development was associated with transition to, or the failure thereof,, capitalist agriculture with the corresponding emergence of capitalist landlords and farmers, rural wage labour, and the socio-economic differentiation of a persistent peasantry by size of landholding, use of capital, forms of tenure, reliance upon wage labour, and so on. In other words, agrarian change is about the "production" problematic of the classic agrarian question in political economy, Bernstein (2008). These issues were complemented by bigger ones such as the role of agriculture as a source of surplus for industrialisation in the provision of both resources and wage labour (the old "accumulation" problematic), and by smaller ones concerning choice of technology and crop, access to markets and inputs, household survival and strategies, the impact of mechanization, etc. Inevitably, whatever patterns of, or paths to, agricultural development could be identified from historical and continuing experience, these displayed considerable heterogeneity (the form of diverse paths of "agrarian transition", Byres (2003b)), profound economic and social change, and drew attention to the exercise of power in the conflict between, and evolution of, classes attached to, or detached from land.

Nevertheless, despite a seemingly renewed interest in agrarian issues reflected in the WDR2008, the current state of mainstream development economics has itself undergone an extraordinary transformation, or transformations, by comparison with its precursors. First, agriculture no longer holds such a prominent position within the field. Second, to the extent that it continues to attract attention, it is as a sector both without deeper connection to the wider processes of development and subject to universally applied sets of principles derived from neoclassical economics, and particularly appealing for micro-econometric applications. Third, by the same token, attention to broader issues, "agrarian questions" and other methods of analysis concerning the evolution of classes, the transition to capitalism, and the conflicts over these processes, has been more or less set aside. Fourth, in their place has been adopted a sequence of models concerned to apply theories of individual behaviour to agricultural performance and consequences, such as the emergence of agrarian "institutions". Fifth, for the latter, the focus has shifted towards the incidence of poverty and sustainability of rural livelihoods. Sixth, in line with the evolution of development economics more generally, the decline of agriculture as a central theme has been counterbalanced by the rise of the role of the state and of its policies as decisive (often negatively) in economic performance. While, as a proportion of global production, agriculture has declined significantly over the past fifty years, the weight of the world's population that remains dependent upon it has grown and agriculture is decisive in the poorest countries.[3] Consequently, its decline and transformation within development economics resides uncomfortably beside the persistence of diversity, complexity and the economic, political and ideological salience of the agricultural sector in much of the developing world – not least as transnational agri-business has come to dominate global food and agriculture markets.

These transformations have given the new development agricultural economics an idiosyncratic character. Whilst theory and methods have been rigid and narrow in drawing upon mainstream economics (as shown by the Bank's research outputs in the field, see Section 3), it has been impossible to set aside the concerns of the old development (structuralist) economics and classical political economy, given the specificities of agriculture – its attachment to land and landed property, its relationship with nature, its processes of class differentiation and exercise of power, its relationship to wage labour, migration and urbanisation, and the endemic intrusion of conflicts over how such issues are addressed politically, see Section 4 on how the new development economics has uncomfortably sought to reconcile itself to these issues.

In other words, neo-liberal and, to a lesser extent, post-Washington Consensus, PWC, perspectives have some but insufficient purchase even for their own purposes upon the issues raised by agriculture even where it is marginalised as a topic. Taking the previously identified features together, the result has been for the literature to be marked by some general features drawn from mainstream economics, but for these to be complemented by an ad hoc mix of piecemeal analyses, focusing narrowly on specific issues, and drawing upon and making opportunistic allowance for ideological and political expediency in light of the potential threats of civil unrest arising out of the oppressive and conflictual natures of rural and agricultural lives, especially in the context of food crises, see Section 6. This is partly reflected in the World Bank's ready responsiveness to some NGO and neo-populist views on agriculture when they can be incorporated into its core analytical and methodological approach. Corresponding analyses and policy perspectives offer an amalgam of inconsistency and incoherence.

This chapter illustrates the propositions above through an overview assessment of the Bank's approach to and experience with agriculture, across three inter-related dimensions: research (scholarship), advocacy (rhetoric) and operational imperatives (policy). The following sections provide a mapping of the trends in the Bank's approach to (and research on) agriculture and rural development, ARD, from the 1960s. It highlights two main traditions, mainstream agricultural economics and neo-populism, that shaped current thinking and policy at the Bank and discusses the convenient but tense convergence between the two. While advocacy (rhetoric) currently contains several elements of NGO-like neo-populist dreams, research (scholarship) is very much led by narrower concerns and tools in the mainstream agricultural economics tradition in combination with insights from New Institutional (Development) Economics, NIE. The more recent period of Bank's research on ARD, partly covered by the Deaton Report (1998-2005) and updated here (2006-09) is discussed in Section 3. It suggests that the Deaton Report offers limited critical commentary on Bank research by confining itself to the shared framework already revealed. In contrast, the final section points to alternatives, particularly in the wake of the crises, of both food and finance, as the one was quickly followed by the other at the end of the first decade of the new millennium, Section 6. The chapter also stresses the relative scarcity of output as well as the growing multiplication of agendas in World Bank research on ARD. This underlies the current Bank's tendency to provide incoherent messages, as manifested in the WDR 2008, 'Agriculture for Development', imbued by uneasy combinations of unwarranted pessimism and naïve optimism, see Section 5. But amidst the apparent contradictions, tensions and multiplicity of agendas, emerges a consistent pro-liberalization message, articulated through research, operations and, especially, advocacy. It is remarkable how, after decades of neoliberal experiments in developing countries, contradictory global tendencies and the latest global food crisis, the Bank remains strongly committed to market solutions and reluctant to promote a much bolder role for states in processes of agrarian transition. Thus the "good governance" agenda is tactically incorporated into work on ARD to strengthen indirectly the case for "market-friendly" approaches to agricultural development and the need for "appropriate institutions" to make market liberalization work.

Some of the arguments on advocacy, research and policy are illustrated with the example of the Bank's stance on the global food crisis and its responses, see Section 6. The global food crisis of 2007-08 is significant insofar as, in its aftermath, the Bank is reclaiming prominence and space in agricultural policy debates in an attempt to improve its image and, more importantly, expand its portfolio of operations into an area that is likely to receive more donor support in the future. The scaling up of funding to agriculture will reverse a trend initiated with the Washington Consensus during which Bank resources towards ARD systematically declined to unprecedentedly low levels, showing that, at least until 2007, the Bank has been talking many talks but without really walking the walk, Section 5. Notably, the Bank's analysis of the food crisis denotes a selective pre-occupation with the consequences and a selective treatment of the causes in line with the "epistemic community" of mainstream economics.

2 Mapping the World Bank's Approach to Agriculture and Rural Development

The Bank's approach to agriculture has evolved over time, particularly in terms of emphasis on specific themes and the nature of its operations in developing countries. However, a common denominator in this long and sometimes tortuous evolutionary path is the Bank's commitment to two permanent features: (a) the use of neoclassical economics for its theoretical and methodological choices in research, and (b) the entrenchment of a pro-market /neoliberal ideology in its advocacy, though increasingly masked by the rationalisation of "progressive" and "equity-sensitive" policies through the lens of neo-liberalism, Ferguson (2007).

Through different phases, World Bank's core messages on agriculture have generally displayed, in different ways from the late 1970s, a committed belief in markets and the private sector as engines of growth and economic efficiency, and varying mistrust of state interventions, especially those that characterised agricultural policy in many developing countries before the onset of the Washington Consensus in the 1980s. During the Washington Consensus, when free market messages were at their peak, the Bank moved from an initial phase (1981-89) centred on price incentives, deregulation and the ills of government failure (distortions, urban bias, rent-seeking, inefficiency and so on) to one (1989-1990s) in which anti-state feelings were somewhat attenuated in favour of a state that should "enable" markets and the private sector, with more focus on rural infrastructure and a role in research provision or facilitation. Interestingly, with the arrival of the more state-friendly PWC, the space for privatization and deregulation has expanded, including the promotion of entry of the private sector (and NGOs) in the delivery of extension services and research, hitherto a realm of government's direct provision.[4] The operation of extension and other agricultural services, which have historically been provided by states in the vast majority of cases, Chang (2009), are now expected to follow a market allocation logic, disguised by terms such as "demand-led", where agricultural producers are "empowered" to decide rationally which services they need. In such a context, provision by the private sector is deemed preferable, following arguments that echo analogous support to private provision in health and education, for example.

On the operational side, from an initial, narrower, focus on physical investment and public goods for capital access, e.g. irrigation and agricultural modernization, the Bank approach to agriculture has been to expand and diversify its portfolio of operations and messages towards a panoply of objectives and priorities that today are reflected in a variety of research, advocacy and operational documents produced over the past ten years: food production and agricultural credit (Woods phase); agriculture and basic needs with rural poverty as main focus; need for integrated non-sector focused programmes (McNamara phase); promotion of smallholder farming; smallholder productivity increase; elimination of price and macroeconomic distortions (structural adjustment); deregulation and privatisation of markets and ARD institutions and services (Washington Consensus phase); participation, ownership and community-driven rural development; rural governance and land administration; inequality and land markets; virtuous linkages between smallholders and transnational agribusiness; risk, uncertainty and insurance mechanisms. And the list could continue.[5]

The evolution sketched above has resulted in a dilution of agriculture and rural development into a myriad micro-issues, well-reflected in how ARD is integrated into the Bank's current agenda, where research on agriculture and rural development falls under the umbrella of the broad research theme "Sustainable Rural and Urban Development". For the Bank "the research program on rural and urban development covers a broad set of topics including agriculture and rural development, environment and natural resource management, infrastructure, and urban development", World Bank (2009b, p. 23; emphasis added). Agriculture-related issues may also be addressed in other established themes such as "Trade and Integration", or "Poverty and Inequality". The same Report then recognises the wide range of issues covered:

> The agriculture and rural development research program focuses on a wide range of issues, including land policies, community driven development, irrigation water management, agricultural technology diffusion, rural finance, rural infrastructure, and trade policies.

This marks a move away from agriculture as a sectoral concern and towards a multiplicity of operational imperatives bearing on ARD since the 1990s, partly reflecting the growing popularity of the "sustainable development" agenda.

This process denotes something that also emerges from the WDR2008, which is a tendency towards shopping lists of issues that for one reason or another are included in the research and advocacy agendas without an explicit sense of what is central, what is tangential and the linkages between them. This tendency reflects growing incentives for "talking many talks", as adopting other agendas, in order to reduce the scope for organized contestation, even if the price to pay is a proliferation of inconsistencies, vagueness and lack of focus. This is also in part an outcome of sequential overlapping agendas and priorities, led by institutional inertia and the need to respond to external pressures. This is manifested in the extent to which, for example, the Bank has moved onto new issues and priorities in the PWC era (institutional development, decentralization, risk, producer organizations, poverty, vulnerability, environmental sustainability, etc.) while maintaining the core elements of the Washington Consensus.

A selective reading of both research outputs and advocacy messages over the past ten years or so, especially manifested in the flagship reports outlining the views and operational priorities of the Bank on ARD (for example Reaching the Rural Poor in 2003, and Agricultural Growth for the Poor in 2005) would initially suggest that a two-leg analytical approach has come to dominate current Bank thinking on ARD. This is essentially a neoclassical neo-populist, NCNP, approach that is in practice a marriage of "convenience" between two dominant tendencies in Agrarian and RD studies, namely (1) a "smallholder-first" or neo-populist approach and (2) an agricultural economics/new institutionalist economics framework grounded on neoclassical economics, Byres (2004, p. 25).[6] Consider these and their interaction in turn.

First, the "smallholder-first" or neo-populist approach, also labelled as "technicist" populism in contrast to "political" populism by Bernstein (2009), emphasises the critical role of smallholder (family) farming in poverty reduction and development and advocates policies to support and privilege "small farmers"[7] across the world.[8] The approach can be summarised in the belief that smallholder farming can deliver both equity and efficiency in a level-playing field. This approach is also popular in OECD countries where advocacy for smallholder "sustainable" forms of production has gained ground over the past few decades, van der Ploeg (2008). An additional (and opportunistic) rationale is that small-scale (family-based) farming is seen as providing "environmental services" and minimising the environmental footprint, a message that the Bank is willing to embrace actively to square its environmental priorities with the promotion of smallholder farming, see World Bank (2007) and Woodhouse (2009).

Second, a mainstream agricultural economics field (partly linked to farm management studies), increasingly adopting insights and tools of the new institutionalist economics, is at the core of the analytical and empirical work of the Bank on ARD. This approach is essentially founded on neoclassical economics and draws on the notion of transaction costs and information asymmetries. The emergence of institutions and institutional change in response to market failures is analysed, thus rejecting the hypothesis of perfect markets. The variants of this approach that pay more attention to institutional variations are superficially more amenable to the incorporation of history in comparison with standard neoclassical economics applications.[9] Much of the Bank's empirical work, however, still remains framed in an old-style, conventionally neoclassical, agricultural economics tradition. This framework draws from the PWC, maintains the standard state-market dichotomy but opens up more space for state intervention, especially for what is regarded as "establishing the basics", in terms of macroeconomic stability, rural infrastructure, water access, education and health. Then, once "basics" are in place attention is given to market access and institutional innovations for input provision and risk management, see Dorward et al (2004). In addition, from the 1990s, the World Bank enters a phase in which "good governance" assumes a prominent role in the triad research-advocacy-policy, and is applied across the board, including in ARD, in what some authors have called an exercise of "embedding neoliberalism", Harrison (2004).

A closer inspection of the most recent contributions of the Bank's work to ARD and, indeed, the substance of the WDR2008, also suggests that the currently prevalent Bank view (and that of other important donors like the Department for International Development, DfID, and FAO/International Fund for Agricultural Development, IFAD, as reflected in their flagship reports on agriculture and rural poverty, DfID 2005 and IFAD 2001) is increasingly dominated by the second of the approaches above, including a bolder emphasis on "good governance" (e.g. decentralization, demand-driven services and so on), sprinkled with some distilled elements of "old" modernization theory (notably when emphasis is put on agricultural productivity and irrigation projects), and ingredients of neo-populism that are ever present in the rhetoric of their discourses and reports, particularly in flagship reports aimed for broad dissemination. For example, the advocacy for small farmers in the developing world recurs heavily in titles, initial statements and executive summaries (normally read by most people, especially development practitioners), while more substantive nuances are introduced in the main text or footnotes, often skipped by "busy" readers.. Indeed, critics of the WDR2008, especially from NGOs, claim the Bank has failed smallholders despite having "paradoxically … a long history of championing small farmers", Havnevik et al (2007, p. 11).[10]

Similarly a like-minded donor agency like DfID (2005, p. 19) concedes that "evidence shows that the optimal mix of farm size for growth varies according to a country's stage of development" and appears to suggest in other parts of the document that small farmers can also benefit from opportunities and growth, rather than being the main, let alone only, engines of agricultural growth. The World Bank, as shown in the latest WDR 2008, introduces several caveats on the prospects of small farming for survival in the context of globalization and notes the challenges with more than usual emphasis, partly because it attempts to offer a longer-term perspective. Even Lipton (2006, p. 66), the leading advocate of the small-farmer path, despite his continuous adherence to the ultimate superiority of small-scale farming in poverty reduction, now restricts this role to initial processes of mass poverty reduction and acknowledges that the empirical evidence to support some of the key assumptions underpinning the smallholder paradigm is scanty, insisting nevertheless that "the small-farm logic" remains sound. In sum, while the classic neo-populist pro-smallholder stance remains alive in the Bank, this is increasingly being restricted to rhetorical statements.

3 Assessing World Bank Research on ARD: Deaton and Beyond

Chapter ?? has shown how the Bank, as a knowledge bank, strives to maintain a dominant position in development debates and in the production of knowledge and data on a wide range of issues. Its espousal of mainstream approaches not only serves as an instrument to validate operations but also facilitates its emergence as an influential and "authoritative" actor vis-à-vis mainstream academic communities in the field of development economics and related subjects. So what can we say about the quality and relevance of the Bank research work on ARD? The answer to this question obviously depends on the perspective of the evaluator.

The Deaton Evaluation also assessed outputs and projects on ARD. However, these issues did not feature prominently in the main synthesis report, which devotes some of its most damaging criticisms to other areas such as aid effectiveness and conflict, see Chapters ?? (EVW) and ?? (CC & JH). A reading of the individual evaluator reports for ARD outputs shows an overall mildly positive assessment but with concerns over the unevenness in quality across projects and outputs, see Fafchamps (2006), Udry (2006) and Lin (2006). That ARD-related work seems to have been received with some indifference by the Deaton Evaluation (in terms of proportion of evaluated research projects and the tone of the individual evaluations) should be particularly worrying for a "knowledge" institution aiming at setting norms and parameters across relevant debates. Moreover, a number of individual evaluator reports revealed substantive weaknesses from a technical point of view and a gap between evidence and policy messages, a tendency highlighted by the Deaton Report more generally, see also Chapters ??. Whilst papers/publications apparently reached "sensible" conclusions they were based on dubious methods, see Lin (2006). In other words, a group of very influential mainstream economists was not particularly impressed by the Bank research on ARD.[11] This is despite ideological congruence between the Deaton evaluators of agricultural research and the Bank advocacy.[12] For example, Justin Lin, now Chief Economist at the World Bank, revealed some of his own bias in asserting that "[the] Bank ought to be complimented for supporting greater openness in East Asia rather than protectionism in the wake of financial crisis", Lin (2006, p. 29). After having noted some important weaknesses in some of the Bank research, Lin ends by giving a pat on the back of the "knowledge bank" by noting that: "As the world is deluged with cheap capital, the greatest value of the Bank to developing countries will be its analytical capacity" (p. 29). Congruence is also evident in the evaluation by Marcel Fafchamps, a frequent contributor to NIE analyses of agriculture, especially interested in market failures, who explicitly shares the Bank's basic preferences, in his praise of its work on land policies and its advocacy for market-led solutions to land inequalities and low productivity.

A tension arises between the focus of the Deaton Evaluation on outputs within a standard mainstream economics tradition and that some of the work done by ARD research and operational units is bound to be inter-disciplinary and include non-economists, especially when operational imperatives to focus on "community-driven development" matter. It is also noteworthy that some relevant material produced by the Bank in this field, and with significant outreach and implications, is either ignored or reviewed only superficially. This pertains to the operationally important work on "distortions" and world agricultural trade liberalization, see Anderson (2009) and Lloyd et al (2009); the vast project on land policies and market-led land reform, Deininger (2003); and the work on the rural non-farm economy. All these projects substantially inform the content of strategy documents on ARD, and the WDR2008 to a certain extent.

For promotional purposes Bank researchers look for "resonance" with the main themes featured by the Bank (poverty reduction, trade, globalization, integration, market-enabling environments, etc.) and aim to be as externally visible as possible, as in the case of employees of the Bank's research department, DEC: "DEC professionals need to publish, ideally in both internal Bank publications and externally especially in academic journals", Broad (2006, p. 402).[13] Therefore, one way to assess whether the Bank's work on ARD issues has really had a substantial impact on mainstream debates, particularly within the agricultural economics field, is to look at how much and what has been published in well-known mainstream agricultural economics journals or in some of the most influential inter-disciplinary development journals (like Development and Change and World Development). For this purpose I looked at published articles in which at least one of the authors is associated with the Bank or articles emerging from its research projects linked to the ARD unit, for the 2006-2009 period. Table 1 summarises some of the main findings. It shows that in terms of proportion of articles published in mainstream agricultural economics journals the performance is disappointing, given the otherwise substantial projection of the Bank's policy messages on agricultural matters in the development community. The expectation that the power of a leading institution like the Bank should be reflected in a significant presence in mainstream economics journals is not matched in the field of ARD. This could reflect a tendency of many of these journals to publish material that is not related to developing countries. However, the Bank's record in more development-oriented mainstream agricultural economics journals like Food Policy is not impressive either. It is also striking that published research fails overall to signal any clear focus on particular issues. The themes of the articles published vary substantially and cover issues that may or may not be central to current debates on ARD, see Table 1. There is clearly evidence of significant thematic dispersion with a mixture of core advocacy concerns (agricultural liberalization distortions), fashionable ideas (weather-indexed insurance mechanisms) and old questions (land reform and land administration). Moreover, a basic analysis of the core themes highlighted by the Bank's own website on ARD research also reveals a proliferation of themes, as 34 different ARD themes could be identified, dominated by work more directly linked to operations, such as irrigation and water management, as well as rural finance and land markets. The variety of themes identified in this website is also in tune with the variety of issues addressed by Policy Research Working Papers, PRWP, focused on ARD during the period 2006-09, where common property resource management, including land policies, and water management figure prominently.

The impact on the most significant advocacy tools on ARD, notably the WDR2008, has not been impressive either. While the most common output for research on ARD are the PRWP, it is interesting to note that the WDR2008 makes relatively little use of them. In the voluminous list of references only 28 entries are from the Bank's PRWP, which suggests that in-house production of "knowledge" has not been influential.

A closer inspection of the contents reviewed for the period 2006-09, in conjunction with the results of the Deaton Report, broadly reveals the following features. First, there is not much in terms of quantity of research, despite the growing rhetoric about the huge importance of agriculture in the fight against poverty. ARD occupied sixth place in a list of reviewed abstracts, accounting for only 9 per cent of the publications reviewed between 2001 and 2004. The research quantity deficit may well be a reflection of funding allocation patterns. As will be argued below, the Bank has until very recently not really put its money where its mouth is.

Even though rural development and agriculture are frequently mentioned as central aspects of the poverty reduction agenda, relatively few resources have been devoted to this field. In the case of research budgets, data published by the World Bank show that on average only 6% of the research budget (including research support to operations) was devoted to rural development (encompassing various themes apart from agriculture) during the period 2001-08, with funding increasing from 2005, partly as a result of the preparations of the WDR 2008, World Bank (2009b).[14]

Significantly, though, despite the low percentages of total World Bank spending on research, an average annual budget of over US$ 2 million for rural development research is not negligible in absolute terms, compared to what academic institutions or think tanks may spend in a year. Arguably this spending has not resulted in an impressive output in terms of either peer-reviewed publications (both quantity and quality) or the quality of operations (see below). There is of course a curious consistency between the relatively meagre resources devoted to research on rural development (in proportional rather than absolute terms) and those dedicated to operations and projects in the same field.

Second, as anticipated above, the relatively unimpressive resources devoted to research on ARD issues have been spread thinly. The research programme and outputs for the past ten years are heterogeneous in terms of themes and quality of output, with various unconnected streams of work leading to little impact in terms of academic outreach and operational links.

Third, much research on ARD is focused on micro-level specific issues, almost of a development-management or problem-solving kind (risk management arrangements, weather-indexed insurance, community-driven development, land certification, land market functioning, off-farm income generation by “poor” households, rates of assistance/protection, etc.). Much less is spent on “big” agrarian questions, such as the dynamic of agrarian change and linkages with industrialization, which, according to one of the leading authors of the WDR2008, have become “obsolete”, de Janvry (2009).

Fourth, some (especially evaluative) research is directly linked to advocacy efforts to promote win–win scenarios, and less serious attention is given to conflicts of interest and trade-offs. This is especially the case in research on linkages between private sector (agribusiness) and small farmers (contract farming, finance, insurance, extension, etc.), World Bank (2007a, chapter 6), which tends to focus on “best practice” or “success stories” of incorporation of smallholders into global value chains. These studies seldom make the point that when linkages are established, they usually apply to small and shifting segments of the small farming population, as independent research usually shows, see Dolan and Humphrey (2000), Amanor (2009) and Gibbon and Ponte (2005).

Fifth, the commitment to liberalization and free markets is maintained through some high-profile research projects whose results have been widely disseminated. This is so in the case of the research project on ‘distortions’ to farm incentives (Anderson 2009), which attempts to take stock of the effect on agricultural producers of almost 50 years of changes in price policies and the gradual elimination of these distortions. The distortions are measured relative to allegedly “more efficient” free markets, on the basis of limiting assumptions and analytical simplification.[15] This is a theme that has persisted with force since the early days of the Washington Consensus in the 1980s.

The new research agenda proposed by a recent flagship report describing the World Bank (2009a) agriculture action plan for 2010-12 includes familiar topics like productivity determinants, credit and insurance markets, international trade and agriculture, and and returns on investments in rural infrastructure. These recurrent themes reflect the persistence of certain policy messages and operational imperatives (e.g. trying to maximize medium-term returns on infrastructure spending, whether irrigation or rural roads). In addition, a number of “hot” topics are considered, such as the links between energy and food markets (sparked by the recent food crisis) and the consequences of climate change for farmers, World Bank

(2009a, p. 66). This suggests that the Bank adds new themes as they become central in current debates on ARD, without dropping the core areas of work, in accordance with its drive to be a norm-setting knowledge institution.

Besides the specific nature and content of recent research commented above, generally the Bank's research on ARD is commonly influenced by the methodology and thematic emphasis of mainstream agricultural economics paired with NIE applied to agriculture in developing countries, as a basic element of the "new development economics", see Fine (2006) for critique of the latter. From a political economy perspective, this analytical approach, according to Byres (2003a), applies a number of basic problematic beliefs: peasant rationality (understood in a broad rational choice framework) and especially as reflected in responses to incentives; imperfect information underlying market failures and high transaction costs; opaque espousal of the efficient market hypothesis and the relevance of missing or failed markets; a positive view of agrarian institutions as functional, flexible (adaptable), responsive to market failures; centrality of risk management in agrarian institutions; all implying that there is a role, albeit of a facilitating nature, for the state.

Mainstream-NIE and World Bank approaches to agriculture and rural development have gradually transcended the most superficial assumptions about peasant homogeneity and do distinguish different groups of rural people, like farmers, landless labourers, traders, moneylenders, etc. In Byres's (2003a) view, however, these groups do not amount to class divisions with class antagonisms but merely to weakly defined occupational and/or income categories. This follows an implicit view of the peasantry and agricultural producers as still relatively homogeneous in the sense of facing similar constraints and welfare objectives. For example, we rarely see systematic and analytically-driven distinctions between rich peasants, capitalist farmers and commercially-oriented smallholders for producers oriented to markets. They are most often all collapsed into the category of 'market-oriented farmers' as opposed to 'subsistence farmers' – a dichotomy that is very unhelpful, not least because the category of 'subsistence farmer' is empirically flawed.

Another problem is the consideration of social relations vertically along agricultural value chains and horizontally in rural areas simply in terms of (explicit or implicit) contracts. Power relations are then reduced to how people deal with information and how they use their relative endowments to bargain on contracts, as in the growing body of work on contract farming, see Little and Watts (1994). Empowerment is often addressed in vague terms of "voice" and access to information in a more or less technicist fashion. Social relations of production, and their appearance in "contracts" follow the logic of "mutual benefit", despite obvious evidence of rural inequalities. Production and exchange relations, therefore, are seldom seen in terms of relations of exploitation, where the exercise of power assumes a central role. In order to understand exploitation and conflict, a serious consideration of asymmetries of economic and political power (and not simply "information") is central. In this context, the idea of "bargaining" loses its analytical and empirical appeal since disparities in power may be too big, Byres (2003a, p. 247). Enforcement costs may also be exaggerated in situations of significant power disparity where subordinate groups have simply little option vis-à-vis their patrons, employers, merchant capital, state officials, and so on.

From a political economy perspective, these are some of the most obvious problems in dominant analytical frameworks underpinning World Bank research on ARD, see also below. Yet, despite these serious omissions and persistent neglect of an important critical (agrarian political economy) literature,[16] the Bank's prominent role in consolidating or advancing mainstream paradigms in ARD hinges on its reputation as a "knowledge bank" (partly derived from a reputation of technical superiority) as well as on its financial muscle that drags other donors towards "shared" (research, advocacy and policy) agendas. This way Bank researchers may influence policy and operations both directly (through advice feedback into operations/projects) and indirectly, via impact on the "development community", Deaton et al (2006, p. 14), while leaving substantive critics at the margin.[17]

4 The Expanded Agenda of the WDR 2008 and Its Inconsistencies

This section explores the way the WDR2008, as the latest instalment of the Bank's advocacy on agriculture, signals an expansion of the Bank's agenda on ARD issues, while at the same time providing continuity with core trends since the emergence of the PWC, resulting in some inconsistencies and tensions that further weaken the Bank's credibility in this field. The WDR2008 presents the most up-to-date and detailed account of the Bank's approach to ARD in a way that attempts to transcend the tendency towards dry shopping lists of the Bank's previous rural development strategy reports, World Bank (2003 and 2005).[18]

There are two basic elements of continuity with the agenda set out during the Washington Consensus period and the subsequent rise of the PWC. First, as noted, there is the explicit liberalization and anti-state stance that followed the crisis of the late 1970s, and was reflected in the two reports that contained a substantial agricultural-related content, obsessively focused on state-created "distortions", see the "Berg Report" (i.e. World Bank, 1981), World Bank (1982) and Anderson (2009). But the pro-liberalization stance now coexists with a less negative view of state interventions in agriculture, and the gradual internalization of neo-populist NGO-driven demands (e.g., smallholder farming promotion, land reform and community-driven development), as manifested in the WDR2008, World Bank (2007a, chapter 11). Indeed, the two core strategic reports on ARD that preceded the WDR2008 (Reaching the Rural Poor, World Bank 2003, and Agricultural Growth for Poverty Reduction, World Bank 2005) celebrated the advances towards more liberal markets led by two decades of agricultural liberalization, and were very reluctant to acknowledge the various negative direct and indirect effects of structural adjustment in agriculture, despite a voluminous literature explaining the failures of adjustment in agriculture and the history of agricultural policies in successful capitalist transformations, Oya (2007) and Chang (2009).[19] The continuation of this imperative in the Bank's advocacy and research is in fact manifested in the comprehensive study of the history of agricultural "distortions", which has been recently published and has constituted one of the core research projects over the past few years, see World Bank (2009b) and Anderson (2009).

The second element of continuity is the Bank's policy and operational commitment to the "good governance" agenda incorporated into its ARD priorities, see Van Waeyenberge (2009) and Harrison (2004). Reaching the Rural Poor, and subsequent strategy documents, have inserted "good governance" elements by promoting decentralized and market-oriented land and natural resources management, the development of local land rental markets, the formation of smallholder producer organizations and by emphasising the usefulness of "community driven development" approaches (and other ways to capture "social capital"). "Adequate" or "good" governance is primarily advocated to ensure the sound implementation of agricultural policies, for which read the full implementation of the Washington Consensus agenda on agriculture, since one of the most frequent discourses articulated by the Bank on the impact of agricultural reforms in the 1980s and 1990s is that the reform agenda was only partially implemented, see World Bank (2007a, p. 23), Kherallah et al (2002) and Oya (2007). The WDR2008, in contrast, broadly inherits this focus on "good governance" without overly stressing the issue of "partial implementation" of reforms.[20] The use of governance is coupled with recourse to notions of "social capital", see Chapter ??, particularly in the treatment of problems such as how to deal with risk and increase cohesion that can have positive effects on agricultural performance.

On rural finance, perhaps one of the areas where the failures of structural adjustment were more evident, see Havnevik et al (2007), Oya (2007) and Gibbon et al (1993), the Bank responds with calls for financial innovations and demand-led approaches, consistent with a deepened liberalization agenda and strong support to private financial institutions or private-public partnerships. The Bank is particularly interested in being in the vanguard of new insurance mechanisms for commodity price risks, a particularly relevant aspect in the wake of the food crisis, see below. Though still experimental, the Bank shows almost blind faith in mechanisms such as "innovative" and private sector-led weather-indexed or rainfall-based insurance services, see World Bank (2005, pp. 76-78; 2007a, p. 149; 2009a, p. 26). Therefore, the Bank is adamant that old-style solutions such as "supply-driven agricultural credit [have] proven unsustainable and unsuccessful and is no longer supported by the Bank", World Bank (2003, p. xix). Instead it opts to support "financial instruments for income generation and reduction of financial risk [and] recognize the multiplicity of potential delivery mechanisms, suppliers, and users of rural financial services", i.e. microfinance and private- and demand-led insurance mechanisms – most of which are largely speculative and voluntaristic approaches lacking evidence to support them.[21]

Essentially, the WDR2008 reproduces all the "strategic elements" discussed above, but adds analytical substance, empirical detail, some nuances and a few more items for the shopping list, notably on more radical pathways out of poverty than own-account farming, such as non-farm rural employment and migration, a significant departure from typical neo-populist messages.[22] Significantly the WDR2008 presents some "findings" that had been partly ignored in previous advocacy reports: (a) the significance of agribusiness concentration in the international agro-food regime, both in output and input markets;[23] (b) the reality that not all smallholders are commercially viable (i.e. can successfully integrate in ever-demanding world markets for agricultural exports) and that a significant part of resource-poor smallholders are "condemned" to migrate or live off "social safety nets" and targeted interventions to increase their food productivity, Havnevik et al (2007). It follows from this, as various passages of the WDR 2008 confirm, that the state can have some role kicking-off basics and correcting "pervasive market failures", in line with some current mainstream economics thinking.

The WDR2008 also attempts to make sense of the variety of possible rural development paths and interventions through an analytical and empirical distinction between three groups of countries, which seeks to capture in a static classification patterns of agrarian change and economic transformation that are essentially dynamic.[24] Thus the Bank considers that three distinct groups of countries require relevant priorities, although an "agriculture-first" and anti-urban bias advocacy permeates the core messages, see Kay (2009).[25] The distinction is thus made between:

1. agriculture-based countries, largely coinciding with SSA, where agricultural growth and food security are priority;
2. transforming countries, in transition and experiencing fast urbanization with widening rural-urban gaps, many of which are found in Asia;
3. urbanised countries, where the challenges are what to do with surviving smallholders and tackling rural poverty.

Unfortunately, this static typology, which is largely based on a crude selection of current structural data and questionable cut-off classificatory benchmarks, does not adequately reflect the dynamic of processes of agrarian change and socio-economic transformations in the 20th and 21st century, Woodhouse (2009). Apart from this crude typology and the compression of history involved in this exercise, Austin (2008), the WDR2008 is a good example of the sorts of tensions and inconsistencies arising from an advocacy approach that aims to expand the ARD agenda through selective internalization of critics and without renouncing the core tenets of the old pro-market liberal approach of the 1980s and 1990s. Here some examples are briefly presented.

First, the Bank faces the dilemma of how persisting in prioritizing smallholder farming can be squared with the constraints and challenges of agrarian globalization. Despite claims to the contrary by NGOs,[26] it is clear that the Bank has not abandoned its advocacy to support smallholder farmers in developing countries. The logic is very simple, even superficial, and much related to the Bank's mandate of reducing poverty worldwide. The majority of the poor in the world are located in rural areas. Official statistics suggest they mostly depend on farming and most happen to be smallholders (very vaguely defined). If they mostly depend on their own farming then production and marketed surplus constitute their main means of survival. An increase in smallholder productivity is, therefore, logically imperative. However, the Bank concedes, the world of agricultural commodity markets and food provision is more complex than we think and, more "strikingly", it is characterized by exceptional concentration of capital in few transnational agro-food conglomerates, World Bank (2007a, p. 135). From the Bank's point of view, keen advocate of a lightly regulated private sector (and implicitly of dynamic capitalism on a global scale), the question therefore is how smallholders in developing countries can interact with the global agro-food complex without questioning the logic of the global food regime and its market concentration. "A dynamic private agribusiness sector linking farmers and consumers can be a major driver of growth in the agricultural and the rural nonfarm sectors. But growing agribusiness concentration may reduce its efficiency and poverty reduction impacts", World Bank (2007a, p. 135).

The Bank unsurprisingly aims for win-win scenarios and solutions (contract farming, producer organizations, agribusiness-induced quality controls, innovative insurance to address transaction costs and risk, etc.) in a classic problem-solving fashion that is typical of the "aid complex", in an attempt to reconcile a (pro-market) pro-capitalist stance with a pro-poor-small-farmer bias. But, despite imagination in presentation of possible scenarios, it still has to acknowledge that not all smallholders can survive in the current context. This is when "old development economics" stories of surplus labour, migration, agricultural surplus and so on, become handy, as the Bank timidly raises its head and reminds us that development is also about structural transformations that lead to the reduction in the number of agricultural producers and generally the gradual demise of the peasantry, World Bank (2007a, p. 27). Notwithstanding this apparent realization, much of the Bank's advocacy and policy still operates as if the main issue at stake is supporting smallholders, implicitly assuming that they are here to stay and that they are likely to be a dynamic force in the development of capitalism. The main problem with the Bank's and WDR2008 win-win scenarios lies in the tendency, Oya (2009, p. 598), to:

> neglect, silence or misrepresent power struggles, unequal and conflictual relations, which are pervasive among farmers, between farmers and their labourers, between farmers and traders and among so many participants in global value chains and clearly intrinsic to the structure of relations of production and extraction in contemporary capitalism,

and which in some cases lead to violent outcomes.[27]

In general, the Bank's advocacy of smallholder farming is predicated upon the belief that increases in smallholder productivity can have massive impacts on rural poverty and quickly lead to significant poverty reduction. Much emphasis is placed on land productivity, see also below, with the Bank showing how the gap between farm trials and actual levels of productivity is large, suggesting that enormous potential exists. But is that potential to be fulfilled by smallholders? The evidence so far is not encouraging. Besides, the advocacy for smallholder productivity increases tends to be silent about labour productivity, which may be more important than land productivity in contexts of relative land abundance. As Woodhouse (2009, p. 272) asserts: "the question of labour productivity is of particular concern in many African contexts, where labour–land ratios have historically been low and control of labour in extended households has dominated the organization of production systems". Moreover, one needs to reconcile the idea that small farmers are poor and in need of support with the Bank's advocacy for (market oriented) demand-led agricultural services. Yet, Woodhouse (2009, p. 267) points out how the evidence counters World Bank dreams:

> analysis of the implementation of this process … suggests that it is less-poor farmers who are most likely to benefit due to both their organizational capacity

and political influence at local level, and central government officials' priority of raising aggregate production by supporting those farmers most capable of "achieving results".

A second, but related, inconsistency and tension is the advocacy for land reform. On land issues, the Bank unsurprisingly favours liberalization of land rental markets as a solution to both equity and efficiency, again a market-induced win-win scenario where trade-offs and conflict are missing, see Deininger (2003). At the same time, to match equity concerns, a timid support is given to redistributive land reform amongst small farmers. But the Bank is mostly concerned with a case for land reform on efficiency grounds, which takes it close to neo-populist positions. Thus contradictions emerge. The tension between advocacy for small farming and the empirical evidence used by the Bank itself is striking, particularly in pages 90–1 of the WDR2008, when the well-known "inverse relationship" between farm size and (land) productivity is mentioned for the first time.[28] In the first passage of that section some typical generalisations about the "superiority" of smallholder farming are boldly presented. This is then astonishingly followed by two graphs that clearly show an increasingly positive relationship between farm size and productivity for staples (not even export crops) in Brazil and Chile, widely known as agricultural success stories. To square these two opposing views the WDR2008 suggests that the generally "powerful" effect of lower labour supervision costs of family labour may be offset by large-scale advantages in accessing better technology, higher input applications, irrigation, and other yield-enhancing factors, all that as a result of "market imperfections", the classic catch-all concept in the WDR-2008. Therefore, as the "superiority" of small farming vanishes, the question of whether small farmers are becoming "too small" arises, p. 92, see Oya (2009). Moreover, the World Bank stance on land policies has other aspects of circle-squaring. First, it advocates land redistribution assuming that land is the main constraint on survival and wealth creation,[29] based on a static interpretation of evidence on agrarian structures and productivity outcomes. Second, it believes that the market, which generally tends to display inegalitarian outcomes in land access and ownership, is the best way of redistributing land to the "poor". The consolidation and concentration mechanisms associated with market resource allocation (and clearly reflected in the recognised concentration of global agricultural-related markets) are therefore conveniently ignored, Borras (2007).

A third tension concerns the alternatives to smallholder farming in the context of an agriculture-for-development agenda. Thus for the first time the Bank stresses the importance of alternative paths of poverty reduction beyond smallholder farming, of which migration and rural labour markets stand out. This is a significant development that somewhat attenuates the hitherto substantial influence of neo-populist perspectives and NGO-lobbies on World Bank advocacy.[30] However, the WDR2008 mainly offers some descriptive evidence that illustrates the precarious working conditions of most agricultural wage workers in developing countries, going on to stress the importance of accessing global high-value markets to expand employment and to improve working conditions, while it makes no mention of how to empower workers through labour market institutions like trade unions and minimum wages.[31] Indeed, the WDR2008 solves the challenge with more wishful thinking and contradictions: "encourage formality while maintaining flexibility", World Bank (2007a, p. 208), and retains faith in corporate social responsibility to protect workers from the excesses of volatile capitalism, see Oya (2009) and Rizzo (2009) for a critique of this ambivalent and naïve position.

To these broad advocacy targets contained in the WDR2008, the Bank has recently added the need to improve food security through supply and demand actions as well as more attention to the development of safety nets or "coping mechanisms" for poorer vulnerable farmers in the face of spectacular volatility in global food markets and weather shocks associated with climate change, a point which will be discussed in Section 6. These, again, add items to the expanding shopping list, and necessarily induce new trade-offs that, if ignored, further increase the set of tensions and contradictions discussed here. There are, however, some additional and substantive inconsistencies in the World Bank relationship with agriculture. Indeed, the Bank has, until recently, responded with dwindling financial commitments to an increasingly active (internal) advocacy on ARD challenges, an issue to which I now turn.

5 World Bank ARD Policy and Practice

This section aims to deal with the following question: is the World Bank as seriously committed to agriculture as its "advocacy" (rhetoric), e.g. WDR2008, press releases and other flagship reports would suggest? The short answer, at least on the basis of the record until 2006, is "no". Generally OECD donor support to agriculture in developing countries has been declining steadily and rapidly since the early 1980s, see Figure 1. The trend in the percentage of aid that goes to agriculture has been consistent across bilateral and multilateral donors, and the Bank is no exception, with an increase until the early 1980s followed by a substantial decline until very recently, from 17 per cent in 1980-84 to only 6 per cent in 2000, OECD (2001).[32] The Bank has clearly devoted dwindling financial resources to supporting agriculture, especially in African countries. Data show that from a peak of around 32 per cent of World Bank lending in 1976-78, the share of agriculture consistently fell below 10 per cent in the last 15 years or so, especially after the decline of sector adjustment loans (AGSECALs), see Pincus (2001). More recently, from a 12 per cent average during the period 1990-2000 it has declined to only 6.5 per cent for the period 2000–05 – this is the third lowest sector share, behind industry and trade. This decline is in stark contrast with the substantial proportion of resources invested in "good governance" programmes, the dominant operational imperative of the past 10-15 years, see Figure 2.

<INSERT FIGURES 1 AND 2 HERE>

Since 2003, however, allocations have somewhat increased. The 2003 ARD strategy, Reaching the Rural Poor, constituted a turning point, aiming to guide the World Bank's future rural lending operations, and ambitiously projecting 20 per cent annual increases, World Bank (2003). In reality, although the provisions for core components of agricultural lending have not met those targets since 2003, the Bank claims that if the contribution of 'other agriculture related investments' (which includes projects on land administration or market roads, for example) is taken into account, lending to agriculture is higher than is usually claimed, World Bank (2009a). Now the Bank tries to codify as far as possible as ARD some of the operations from the expanding range of multi-sector projects, so that recently established targets are met.

Agriculture may not have been an operational priority for the Bank in the last 30 years, but the paradox is that the Bank remains a major single donor for agriculture in developing countries (typically representing between 18 and 25 per cent of total flows to agriculture), and the largest donor to agriculture in SSA, World Bank-IEG (2007).[33] The Bank's financial muscle has directly and indirectly influenced agricultural policies in developing countries, particularly in Africa (Havnevik et al 2007). Moreover, arguably much of current aid to agriculture takes the form of policy advice (often counterproductive), technical assistance (not always effective or relevant), and the reinforcement of government structures dealing with rural development policies (more computers, cars and offices, rather than manpower due to public sector wage bill ceilings), see OECD (2001). It is striking that the WDR2008 accuses developing country "governments" and "donors" of failing agriculture in developing countries without a more explicit mea culpa. Apart from declining funding to ARD over the long period 1979-2003, two decades of macroeconomic and agricultural adjustment reforms resulted in, among other things, falling levels of public investment and agricultural research, which dropped in the list of priorities as a result of the Washington Consensus-induced fiscal squeeze.[34] This happened through the imperative of fiscal compression, with agricultural services as a necessary sacrifice, and through the weakening or dismantling of public agencies in charge of agricultural services on the grounds of inefficiency and/or fiscal constraints.

The Bank's promises for 2010-12 are seemingly more radical and try to make amends: doubling or more of funding for the core agricultural programmes and additional increases in IFC funding for agribusiness among other things. This would imply, in the most optimistic scenario, that the World Bank will allocate up to US$ 8bn annually in 2010-12 (including IFC funding) up from the estimated US$ 4.1bn in 2006-08. This would make the World Bank the largest single donor to agriculture by a good margin and, therefore, enhance its clout on agricultural development priorities in developing countries. It is indeed a response to the call made after the global food crisis in 2007/08, see below, and consistent with a desire to tap into a large part of the US$ 20bn additional funding for agriculture in developing countries committed by the G20 in July 2009.[35]

Whilst a substantial increase in resources is of course highly necessary and welcome, some important questions remain. First, part of the problem, and perhaps a determinant, of the Bank's declining interest in ARD lies in the relatively low levels of satisfaction with, and low sustainability ratings of, its ARD projects, especially in SSA. A recent evaluation of the Bank's work on Agriculture in Sub-Saharan African provides damaging evidence of the World Bank's operational performance, World Bank-IEG (2007). Moreover, the same Report argues that background analytical work has been "limited, scattered, of variable quality, and not easily available", World Bank-IEG (2007, p. xxv), despite the Bank's usual operational and rhetorical emphasis on knowledge and technical advice.

Second, the Bank adds to the infamous volatility problem of aid flows. None of the top ten SSA borrowers of agricultural lending received consistent and simultaneous support across all critical subsectors. This meant that resources were often spread too thinly, thereby reducing potential long-term effectiveness, reproducing patterns observed with NGO projects. Moreover, the "sprinkling" of lending across a diverse set of activities (research, extension, credit, seeds, policy reforms…) was done with limited linkages between them and lack of any "integrated" framework. In many of these areas, especially in one of the priority targets (access to credit and rural finance), the ineffectiveness of support is partly due to poor implementation of World Bank guidelines. On other forms of support, demand-led approaches to extension at the expense of public provision, the Report points out that the sort of partnerships supported (PPP, demand-driven, NGOs) seem neither cost-effective nor sustainable.

Third, little has been done to overcome one of the most significant constraints in African agriculture, the lack of irrigation. The Bank's evaluation report, World Bank-IEG (2007, p. x), noted that the emphasis on irrigation (present in project documents and advocacy reports) has been accompanied by very little physical investment, see Figure 3. Instead, the Bank has focused on policy lending attached to structural reforms that, according to the evaluation report, "fell short of producing the desired growth effects". The Report adds, p. xxvii:

> Bank policy advice appears to have had far reaching implications for the direction of agricultural development in African countries, in particular its policy advice associated with the adjustment agenda. However, results have fallen short of expectations because of weak political support and insufficient appreciation of reality on the ground, among other things.

More recently, lending has increasingly been directed to projects grounded in "community-based approaches". The latter have become a new article of faith, a convenient and politically correct method of delivery despite little evidence that these approaches are able to respond to agro-ecological diversity, World Bank-IEG (2007), let alone to socio-economic and political diversity, see also Bebbington et al (2007).

Overall, it is not clear then from (a) current operational practices and imperatives, (b) management responses to critical evaluations[36] and (c) the record of shifting resource allocation, whether the Bank is seriously learning the lessons of past operations or simply following an operational inertia driven by an "approval culture", Wade (2006), coupled with ongoing policy imperatives. Indeed over time the Bank has significantly shifted the pattern of resource allocation to agriculture, not so much in response to operational evaluations but rather to ideological and policy imperatives. For example, the proportion devoted to agricultural credit declined remarkably from 16 per cent in 1976-8 to 4.8 per cent in 1994-6 while the proportion allocated to agricultural sector loans (attached to programmes of market reforms in agriculture) increased from 0 per cent to almost 20 per cent over the same period, Pincus (2001). At the same time, agro-industry and crop support received almost marginal support in the 1990s, while irrigation/drainage has relatively resisted the vagaries of lending priorities in quantitative terms. However, in the case of irrigation, an examination of samples of relevant projects during the period 2003-09 reveals a move from large-scale physical investment towards "soft" interventions in the form of projects for "community management" of water and irrigation infrastructure, and rehabilitation or forms of technical assistance for the management of access to irrigation, see also Inocencio et al. (2005). In other words, the creation of new physical irrigation infrastructure has been much less important compared to the alignment of irrigation projects within the overall good governance agenda and political correctness around community management and decentralization. From the 1990s a focus on rural "institutions" and the application of good governance agenda to agricultural operations has been growing steadily. Thus, institutional innovations to support smallholder agriculture, community development initiatives, promotion of producer organizations and decentralization of rural services have become central tenets of the PWC agricultural jargon in Bank operations, as most project documents tend to reflect.

<INSERT FIGURE 3 HERE>

World Bank operations in ARD are increasingly characterised by growing diversification of portfolio and a multiplication of themes, objectives and tools, Pincus (2001) and World Bank-IEG (2007). This reflects two possible effects. First, the operational imperatives of portfolio expansion and "approval culture", therefore loan disbursement, and the need to encroach areas of work of other organizations (notably NGOs), partly in anticipation of declines in policy-related funding as the structural adjustment agenda is completed. Second, the "Washington confusion" associated with the PWC, which results in the proliferation of shopping lists in the allocation of funding, particularly to low-income (African) countries. In order to test whether these and other features discussed above persist in current operational practice, a preliminary exploration of the project database for ARD in 2003-09 was carried out.[37] Some broad stylised facts emerge from this initial exploration.

First, a lack of focus and coherent operational line still stands out. The Bank disperses money over a wide range of sectors and themes, many of which are defined vaguely so that further proliferation of aims and methods is possible. Most projects included in the database are multi-sector and many include the usual themes common in the PWC agenda, namely public sector governance, decentralization, and administrative capacity building. Some phrases are often repeated in projects, including some of the largest items in the database, as revealed by the following selected excerpts, which are self-explanatory (emphasis added): "priority <u>demand-driven community</u>-owned productive infrastructure investments of the public good type", "support to empower ... <u>users</u> farmers/pastoralists and other economic interest groups working within their organizations and through their local government councils to purchase advisory services from both public and private sources", "seed money to <u>empower</u> smallholder and poor farmers to acquire capital assets which they will use to undertake a wide range of small-scale income generating activities as well as improve farmers' access to markets and complementary support that add value to farm produce" and so on. As Bebbington et al. (2007) show, with reference to World Bank operations and "organizational cultures", commitments to "empowerment" enter Bank's texts (dissemination reports and project documents) with relative ease but their application is far more contingent, and their meanings diverse.[38]

Second, the proliferation of projects worth relatively small amounts by Bank standards (e.g. less than US$ 5 million per project) suggests that the Bank is acting more like an NGO and less like a multinational development bank in projects that more or less relate to agriculture. For example, the average ARD project in the 2003-09 dataset amounts to US$ 19 million. (This is only US$ 14 million for the Africa region and has an overall median of US$ 5.5 million). Further, between 2003 and 2009, 64 per cent and 19 per cent of 733 projects with some ARD component did not allocate funds for ARD purposes in excess of US$ 10 million and US$ 1 million, respectively. The tendency towards a "small is beautiful" approach, coupled with the proliferation of "knowledge aid" or "community-grassroots" type of projects explains this pattern to an extent. This is in contrast with the Bank's comparative advantage as a centralised lender to the public sector. The Bank is unsuitable for successfully dealing with community-based programmes and not fit for purpose for 'participatory development', for reasons substantially explained by Pincus (2001).

Third, project proliferation can be, of course, consistent with skewness and concentration. A large proportion of the total funds committed to ARD (54 per cent) falls in the top bracket of more than US$ 100 million per project, which tend to go to general support projects, large multi-sector programmes including safety nets (many part of the Global Food Response Project, see below) and irrigation (though not to Africa) as significant categories.[39] These mega-projects are unevenly distributed and more common in transforming or urbanized countries, despite the enormous needs for scaled-up aid in agriculture-based countries (to use the WDR2008 country typology). Thus African countries, where big-push interventions are clearly necessary and cannot be provided by NGOs, are even less favoured in this respect.[40] Out of the five largest-scale projects, each of which is worth more than US$500 million, only one went to Africa, namely to Ethiopia, and only 21 per cent of it was directed to ARD (the rest to all other priority sectors in the PRSP). Many of the large projects included in the database (16 out of 25 projects) were classified under governance categories for the main sector, including themes like decentralization, administrative reform, legal and environmental "institutions" and so on. Regional disparities also emerge with respect to the nature of ARD support, with Africa receiving most projects focused on agriculture for general purposes, which in many cases include capacity building institutional components also included in governance themes. In contrast, irrigation lending focuses on South Asia, where over 60 per cent of ARD projects in 2003–09 were related to irrigation and drainage in 2003-09, although many of them were about water community resource management with a lot of "soft" elements (technical assistance). The neglect of Africa in irrigation funding is astonishing, considering that this is the region where the proportion of irrigated land is the lowest in the world (only 8 per cent of potentially irrigable land and 1.8 per cent of cultivated land, excluding the three largest irrigation countries, i.e. Sudan, Madagascar and South Africa) and where many of the current challenges on agricultural productivity could be partially addressed through substantial expansion of irrigated land, see World Bank-IEG (2007) and World Bank (2007b). Only 12 per cent of relevant projects had some irrigation component in Africa between 2003 and 2009, see also Figure 3.

Some of the above-mentioned mega-projects are associated with an apparent recent scaling up of resources for ARD, particularly between 2008 and 2009 and in line with some of the widely announced new commitments discussed before. Many of these large projects are part of the Bank's response to the global food crisis in 2007-08, an aspect of World Bank research, advocacy and policy to which the chapter now turns.

6 The World Bank and the Global Food Crisis: Short-Term Emergency vs Systemic Failure

At a time when the World Bank work on ARD was under pressure and subject to criticism, see World Bank-IEG (2007) and Havnevik et al (2007), the unravelling of the global food crisis[41] provided the Bank with an opportunity to gain prominence in two main ways: first, by becoming a prime-mover in the early debates on the causes, consequences and responses to the global food crisis of 2007-08, together with FAO and IFPRI, International Food Policy Research Institute, see Ivanic and Martin (2008), Mitchell (2008), von Braun (2008), FAO (2008);[42] second, through the use of its well-established advocacy power within the donor community to lead the call for strengthened support to agriculture in developing countries, especially in low-income countries. It was a "fortunate" coincidence that the food crisis exploded almost in tandem with the preparation of the WDR2008 flagship report. This way its calls to increase aid to agriculture, especially in Africa, appeared bolder and timely. However, the Bank's response to the crisis is also a good reflection of the tensions discussed in previous sections of this chapter and of the complex interactions between research, advocacy and operational imperatives. This response also manifests some of the weaknesses and limitations of the Bank's approach to agricultural problems and the limitations of its support to "win-win" scenarios in situations of acute crisis. It is remarkable how the focus has been much more on the consequences of the crisis than on its causes, especially its deep-rooted causes, as will be shown below.

Interestingly, much of the World Bank research work (published and unpublished) in this area has mainly focused on making a case for the scaling up of aid to agriculture (in other words, fundraising), whereby global and country level simulations aim to calculate the impact of food price increases on the number of people living below international and national poverty lines. In a way, it is the kind of work that NGOs or UN agencies would normally do to draw worldwide attention to a problem. The Bank has followed suit and there is little controversy over the consequences, especially the likely increase in poverty incidence and the number of poor in the developing world, particularly in countries where food imports account for a significant proportion of domestic staple consumption, see Ivanic and Martin (2008).[43] Most agencies expected that a worsening of the nutritional status of poorer households, especially children, would be a lasting consequence of the world food crisis in several countries, Mitchell (2008), IATP (2009).[44] This evidence was then used for calls to scale up agricultural funding, much of which is likely to be channelled through the World Bank. The call was successful since subsequent commitments from large OECD donors, and indeed the recent October 2009 commitment to boost agricultural funding by the G-20, will be implemented under the coordination of the World Bank.

It is not surprising that the World Bank has responded with a substantial promise of increased funds until 2012. A commitment is made to "increase its agriculture support from US$ 4.1 billion annually in FY2006-08 to between US$ 6.2 and US$ 8.3 billion annually over the FY2010-2012 period—between 13 and 17 percent of total projected World Bank commitments".[45] In particular, in response to the short-term effects of the food crisis the World Bank, in May 2008, set up the Global Food Crisis Response Program, GFRP. This is expected to allocate up to US$ 2 billion for post-crisis recovery. The GFRP seeks to provide immediate relief to countries most affected by food high prices. It had already disbursed US$ 1164 million out of US$ 1190.4 million in 35 countries by October 2009, an amount that signals increasing commitment to agriculture in comparison with the previous 20 years. Most projects financed through the GFRP fall under the rubric of "safety net programmes", but also include measures to promote the reduction of food taxes (further liberalization), especially for imported food, supply-side interventions such as fertilizer and seed distribution (financing the costs associated with urgent procurement and distribution of fertilizers), and general budget support to ease fiscal constraints.

World Bank analyses of the food crisis mirror what has been published by other influential agencies and think-tanks (especially FAO and IFPRI), but show greater focus on poverty implications. The methodology is generally one of simulations in a general equilibrium framework, the kind of analysis that is also fashionable in model simulations of the impact of the Doha agenda on developing countries, see Ivanic and Martin (2008) and World Bank (2008). Bank researchers tend to see the crisis as a one-off episode underpinned by a combination of fairly recent developments: (a) the expansion of corn-based biofuel production, especially in the US at the expense of food production; (b) supply shocks in large producers/exporters (e.g. poor weather in Australia); (c) demand effects of diet shifts in large emerging countries like India and China; (d) energy price increases, at expense of farming costs; and (e) export bans by grain exporter countries, Toye (2009), Mitchell (2008), von Braun (2008). Mitchell (2008) and other Bank researchers estimate that 70 per cent of the large increase in biofuels production comes from grains and oilseeds in the U.S. and EU. Mitchell provides a significant twist in the explanation by noting that "the large increases in biofuels production in the US and EU were supported by subsidies, mandates, and tariffs on imports". In other words, "distortions" to farm incentives are seen as a big part of the story happily in line with World Bank's pro-free trade dominant advocacy of the past 30 years.

This kind of assessment based on simulations and attention to price "distortions" contrasts with the type of analysis offered by alternative sources such as the symposium on the world food crisis in the Journal of Agrarian Change (issue 9.2). The contributions in this symposium tend to emphasize other more deeply-rooted factors, namely the systemic features of capitalism, the role of financialisation, speculation, and the workings of global food chains. Taken together, these would suggest that the 2007-08 price crisis was only one extraordinary aspect of a slow, more latent, crisis in the global food regime, see Lang (2010), Van der Ploeg (2010) and Tickner (2008).

Apart from these broad features, these alternative accounts show that there are at least three aspects of the crisis that, by omission or commission, have not featured significantly or at all in World Bank assessments and responses. First, not much work has emerged on the transmission mechanisms of international price volatility and, for example, the extent to which there are asymmetries in price transmission as the 2008 drop was not reflected in similar proportional changes in local prices, which remained much higher than pre-crisis levels, Ghosh (2010). World Bank model simulations are based on simplifying assumptions about price transmission mechanisms that leave aside the importance of contingent power relations within global value chains and between importers, local traders and producers of different types in affected countries. The extent to which prices are transmitted or not, and who bears the burden of volatility, is an important political economy aspect of the food crisis that remains seriously under-researched despite the substantial resources put by the Bank into understanding the food crisis and designing responses.

Second, on the issue of the causes, not enough linkages have been made between the actual event of sharp price movements and the structures, processes and relations induced by the global agribusiness revolution and the financialisation of the global economy before the onset of the crisis. The recent food crisis is not an unexpected episode to be treated simply as an "emergency" but a consequence of the coupling of global agribusiness development/concentration and the uncontrolled financialisation of the global economy, UNCTAD (2009), IATP (2009), Ghosh (2010) and Fine (2010). Supply factors may play a role, as some argue that food production in many poor countries has not been dynamic, and dependence on food imports may have increased to risky levels in some countries, Tickner (2008). Such problems can, however, be resolved through reliable sources of foreign exchange and price stabilization mechanisms. However, despite frequent claims that increases in consumption (especially meat) and changes in diet patterns in fast growing economies like India and China were important factors, von Braun (2008), the evidence contradicts the claims that the global food crisis is just a result of "real" production and demand conditions, see Ghosh (2010) and IATP (2009) for a detailed account of world food balances in the crisis period. In particular, data on world production and trade of the commodities that have experienced the sharpest increases in prices (i.e. rice, maize, soybeans and wheat) do not show any significant imbalances between supply and demand. Even though for some of these commodities stocks declined more rapidly than usual in 2007/08, this hardly explains the sharp fluctuations in food prices in such a short time span. Ghosh (2010, p. 77) puts it clearly:

"such wild swings in prices obviously cannot be explained by short-term supply and demand factors or any other "real economy" tendencies. Instead, these acute price movements are clearly the result of speculative activity in these markets".

We are therefore left with two main plausible explanations, a combination of which may bring us closer to an understanding of what happened. First, there is the supply-side story originating in the pressure that a rapid and heavily subsidized promotion of bio-fuels, as a result of energy security concerns in the USA and Europe, has exerted on the grain-livestock market by rapidly increasing demand for some grains (maize) or soybeans, which are therefore reallocated from food to energy destinations in processing, von Braun (2008) and Mitchell (2008). Second, and perhaps more important, is the role of financial speculation in driving price volatility in food markets. The novelty is that institutional investors (notably hedge funds, pension funds etc.) and traders have rapidly moved into commodity markets once other source of profits through speculation dried up, first after the dotcom bubble and burst and afterwards with the toxic assets-led financial collapse of 2008. This was possibly due to the processes of financial de-regulation that had accelerated after the Asian financial crisis in 1997. A key turning point was the Commodity Futures Modernization Act in 2000, which deregulated commodity trading in the United States and opened the door for all forms of financial engineering to be applied to commodity markets, Ghosh (2010). Futures markets, despite their supposed stabilising role in stifling speculation, have in reality fuelled it through the entry of institutional investors and traders with a view on short-term gains. It is not surprising that volatility of commodity prices greatly increased in the past five years. This also explains why most commodity markets are strongly correlated today, regardless of their respective "real trends", and the number one commodity for speculation, crude oil, leads the game, while others – and increasingly, as data show, food products – follow. The unprecedented price spikes experienced in 2007/08 for a wide range of commodities and the abrupt fall in the second half of 2008 are a signal that speculation and not supply/demand interactions accounts for the magnitude of such sudden changes. This thesis is unsurprisingly not supported by the Bank. Instead, Mitchell (2008) and other World Bank reports are more likely to emphasise the short-term role of export bans ("export bans and restrictions fuelled the price increases by restricting access to supplies", p. 13) than the role of financial markets and investors.[46]

Moreover, there are other structural features of the global food system, not exposed by the 2007-08 crisis, but visible in the last two decades, which remain off the World Bank radar. These are the "underlying tendencies within the food system leading not only to unaffordable food, and hence undernutrition, but also to the simultaneous production of malnutrition and obesity", Johnston (2010, p. 69) and Lang (2010). Though these are largely market outcomes, the World Bank is quick to put the blame on government distortions or reversible market imperfections.

On the operational side, the Bank has used its assessments of the global food crisis to enhance the marketing of some of its preferred products, prior to the onset of the crisis. For example, renewed emphasis is put on "innovative" private insurance mechanisms to deal with price and weather risks as well as on the promotion of rural financial markets to smooth risks faced by farmers, World Bank (2009a). Insurance remains therefore one of the favourite tools in comparison with older state-driven mechanisms such as stabilization boards, which regulated producer prices in the 1960s and 1970s. In this sense, the World Bank demonstrates respect to its core deregulation agenda while acknowledging the significance of market risk and volatility. It also reflects the commitment to products and innovations deriving from financial markets, manifesting embedded "financialisation" in World Bank thinking. There are other mechanisms also supported by the Bank to address risks or transaction costs as they also serve the purpose of linking smallholders with global value chains. One example is contract farming, which is effectively designed to replace old forms of government-led vertical integration (as in marketing boards) and induce incentives on both farmers and buyers to make output and input distribution more efficient.

Its operations focused on smallholder productivity and promotion of producer organizations to expand linkages with agribusiness also receive a boost with the consequences of the global food crisis, which has underscored the need for more solid ways of addressing food security in a context of massive global market volatility. The Bank states this boldly:[47] "Working to help countries develop financial market insurance products and risk management strategies to ensure increased capacity to respond to future prices increases, such as weather derivatives and crop insurance". In other words, palliative and market-friendly preventative measures to deal with risk and vulnerability are likely to assume more prominent roles in the Bank's and other donors' work as a result of the crisis.

7 Conclusions

The World Bank can be seen as adopting economic ideas and paradigms as instruments to validate its actions, while also being affected by "real world" events, like economic, financial and food crises, which may be absorbed and adapted to the core dominant paradigm, Sindzingre (2004, p. 234). The recent evolution of Bank approaches to ARD and the more recent incorporation of nuances and new messages from selected critics and inescapable events (like the 2007-08 global food crisis) confirm some of these tendencies.

It has been argued in this chapter that the proliferation and endless expansion of agendas gives rise to more tensions and contradictions as well as shifting relations between research, advocacy and policy (operations). As noted in Chapter 2, p. ?, the three elements research/advocacy/policy "are not necessarily mutually consistent with one another; but nor are they independent of one another; and they have a shifting relationship between one another over time and place and across issues". Fine (2001a) and Chapter 2 argue that the apparent gaps or inconsistencies between advocacy and research may well be not only substantive (endemically so) but also functional (serving the purpose of paradigm maintenance), so that the World Bank can maintain its dominant position, and suppress criticism by ignoring, incorporating and managing it. This chapter has addressed this issue by focusing on the latest report on agriculture, WDR2008, by illustrating it through a brief exploration of the Bank's research and advocacy on ARD for the period 2003-09. However, despite the inconsistencies and tensions, an element of coherence is maintained throughout, and this is the commitment to a pro-free market ideology that cuts across the research-advocacy-policy divide and is exemplified by the continuous work and emphasis on "distortions" on farm incentives usually caused by "misguided" and "costly" government interventions, past and present.

Remarkably, a recent paper by de Janvry (2009), one of the leading authors of the WDR2008, exposes, possibly unwittingly, some of the main pitfalls of the Bank's approach to ARD. He recognizes that knowledge on what works in ARD and what does not is limited and that methods and models used by the mainstream have so far been not good enough. He also considers policy and institutional "fixes" problematic and open to test, while he emphasises the importance of trade-offs (win-win solutions are exceptions rather than rules!) and multiple development outcomes (context matters) where heterogeneity and adaptation should be part of solutions. He considers the significance of the fact that pervasive market failures and the failures of two decades of reforms (1985–2005) have not really been acknowledged by the Bank. Finally he underscores the crucial need for long-term sustained and substantial additional finance for agriculture, beyond price and political (electoral) cycles (he forgot to mention the operational cycles of donors like the Bank itself). A serious consideration of some of these ideas would bring some radical change in thinking and operations for ARD at the Bank. Thus, it appears that de Janvry's role as leading author of the WDR2008 did not achieve much in this direction, not unlike the limited effect of Ravi Kanbur as lead author of the 2000/01 WDR as alluded to in Chapter 1.

A few years ago, consideration of the tensions between the Bank's operational imperatives and its ever-growing and diversifying research and advocacy agenda led critics to see the Bank as thinking increasingly like an NGO while continuing to act like a public-sector bank, Pincus (2001, p. 212). Thinking and acting like a large development bank devoted to fund economic transformations and agrarian change would require dealing with the agrarian questions that have long preoccupied agrarian political economists and which transcend the facile traps of neo-populism. This chapter started with an enumeration of some of these questions, especially what drives or hinders capitalist development in agriculture; how social transformations in rural areas are outcomes of historically contingent class struggles and state actions; the diverse role of agriculture in fuelling or hindering industrialization; how agricultural development depends on the development and transformations of forces of production, notably technology, and how its diffusion is spurred or obstructed by social, economic and political factors. Addressing such questions requires a historically informed theory of uneven capitalist development, structural relations of inequality (as class, gender, ethnicity, occupation, location, and other attributes), accumulation, inter-sector linkages and conflict, thus a methodology to analyse systemic change. Indeed, these questions have been central to analyses rooted in historical materialist political economy and "old development economics" approaches, see Fine (2006) and Jomo and Reinert (2005). However, these alternative approaches are either totally ignored by the Bank or simply dismissed for being superficially linked to the promotion of "dirigiste development strategies". The current World Bank's scholarship, advocacy and policy on agriculture and rural development issues at best scratch the surface of such long standing problematics, as in the recent WDR2008. At worst, they provide ahistorical guides and misleading win-win institutional and policy "fixes" to the deep-rooted and long-term challenges facing developing countries today.

---

[1] I would like to acknowledge the excellent research assistance provided by Bernd Mueller and Helena Pérez-Niño.

[2] This title is inspired by a similar title of an earlier critique of the Bank's impact on agricultural development in Africa, Gibbon et al. (1993).

[3] The WDR2008 states "three of every four poor people in developing countries live in rural areas … and most depend on agriculture for their livelihoods", World Bank (2007, p. 1).

[4] In addition, the World Bank has expanded the pro-market liberalization advocacy agenda (the "unfinished liberalization agenda"), partly by moving away from a focus on internal reforms in developing countries and towards multilateral trade talks on agriculture (the Doha agenda). In its more recent analyses of agricultural distortions, the Bank has directed its attention and concerns towards OECD countries that continue to introduce substantial distortions in their agricultural markets, see part II in Anderson (2009).

[5] See Pincus (2001) for a detailed analysis of the evolution of the World Bank's approach to agriculture until 2000.

[6] These are of course not the only current approaches to ARD. A relatively more holistic livelihood framework, partly embedded between neo-populism and neoclassical economics, has been and still is very influential in the development community, notably among NGOs and donors like DFID, but seems much less visible in World Bank intellectual production (on the evolution and challenged faced by this approach see Scoones 2009). A Marxist-inspired agrarian political economy approach has some strong following in segments of the academic community but is far from known, understood or appreciated by the main "actors" of the development aid business. See more below.

[7] It is crucial to question the often vague use of the concept "small farmer" or "smallholder", though we do not have space to go into such a detailed discussion. See box 1 in Hazell et al (2007, p. 1) on various forms of defining scale in different context.

[8] In academia, neo-populism is mostly exemplified by Michael Lipton's work (see Lipton 1977 and Byres critique 1979; Lipton 2006 for a more recent contribution).

[9] For an earlier version in the neoclassical tradition of this kind of work applied to agrarian institutions see Stiglitz (1974). For a critique of "new" neoclassical development economics on agrarian issues see Byres (2003a). See also Dorward et al (1998), Dorward et al (2004) and Hazell et al (2007) for this increasingly influential approach.

[10] See also http://www.brettonwoodsproject.org/art-558763

[11] The evaluator Justin Lin later on became the Bank's Chief Economist. Reading between the "polite" lines of his assessment for a number of projects reveals lack of enthusiasm about the relevance, rigour and integrity of the research undertaken. He also emphasises unevenness in quality and blames it on World Bank research being split between different units with different incentive systems and priorities. He notes: "It seems that researchers in non-research departments are evaluated quite differently from those in the Research Department. The former have less incentive to conduct rigorous evidence-based analysis using micro data."

[12] See also Chapter ??, in the context of aid.

[13] See also introductory chapter in this volume.

[14] The projects around the preparations of the WDR2008 devoted to agriculture consumed a total of 52% of the research funding for Rural Development in the 2006-08 period and 72% in 2007 alone.

[15] For a critique of mainstream studies of price distortions and agricultural incentives see Karshenas (2004), totally ignored by the project.

[16] See edited volume by Akram-Lodhi and Kay (2008) for a recent contribution to this literature.

[17] This issue is covered in some detail in Chapters 1 and 2.

[18] There is substantial critical literature on the WDR2008. See, papers in symposia in the Journal of Agrarian Change 9 (2), for example Amanor (2009), and in the Journal of Peasant Studies 36 (3), such as Oya (2009),. See also Akram-Lodhi (2008), and NGO responses such as Patel (2008).

[19] That ideology and advocacy depart from research in this regard is attested by how the Bank deals with the growing body of mainstream agricultural economics literature within the NIE tradition that has openly discussed the pitfalls of Washington Consensus agricultural reforms, especially in Africa, and emphasised the pervasiveness of market failures in Third World agriculture, see Dorward et al (2004). While the Bank relies heavily on some of this literature for projects and research outputs, it also tends to neglect the most critical arguments.

[20] Chapter 11 in the WDR2008 is devoted to governance issues and the word "governance" appears in over 150 instances throughout the document. For a critique of the incorporation of rural governance issues by the Bank, see Amanor (2009).

[21] Remarkably, an article published in a World Bank feature issue on agriculture (Development Outreach October 2008, article by Kloeppinger-Todd and Agnew) acknowledges that rural credit has failed in the past three decades since the failure and closure of state-sponsored rural credit agencies in many developing countries. Although the blame is not directly put on structural adjustment reforms it would be ironic to attribute to anything else especially after admitting that "private sector interest remained sporadic at best" after liberalization, p. 28.

[22] This is perhaps an outcome of the diverse set of consultants and experts involved in the preparation of the WDR2008 and, indeed, also related to the intellectual history of the lead editors of the report, Derek Byerlee and Alain de Janvry, see Kay (2009).

[23] The report provides evidence in this regard but does not venture into a deeper analysis of its drivers and consequences, which would amount to a much more heterodox understanding of global agriculture as the product of a global food regime dominated by TNC conglomerates, see Weis (2007).

[24] In a recently published analytical piece that attempts to set out a new agenda for development, Lin (2010) has nothing much to say about agriculture and agriculture-industry linkages, despite his citing of classics like Hirschman (1958). See also Chapter ??.

[25] See also Timmer (2009) for a similar but less static approach to structural transformation and the urban bias problematic.

[26] See http://www.brettonwoodsproject.org/art-558763 and Patel (2008).

[27] See also several chapters in Akram-Lodhi and Kay (2008).

[28] See Journal of Agrarian Change special issue 4.1/2, and especially articles by Dyer (2004) and Sender and Johnston (2004) for detailed critiques of the "inverse relationship" and the neoclassical neo-populist case for land reform. See also Collier and Dercon (2008) for another critical assessment of the evidence and a suggestion that the inverse relationship may only apply to comparisons within the smallholder range (i.e. a celebration of the "small" among smallholders), excluding very large-scale farms.

[29] Thereby ignoring the importance of labour productivity, see Woodhouse (2009) and above. See also Johnston (2005) and Sender and Johnston (2004) on the assumptions about poverty and the "poor" that underpin this focus on assets and land.

[30] For example, on the 2003 Bank's ARD strategy Reaching the Rural Poor, World Bank (2003), the word "wage" is only mentioned in three occasions in over 200 pages and with reference to specific cases of processing activities.

[31] It is also interesting how employment linkages between "dynamic" smallholders and casual wage workers are not explored, and the discretion that different classes of farm employers use to impose exploitative working conditions on workers is not subject to analysis.

[32] Updating these figures shows a further decline to 4.1% for the most recent period 2001-07, see Figure 2.

[33] This paradox confirms how little agriculture has mattered for OECD donors.

[34] This is even noted by A. de Janvry (2009), one of the leading authors of the WDR2008 and closely associated with the Bank. He says that a greater focus on agriculture in the old industrialization paradigm of the 1960s and 1970s was followed "for 20 years (basically 1985 to 2005) by the neglect of agriculture...resulted in sharply declining public investment", p. 4. Of course it well known that this was the period of structural adjustment and World Bank-sponsored agricultural reforms in developing countries, especially in Africa.

[35] The Bank was asked by the G20 to create a trust fund to increase agricultural investment in poor countries.

[36] See for example the management response to the World Bank-IEG report (2007).

[37] One challenge of such preliminary exploration is that there is a wide range of multi-sector projects with only one or two components related to ARD. For the purposes of this exercise any project with at least one of the cited sectors falling within the ARD group was included, resulting in around 750 projects for the 2003-09 period. The other challenge is to assign specific financing amounts to sub-sectors within each project. This was done on the basis of data on proportions by sector and theme.

[38] Also, as Pincus (2001) argues, this is not really to the Bank's comparative advantage and results in organisational tensions.

[39] For many of the largest projects there is a substantial degree of co-funding among various aid agencies of which the World Bank remains the leader. See for example the recent "Ethiopia Protection of Basic Services Program Phase II Project" at http://web.worldbank.org/external/projects/main?pagePK=64312881&piPK=64302848&theSitePK=40941&Projectid=P103022

[40] South Asia is over-represented in the financially dominant 100-500m category, which contains some of the few large-scale infrastructural projects present in the 2003-2009 database.

[41] The global food crisis of 2007-08 is usually defined "in terms of a sharp increase in the international prices of most food products – with prices peaking in mid-2008 and then falling back significantly", Johnston (2010).

[42] For the first time, World Bank research was more prominently present in mainstream agricultural economics journals. A special issue was organized by the Journal Agricultural Economics in 2008 to respond to the events of the time. A record turnaround time of papers and reviews resulted in a selection of 14 papers that included 4 papers authored or co-authored by World Bank-affiliated researchers.

[43] Although producers could be beneficiaries of the large increases, most evidence suggests that the impact has been disproportionately borne by net food purchasers, according to available studies like Ivanic and Martin (2008) and Tickner (2008). This is partly because some of the most affected commodities (rice, wheat) are not produced by smallholders in many low income countries, especially in Africa, and partly because price transmission has been very uneven – rapid for imported food and much slower for domestically produced staples.

[44] According to FAO data, an additional 24 million people suffered from malnutrition in 2007, which can to a great extent be attributed to the crisis.

[45] See http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22359784~pagePK:64257043~piPK:437376~theSitePK:4607,00.html

[46] It is interesting that the research highlighted on the Bank's website on the food crisis (http://www.worldbank.org/foodcrisis/) stops in 2008 (i.e. no 2009 studies are featured). It would seem that the World Bank, driven by its need to build up advocacy in the face of rising prices, was no longer interested in the causes and consequences of the subsequent sharp drop in the second half of 2008 and

early 2009. In fact, it is this massive swing that lends more credibility to the hypothesis that financial speculation plays an important role in the story.

[47] See http://www.worldbank.org/foodcrisis/bankinitiatives.htm

References

Akram-Lodhi H. (2008) "(Re)imagining Agrarian Relations? The *World Development Report 2008: Agriculture for Development*", Development and Change, 39(6): 1145–1161

Akram-Lodhi H. and C. Kay (eds.) (2008) Peasants and Globalization: Political economy, rural transformation and the agrarian question, London: Routledge.

Amanor, . (2009) "Global Food Chains, African Smallholders and World Bank Governance", Journal of Agrarian Change, 9 (2): 247-262.

Anderson, K. (ed.) (2009) Distortions to Agricultural Incentives: A Global Perspective 1955-2007, New York: Palgrave Macmillan for the World Bank.

Austin, G. (2008) "The 'reversal of fortune' thesis and the compression of history: perspectives from African and comparative economic history", Journal of international development, 20 (8): 996-1027.

Bebbington, A., D. Lewis, S. Batterbury, E. Olson, and M.S. Siddiqi (2007) "Of Texts and Practices: Empowerment and Organisational Cultures in World Bank-funded Rural Development Programmes", Journal of Development Studies, 43 (4): 597–621.

Bernstein (2008) "Agrarian Questions from Transition to Globalization", In A.H. Akram-Lodhi and C. Kay (ed.) Peasants and Globalization: Political Economy, rural transformation and the agrarian question, chapter 10, pp. 239-261, London Routledge.

Bernstein, H. (2009) "V.I. Lenin and A.V. Chayanov: looking back, looking forward", Journal of Peasant Studies, 36 (1): 55-81.

Borras, S.J. (2007) Pro-Poor Land Reform: A Critique, Ottawa: University of Ottawa Press.

Bramall C. (2004) "Chinese Land Reform in Long-Run Perspective and in the Wider East Asian Context", Journal of Agrarian Change, 4 (1&2): 107-141.

Broad, R. (2006) "Research, Knowledge, and the Art of 'Paradigm Maintenance': The World Bank's Development Economics Vice-Presidency (DEC)", Review of International Political Economy, 13 (3): 387-419.

Byres T.J. (2004) "Neo-Classical Neo-Populism 25 Years On: *Déjà Vu* and *Déjà Passé*. Towards a Critique", Journal of Agrarian Change, 4 (1): 17 –44.

Byres, T. J., (2003b) "Paths of Capitalist Agrarian Transition in the Past and in the Contemporary World", in Agrarian Studies: Essays on Agrarian Relations in Less Developed Countries, eds. V.K. Ramachandran and M. Swaminathan, pp. 54-83, New Delhi: Tulika Books.

Byres, T.J. (1979) "Of neo-populist pipe dreams: Daedalus in the Third World and the myth of urban bias", Journal of Peasant Studies, 6(2): 210–40.

Byres, T.J., (2003a) "Agriculture and Development: the Dominant Orthodoxy and an Alternative View", in H-J. Chang (ed) Rethinking Development Economics, Chapter 11, London: Anthem Press.

Byres, Terence .J., ed (2004), "Redistributive Land Reform Today". Special issue of Journal of Agrarian Change, 4(1-2).

Chang, H.J. (2009) “Rethinking public policy in agriculture: lessons from history, distant and recent”, Journal of Peasant Studies, 36 (3): 477-515.

Collier, P. and S. Dercon (2008) “African Agriculture in 50 Years: Smallholders in a Rapidly Changing World”, FAO Expert Meeting on How to Feed the World in 2050, 24-26 June 2009

De Janvry, A., (2009) “Agriculture for development: New paradigm and options for success”, Elmhirst Lecture, IAAE Conference, Beijing, August 16-22, 2009.

Deaton, A. et al (2006) “An Evaluation of World Bank Research, 1998-2005”, available at http://siteresources.worldbank.org/DEC/Resources/84797-1109362238001/726454-1164121166494/RESEARCH-EVALUATION-2006-Main-Report.pdf

Deininger, K. (2003) Land policies for growth and poverty reduction, World Bank and Oxford University Press.

Department for International Development (DFID) (2005) Growth and Poverty Reduction: The Role of Agriculture, London: Department for International Development.

Dolan, C. and Humphrey, J., (2000) “Governance and trade in fresh vegetables: the impact of UK supermarkets on the African horticulture industry”, Journal of Development Studies, 37 (2): 147–76.

Dorward, A., J. Kydd and C. Poulton (1998) Smallholder Cash Crop Production under Market Liberalisatiojn: A New Institutional Economics Perspective, Wallingford: CAB International.

Dorward, A., J. Kydd, J. Morrison and I. Urey (2004) “A Policy Agenda for Pro-poor Agricultural Growth”, World Development 32(1) 73-89.

Dyer, G. (2004) “Redistributive Land Reform: No April Rose. The Poverty of Berry and Cline and GKI on the Inverse Relationship”, Journal of Agrarian Change 4 (1&2): 45-72.

Fafchamps, M. (2006) “Evaluation of World Bank Research” Background report for the Deaton evaluation http://go.worldbank.org/3Q3GNXRSP0

FAO (2008) The State of Food Insecurity in the World 2008, Rome: FAO.

Ferguson, J. (2007) “Formalities of Poverty: Thinking about Social Assistance in Neoliberal South Africa”, African Studies Review, 50 (2): 71-86.

Fine, B. (2001) Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium, London: Routledge.

Fine, B. (2006) “The New Development Economics” in Jomo, K. and B. Fine (eds) The New Development Economics: After the Washington Consensus, Delhi: Tulika, and London: Zed Press.

Fine, B. (2008) “Social Capital and Health: The World Bank through the Looking Glass after Deaton”, paper for Presentation on 12th March 2008, at Seminar for School of Oriental and African Studies / London International Development Centre.

Fine, B. (2010) “Looking at the Crisis through Marx: Or Is It the Other Way about?” In Kates, Steven, (ed.), The Meltdown of the World Economy: Alternative Perspectives on the Global Financial Crisis, Edward Elgar, pp. 51-64.

Ghosh, J., (2010) “The Unnatural Coupling: Food and Global Finance”, Journal of Agrarian Change, 10 (1): 72-86.

Gibbon P., Havnevik, K.J. and Hermele, K. (1993) A Blighted Harvest: The World Bank and African Agriculture in the eighties, London: James Currey.

Gibbon, P., and Ponte, S. (2005) Trading Down: Africa, Value Chains, and the Global Economy, Philadelphia: Temple University Press.

Harrison, G. (2004) The World Bank and Africa, London: Routledge.

Havnevik, K., D. Bryceson, L.E. Birgegard, P. Matondi and A. Beyene (2007) "African Agriculture and The World Bank: Development of Impoverishment?" Policy Dialogue n. 1, The Nordic Africa Institute, Uppsala.

Hazell, P., C. Poulton, S. Wiggins and A. Dorward (2007) "The Future of Small Farms for Poverty Reduction and Growth", IFPRI 2020 Discussion Paper 42, Washington DC.

Hirschman, A.O., (1958) The Strategy of Economic Development, New Haven, Conn.: Yale University Press.

IATP (2009) Betting Against Food Security: Futures Market Speculation, Trade and Governance Programme Paper, Minneapolis, MN: Institute for Agriculture and Trade Policy.

IFAD (2001) Rural Poverty Report 2001: The Challenge of Ending Rural Poverty, Rome: FAO/IFAD.

Inocencio, A., M. Kikuchi, D. Merrey, M. Tonosaki, A. Maruyama, I. de Jong, H. Sally and F. Pennig de Vries (2005) "Lessons from Irrigation Investment Experiences: Cost-Reducing and Performance-Enhancing Options for Sub-Saharan Africa", Report submitted by the International Water Management Institute for implementation of the Collaborative Program on "Investments in Agricultural Water Management in Sub Saharan Africa: Diagnosis of Trends and Opportunities." http://siteresources.worldbank.org/RPDLPROGRAM/Resources/459596-1170984095733/IWMICostsIrrigationProjects.pdf [accessed on 12 November 2010]

Ivanic, M. and W. Martin (2008) "Implications of Higher Global Food Prices for Poverty in Low-Income Countries", Policy Research Working Paper 4594, World Bank.

Johnston D. (2005) "Poverty and Distribution: Back on the Neoliberal Agenda", in (eds.) A. Saad-Filho and D. Johnston, Neoliberalism: A Critical Reader, London: Pluto Press.

Johnston, D. (2010) "Introduction to a Symposium on the 2007–8 World Food Crisis", Journal of Agrarian Change 10 (1): 69-71.

Jomo, K.S. and E. Reinert (2005) The Origins of Development Economics: How Schools of Economic Thought Have Addressed Development, Delhi: Tulika, and London: Zed Press.

Karshenas M. (2004) "'Urban Bias', Intersectoral Resource Flows and the Macroeconomic Implications of Agrarian Relations: The Historical Experience of Japan and Taiwan", Journal of Agrarian Change, 4 (1&2): 170-189.

Kay, C. (2009) "Development strategies and rural development: exploring synergies, eradicating poverty", Journal of Peasant Studies 36 (1): 103–137.

Kherallah, M., Delgado, C., Gabre-Madhin E., Minot, N. and Johnson, M.(2002) Reforming Agricultural Markets in Africa, London: John's Hopkins.

Kloeppinger-Todd and Agnew (2008) "Pilot Innovations Could Reignite Anemic Rural Finance" Development Research Outreach, Making Agriculture a Development Priority, Washington DC: World Bank Institute.

Lang, T. (2010) "Crisis? What Crisis? The Normality of the Current Food Crisis", Journal of Agrarian Change, 10 (1): 87-97.

Lin, J. Y. (2006) “Evaluation of World Bank Research Projects: Finance and Private Sector Development” Background report for the Deaton evaluation http://go.worldbank.org/3Q3GNXRSP0

Lin, J. (2010) “New structural economics : a framework for rethinking development”, Policy Research Working Paper n. 5197, Washington DC: World Bank.

Lipton, M. (1977) Why Poor People Stay Poor. A Study of Urban Bias in World Development, London : Temple Smith.

Lipton, M. (2006) “Can Small Farmers Survive, Prosper, or be the Key Channel to Cut Mass Poverty?” electronic Journal of Agricultural and Development Economics, Vol. 3, No. 1, pp. 58-85.

Little P. and M. Watts, eds., (1994) Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa, Madison: University of Wisconsin Press.

Lloyd, P.J., J.L. Croser and K. Anderson (2009) “Global Distortions to Agricultural Markets New Indicators of Trade and Welfare Impacts”, Policy Research Working Paper n. 4865, Washington DC: World Bank.

Mitchell (2008) “A Note on Rising Food Prices” Policy Research Working Paper n. 4682, Washington DC: World Bank.

OECD (2001) Aid to Agriculture, http://www.oecd.org/dataoecd/40/43/2094403.pdf

Oya, C. (2007) “Agricultural Mal-Adjustment in Africa: What Have We Learned After Two Decades of Liberalisation?”, Journal of Contemporary African Studies 25 (2): 275-297.

Oya, C. (2009) “The World Development Report 2008: inconsistencies, silences, and the myth of 'win-win' scenarios”, Journal of Peasant Studies, 36 (3): 593-601.

Patel, R. (2008) “The World Bank and Agriculture: A Critical Review of the World Bank’s WDR 2008”, Discussion Paper, Action Aid.

Pincus, J., (2001) “The Post-Washington Consensus and Lending Operations in Agriculture: New Rhetoric and Old Operational Realities”, in Ben Fine, Costas Lapavitsas and Jonathan Pincus (eds) Development Policy in the Twenty First Century: Beyond the Post-Washington Consensus, pp. 182–218, London: Routledge.

Rizzo, M. (2009) “The Struggle for Alternatives: NGOs’ Responses to the *World Development Report 2008*”, Journal of Agrarian Change, 9 (2).

Scoones, I. (2009) “Livelihoods perspectives and rural development”, Journal of Peasant Studies, 36 (1): 171 – 196.

Sender, J. and Johnston, D. (2004) “Searching for a Weapon of Mass Production in Rural Africa: Unconvincing Arguments for Land Reform”, Journal of Agrarian Change 4 (1&2): 142-64.

Sindzingre, A. (2004) “Truth’, ‘Efficiency’ and Multilateral Institutions: A Political Economy of Development Economics”, New Political Economy, 9 (2): 233-249.

Stiglitz, J.E. (1974) "Incentives and Risk Sharing in Sharecropping," Review of Economic Studies, 41 (2): 219-55.

Tickner, V. (2008) “Africa: International Food Price Rises & Volatility”, Review of African Political Economy, 35 (117): 508 — 514.

Timmer, P. (2009) A World without Agriculture: The Structural Transformation in Historical Perspective, Washington: AEI Press.

Toye, John, (2009) "Development with Dearer Food: Can the Invisible Hand Guide Us?", Journal of International Development, 21 (6): 757-764.

Udry, C. (2006) "World Bank Research Evaluation: Agriculture and Rural Development" Background report for the Deaton evaluation http://go.worldbank.org/3Q3GNXRSP0

UNCTAD (2009) The Global Economic Crisis: Systemic Failures and Multilateral Remedies, Geneva: UNCTAD.

van der Ploeg, J.D. (2008) The New Peasantries. Struggles for Autonomy and Sustainability in an Era of Empire and Globalization, London: Earthscan.

van der Ploeg, J.D. (2010) "The Food Crisis, Industrialized Farming and the Imperial Regime", Journal of Agrarian Change, 10 (1): 98-106.

van Waeyenberge, E. (2009) "Selectivity at Work: Country Policy and Institutional Assessments at the World Bank", European Journal of Development Research, 21 (5): 792-810.

von Braun, J. (2008) "Food and Financial Crises: Implications for Agriculture and the Poor", Washington DC: IFPRI.

Wade, R. (2006) "The IMF and the World Bank under stress: Renewal or swansong?", Review of International Organizations, 1 (4): 397-400.

Weis, T. (2007) The Global Food Economy. The Battle for the Future of Farming, London: Zed Books.

Woodhouse, P. (2009) "Technology, Environment and the Productivity Problem in African Agriculture: Comment on the World Development Report 2008", Journal of Agrarian Change, 9 (2): 263-276.

World Bank (1981) Accelerated development in Africa: An agenda for action, Washington D.C.: World Bank.

World Bank (1982) World Development Report 1982: International Development Trdens, Agriculture and Economic Development, Washington DC: World Bank.

World Bank (2003) Reaching the Rural Poor: A Renewed Strategy for Rural Development, Washington DC: World Bank.

World Bank (2005) Agricultural Growth for the Poor: An Agenda for Development,

World Bank (2007a) -WDR2008- World Development Report 2008: Agriculture for Development, Washington DC: World Bank.

World Bank (2007b) Investment in Agricultural Water for Poverty Reduction and Economic Growth in Sub-Saharan Africa: A Synthesis Report, Washington DC: World Bank.

World Bank (2008) "Food Price Crisis in Africa" World Bank Research Digest, 3 (1): 1, 8.

World Bank (2009a) Implementing Agriculture for Development. World Bank Group Agriculture Action Plan: FY2010–2012,

World Bank (2009b). Report on the World Bank Research Program for Fiscal Years 2006, 2007 and 2008 and Future Directions, DEC, World Bank: Washington DC.

World Bank, Independent Evaluation Group (IEG) (2007) World Bank Assistance to Agriculture in Sub-Saharan Africa. An IEG Review, Washington DC: The World Bank.

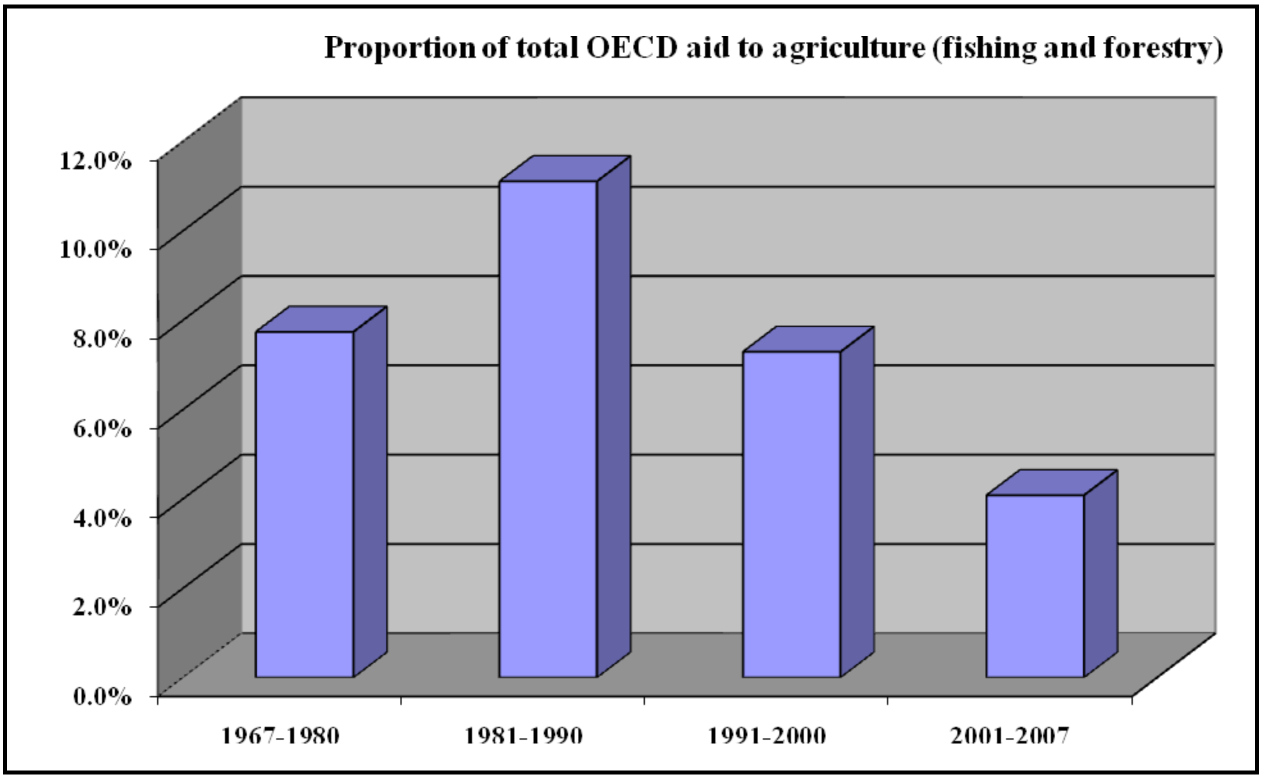
Tables and Figures

Table 1 - World Bank-related articles published in selected journals (2006-09)

Journal	***Hits/ number of published papers with World Bank authorship***	***% all published papers with World Bank authorship***	***Main themes covered***
Review of Agricultural Economics	4	2.1%	Integrated pest management; Doha and South-South trade; famine and overweight in China; world trade distortions - impact on agric. markets and farm income
Agricultural Economics	13	4.5%	Coping mechanisms in disasters; coffee liberalisation; market reform and prices; Doha agenda, food safety; global food crisis; off-farm labour and wages - rural non farm economy; sustainable agriculture
American Journal of Agricultural Economics	7	1.6%	Doha - impact on agriculture; price incentives; food prices; orphanhood; rainfall insurance; agro-processing wages prices unemployment
Journal of Agricultural Economics	2	1.5%	Crop variety demand of "semi-subsistence" households in Uganda; pesticide use in Bangladesh
Food Policy	6	3.3%	Food prices and marketing reforms; food aid
Journal of Agricultural and Resource Economics http://jareonline.org/	1	0.8%	Prices and price risk in cattle market
World Development (agriculture, rural development topics)	8	6.9%	Groundnut market liberalisation; conservation and resettlement; local governance; land certification and markets; rural income generation (non-farm income)
Development and Change (agriculture, rural development topics)	0	0.0%	Not applicable
European Review of Agricultural Economics	2	2.0%	Economic development in emerging Asian markets; impact of market and policy instability on price transmission
World Bank Research Observer	2	5.7%	Diarrheal diseases developing countries (referenced to rural areas); rural poverty
World Bank Economic Review	6	8.0%	2 articles on agriculture; 2 on land tenure; 1 on spatial poverty comparison; 1 on rainfall insurance

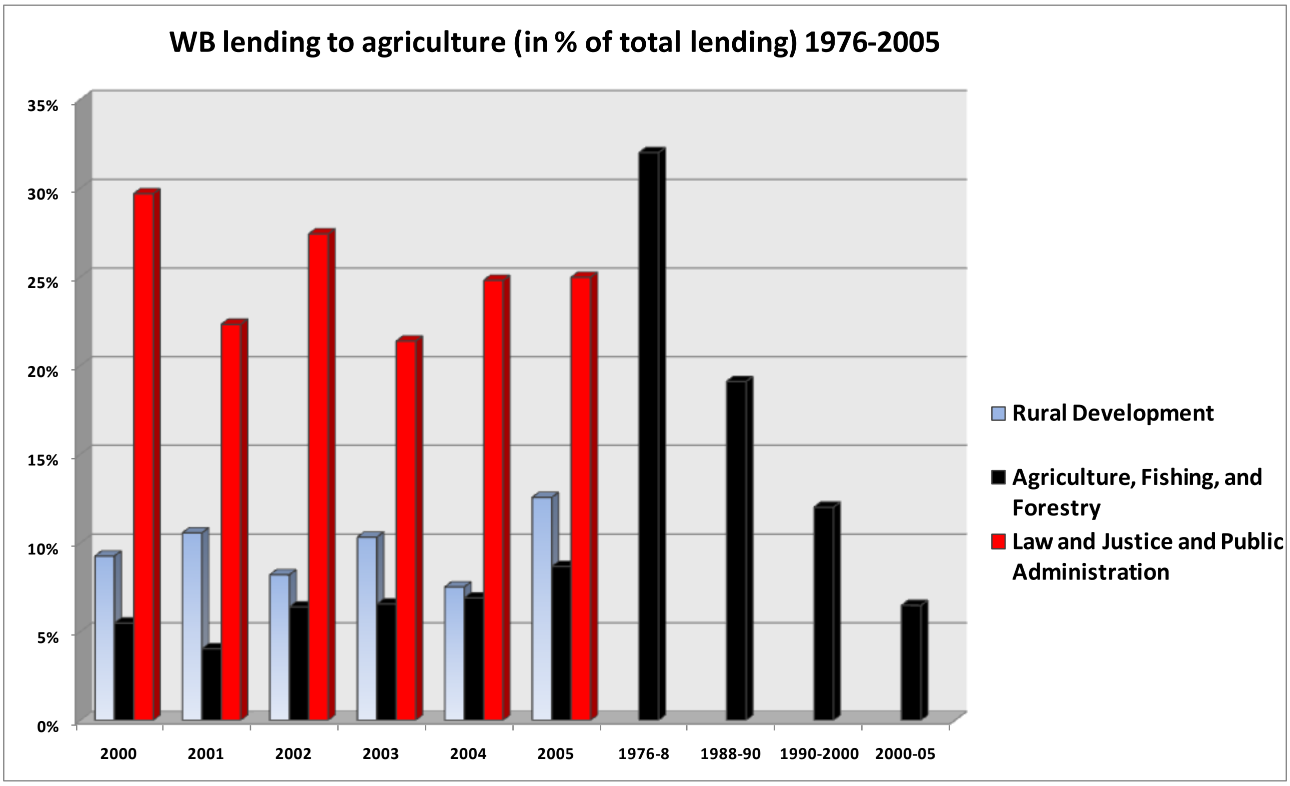
Source: Author's elaboration

Figure 1. Overseas development assistance to agriculture, aggregate figures 1967-2007



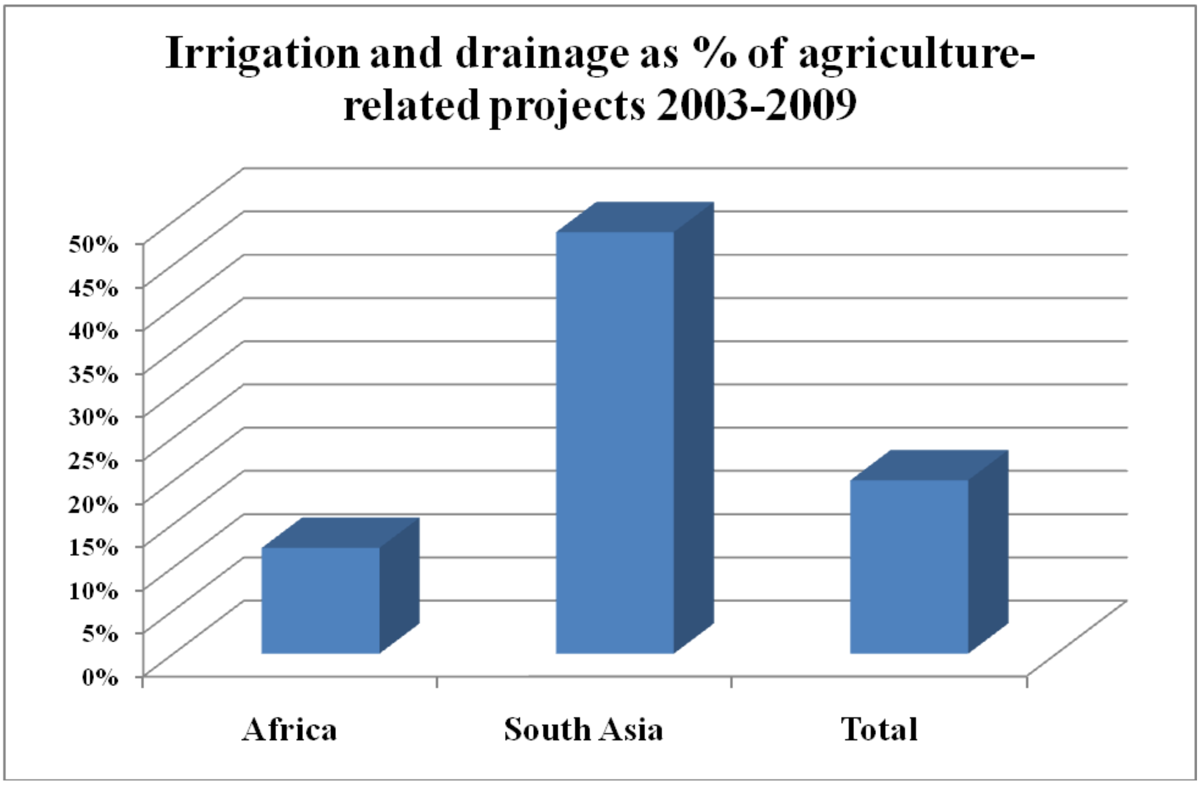
Source: Author's elaboration from OECD-DAC database

Figure 2. Bank lending priorities: governance vs agriculture



Source: Author's elaboration from World Bank lending data

Figure 3. Uneven focus on irrigation investments, World Bank funding 2003-09



Source: Author’s elaboration from World Bank project database