

Remembering Robert McNamara

McNamara's Contribution to Food, Agriculture and Rural Development: Challenges It Poses for the Present Generation
 Uma Lele The implications of Robert McNamara's substantial contribution to global food, agriculture and poverty reduction are worth a reflection on the eve of his passing. It is also timely. The World Food Program's Executive Director stressed at the G 8 meeting in 2009 that WFP's food aid requirements will likely exceed those of 2008, when WFP's food aid to the billion poor was already \$5 billion. Food aid was larger than the total combined financial commitments to food and agricultural development of the World Bank, the International Fund for Agricultural Development (IFAD), the Consultative Group on International Agricultural Research (CGIAR) and the Food and Agricultural Organization (FAO), key international agencies concerned with food and agriculture, reviewed in a pioneering book on global food and agricultural institutions[1]. Granted, assistance of the Bill and Melinda Gates Foundation has increased considerably, and agriculture is back on the donor agenda. But Bill Gates, like Ted Turner, who donated \$1 billion to the United Nations before him, have been the first ones to acknowledge that the investment needs of developing countries are too large and complex for even the richest foundations to meet. Yet the development community lacks a coherent strategy towards food and agriculture. The international aid architecture is in disarray. A recent study suggests that only \$38 billion of the 100 billion plus aid goes in the form of long term development assistance, and only half of it may reach the intended beneficiaries[2]. The Doha round is in limbo because of disagreements on agricultural policy reforms between developed and developing countries. McNamara not only placed agricultural development at the center stage; he helped establish a far sighted public strategy and public institutions at the global, regional and country levels. Most notable among these was the CGIAR, but his role in the eradication of Onchocerciasis through support for a regional organization in Africa was equally as significant. His efforts in agriculture at the country level had tremendous positive impacts in Asia but showed little fruit in Africa, because the initial and subsequent conditions in the two continents were radically different. With growing population pressure, stagnant agricultural productivity, pervasive under nutrition, rapid urbanization, climate change, the associated water crisis, and the unanticipated multi trillion dollar global financial rescue, a vigorous international focus on the world's poor is needed once again with a broad and long term vision that contains agriculture and rural development at its core.

Reflecting on McNamara legacy is also timely for another reason. His insight of "group think", with the entire generational view being shaped by, and shaping policy, offers important lessons for today's policymakers. In his documentary film the Fog of War, McNamara's primary message was lost on his critics. They wanted him to confess that he had erred in Vietnam. He, on the other hand, was urging them to learn lessons about path dependency. In Vietnam and elsewhere, he noted that the US leadership response from the Kennedy and Johnson administrations, each staffed with the Best and the Brightest, was conditioned by the collective narrative which had shaped their own world view. In the documentary, and later in speaking about it, McNamara was at pains to separate decisions of individuals (including his own) from the larger forces of the Cold War, and the Domino Theory which conditioned the US leadership response, leading to an ever deeper engagement in a war, which was eventually lost. In speaking with the Vietnamese leaders after the peace accord, McNamara learnt that Vietnamese nationalism, rather than the Chinese or Russian support to Viet Nam explained its strong resistance, and the eventual US defeat. To the annoyance of his critics, McNamara assiduously refused to draw its lessons for the Iraq war. But to promote similar independent assessments by others, including of World Bank operations, he institutionalized an Independent Evaluation Department, an act in which he took considerable pride.

Two years prior to McNamara's famous speech on poverty at the Annual Meeting in Nairobi in 1973, I was recruited in the World Bank as part of McNamara's staff expansion. Armed with a PhD. in agricultural economics from Cornell University and a book forthcoming on competitiveness of Indian food grain markets I had expected to work on South Asian agriculture. Having inherited a Bank for Reconstruction, with emphasis on large scale infrastructure projects, McNamara on the other hand was driven to turn the Bank into the world's premier Development Bank, a goal in which he largely succeeded, although with time the glow is now fading. The Bank recruited scores of technical experts in the 1970s including irrigation engineers, agronomists, financial analysts, foresters and agricultural economists together with health and population experts. Prior to an aid flow driven by trust funds, Bank recruitment was handled competitively by centrally organized internal panels of experts in two streams, young professionals, below the age of 30, and experts including macro economists in their 40s and 50s with hands on experience. I was recruited in the Development Economics Department of the World Bank. Indeed without competitive recruitment I would not have had the privilege of working on the planet's greatest challenges. Internally vibrant debates occurred on subjects ranging from Hollis Chenery's Redistribution with Growth to population and family planning, rural poverty, agriculture and rural development. External experts offered seminars, ranging from India's large Food for Works Programs funded from the accumulated proceeds of PL 480 food aid to China's barefoot doctors, all in search of design of Bank strategies. The then Finance Minister of Tanzania, Mr. Masuya asked the bank's Africa region at the Annual Meeting in 1972 why the Bank was not doing more to help Africa produce food. A rookie in the Bank and in Africa, I was deployed to derive lessons for the Bank based on a study of African agricultural development programs, first of the two large studies I led in the Bank on Africa. Findings of the first study were extensively discussed internally in 1974, and published in a book in 1975, titled The Design of Rural Development: Lessons from Africa. McNamara wrote a forward stressing the book's importance to the Bank. By the time the book was published from the research

department, McNamara's Nairobi speech had already been preceded by the establishment of the Rural Development Department under Monty Yudelman. A guideline had been issued that 25 percent of Bank/IDA lending would go to agriculture and rural development. With 20/20 hindsight, implementation of the strategy was flawed, particularly in Sub-Saharan Africa and Latin America. In both regions, lending volumes to "new style projects" influenced careers rather than strategy and later project performance on the ground. In Asia, on the other hand, a combination of the Bank's policy/ strategy advice and lending to food and agriculture (most notably to irrigation, seed production, fertilizer imports and distribution, agricultural credit, support for national agricultural research and education) combined with McNamara's critical role in the launching of the CGIAR in 1972 as a complement to country level investments made major contributions to ensuring food security. McNamara later also served on the board of the CGIAR's International Water Management Institute (IWMI) and was equally assertive about the importance of research on water management. India was then the most successful case of a turnaround in food production although Indonesia, Thailand, Philippines were not far behind. In four years India turned from a food deficit to a food secure country. Forestry lending also thrived under McNamara with major contributions to forest cover stabilization in India and in establishing the foundation for forestry lending later in China. The big differences between Asia and Africa in initial conditions and outcomes are noteworthy. By the early 1970s, Asian countries saw priority to food and agriculture as a political imperative. Underwritten by large US food and financial aid programs, the failed import substitution strategies of the 1960s in Asia had been accompanied by frequent droughts and hunger. At its peak India had imported 10 million tons of food aid. Support of the peasantry, and of the vocal urban consumers was essential for gaining political legitimacy at home and keeping communism at bay. Besides, the need for an independent foreign policy including towards the US war in Vietnam required reduced dependence on food aid, an additional strong impetus. Externally the US message was clear. It was running out of food surpluses. Even the marginal food imports of large Asian countries were causing international market prices to increase, as witnessed in 1972. Whether democrats or autocrats Asian policy makers realized the urgent need for their countries to feed themselves and put money in the pockets of peasants. The political slogans were reflected in Mrs. Gandhi's "Garibi Hatao", Suharto's "New Order" and Marcos' "Masagana 99". Nearly 40 percent of IDA went to India. Even after the 1972 Bangladesh war McNamara resisted US pressure to cut IDA to India, following strained US India relations upon US dispatch of the naval fleet to the Bay of Bengal. The Bank's pragmatic policy advice, and even conditionality, to promote public sector interventions in the form of price support, credit to small farmers, input delivery for food production and the creation of the state trading corporation of India for food procurement and distribution, was a boost to India's achievement of domestic food self sufficiency. Advisors had realized that even the most efficient grain markets were not able to address risks farmers faced in the adoption of new green revolution technologies. The Bank also geared itself up to help the newly emerging nation of Bangladesh, with expansion of aid to agriculture and irrigation at a time when the very viability of Bangladesh as a nation was widely questioned. Bangladesh's GDP has been growing at 6 percent annually. Asian countries had centralized governments, but they possessed the necessary administrative capacity to implement externally funded projects and programs to deliver services to farmers. Due to the large size and low openness of their economies in terms of trade shares in GDP, they were not as badly affected by the adverse external commodity price shocks as did Africa or Latin America. They enjoyed political stability. The result of domestic priority to, and investment in agriculture, combined with wise external advice and assistance was a Green Revolution in agriculture throughout much of Asia. An important motivating policy goal of food self sufficiency, and public intervention in the agricultures of developing countries, has since been discredited by economists, although public intervention is alive and well in the agricultures of OECD countries, alas, with dim prospects of reforms. My interviews of McNamara during the CGIAR Meta Review indicated that he had keen grasp of both the urgency and the opportunity the developing world had to achieve spectacular results in agriculture under controlled water managed conditions, provided Asian countries would get their act together, i.e., take advantage of the green revolution technologies by investing in their own agricultural research and delivery systems and adapt technologies to suit their conditions. The world was on the cusp of the new agricultural technologies produced by the strategic investments of the Rockefeller and Ford Foundations in wheat and rice breeding in the 1960s. McNamara's important contribution was the establishment of the CGIAR as the first global public goods program. He convinced the World Bank's reticent board to plough back Bank profits made from returns on investment previously made in developing countries, into the international system of agricultural research to derive benefits in a way countries could not do acting alone. He helped establish the Technical Advisory Committee of the CGIAR and appointed Sir John Crawford as its first chair. He considered the Technical Advisory Committee's role crucial to ensure that the importance of scientific considerations in allocating research funds for science and technology, which he noted had been the hallmarks of the work of the two Foundations in IIRI and CYMMIT, were not lost in the establishment of the CGIAR. By the same token he wanted to avoid the risk of political pressure from aid giving countries in the allocation of research funds in the CGIAR. Since then the desire of donor constituencies to demonstrate impacts of CGIAR research on poverty alleviation has led to allocating funding for downstream applied and adaptive research. To achieve results, McNamara sought advice from the likes of Sir John Crawford, Norman Borlaug and David Hopper on science and technology while turning regularly to a septuagenarian Wolf Ladejinsky on the progress of land reforms in India. The Bank together with USAID invested in agricultural research and delivery systems in South and South East Asia. India's research system alone developed nearly 200 rice varieties in the 1970s to suit its diverse growing conditions drawing on the improved plant genetic materials from IIRI. While McNamara took great pride in the expertise and knowledge of his technical staff, he also surrounded himself with senior managers, who took interest in the substance of lending strategies and routinely questioned staff on the detailed design of each operation, keeping staff on their toes.

Why did things go so wrong in Africa?

Based on the experience of 7 African countries and 13 agriculture and rural development projects reviewed by experts on Africa, the first study of the Design of Rural Development I had led had concluded that the Bank needed a sequential approach to rural development[3]. Local participatory approaches were needed to identify, and address the most binding constraints to rural productivity growth. As these constraints were bound to vary from place to place the Bank needed to help countries to build their own human and institutional capacity to address the more complex multi-sectoral challenges in the later phases of investments. This longer term service delivery capacity needed investments in plurality of public, private and local governmental institutions over a long haul calling for a phased approach to lending. The book was an instant best seller on university campuses and in developing countries. In the Bank's African regional operations, the train of integrated rural development (and its eventual but at the time unanticipated wreck) was already in the making when I was assigned to the Africa Region in 1975. The Bank was financing a variety of well motivated projects in food and export crop production in many African countries. The projects relied on the Bank's internal technical expertise on agriculture staffed largely by experts with substantial experience and knowledge of colonial Africa. Unlike Asian countries which were too large for direct rule, and were largely administered by nationals, small African countries had considerable number of expatriates who had manned administrations, and who had later migrated to the Bank. African countries lacked native capacity to prepare fundable projects. Designed by expatriates, with "boots on the ground" experience, externally funded projects, not just of the Bank but of other bilateral donors, (e.g., the British, the French, German, and Swedish agencies) were based on external expertise. The projects often entailed extension of the tried and trusted colonial approaches to service delivery in support of modes of small holder food and export crop production although a few "new style" integrated rural development projects were also financed by the Bank. The expansion of public sector parastatals was not just the figment of African socialist ideology. It had deep roots in a combination of African colonial history and of successful institutional models developed to deliver small holder services in support of tea, coffee, tobacco and cocoa production by colonial and post colonial administrations. European farmers in Africa too had lobbied for and established grain marketing boards. The rapid growth in external assistance simply expanded this approach. USAID, in the mean time, continued to make concurrent investments in Land Grant type universities, much as it did in Asia, in seed production and distribution systems. In Design of Rural Development: Lessons from Africa I had noted that the externally funded projects were too large and complex in relation to the capacity of African countries to implement them. By the end of the 1970s a combination of factors led integrated agricultural and rural development projects to run into implementation difficulties, e.g., decline in agricultural commodity prices, rise in energy prices, balance of payments difficulties, overvalued exchange rates leading to implicit taxation of agriculture, ethnic and border conflicts, and the rapid extension of the parastatal model, combined with pervasive constraints on administrative/management capacity. Increased aid also contributed to the Dutch Disease syndrome, i.e., expansion of the non-traded goods sector relative to traded goods. Slowing disbursements and overall disappointment with lending targeted to a particular sector, paved the way, both externally and internally for a groundswell of support for macro economic reforms and structural adjustment well articulated in the Berg Report. Lending to agriculture and rural development peaked in 1984, and declined thereafter with rise of adjustment lending. Occasional spurts of lending to agricultural research, including to regional research entities, and to agricultural extension, most notably through the Training and Visit Extension System Projects were accompanied by adjustment loans. Skeptical Bank task managers called it the Touch and Vanish system of extension. Lending to T and V projects was phased out without much fanfare. Many institutions supported in the 1970s were dismantled without alternative institutions to replace them. The post McNamara study on Aid to African Agriculture, I led from the Bank's research department in the 1980s entailed parallel studies of 8 donors (US, Britain, Germany, France, Denmark, Sweden and EU and the World Bank), carried out by experts to examine aid strategies towards agriculture and rural development and to learn lessons[4]. The study noted that "institutional and technological problems in the rural sector remained by far the greatest impediment to economic growth", due in part due to domestic policies but also due to a collective donor failure. It called for a fundamental redirection of donor assistance to capacity building with massive investments in higher education and training and institution building in Africa as part of a long term predictable assistance to agriculture and rural development. Macro economic reforms in the 1990s paved the way for African agricultural expansion, however, sans institutions or the domestic administrative capacity to prioritize and implement investments. But, institutionally and technologically, the 1990s turned out to be a lost decade for agriculture and rural development. Many of the same approaches in agriculture and rural development were repeated via the massive expansion of "vertical programs" in health and education. Africa faces a different set of challenges today than those faced by Asian countries in the 1970s. Africa's food aid needs are not large enough to be alarming to the international community, as they were Asia's, although overall food aid requirements are growing rapidly. It is unclear if African leaders feel the pressure either from their peasantry or from the urban masses to produce sufficient food domestically. Rainfed agriculture offers less spectacular technological possibilities than did irrigated agriculture. Whereas there is need for investment in irrigation, there is absence of history of irrigation or its sound management in Africa. Even Asians with their long history of irrigation now face mounting environmental challenges. African urban diets have shifted to rice and wheat --crops in the production of which Africa has not yet demonstrated comparative advantage. Asia on the other hand still contains the world's largest number of poor. Unlike in the 1970s, there is perhaps a sense of complacency and a weak political will to tackle the emerging challenges of small and non-viable farms, stagnant productivity, growing cost of production, unsustainable uses of land and water, and cheap subsidized food and agricultural imports, problems which call for a complex blend of institutional and technological solutions and a new conversation on trade liberalization in agriculture. The World Bank and the splintered donors now lack the technocratic capacity, the ideological flexibility or

the necessary long time horizon to bring pragmatic solutions to continents where there are few easy answers. Under these circumstances it is unclear if African or Asian agriculture can feed its poor without the domestic commitment, long term investments in designing and delivering services, a commitment to science and technology, and a strategy of walking on two legs of agriculture and industry. The intense nationalism of the Vietnamese is perhaps more needed in Africa now than ever before, to be harnessed by African nationals to solve their complex development challenges. There are few realistic prospects of reform of the current messy aid architecture, with its myriad actors, and little accountability in the donor community for the consequences of their aid practices.

[1]D. John Shaw, *Global Food and Agricultural Institutions*, Routledge, 2009.[2] Homi Kharas, *The New Reality of Aid*, Wolfensohn Center for Development at the Brookings Institution.[3]Uma Lele, *Design of Rural Development: Lessons from Africa*, Johns Hopkins Press, Baltimore, Md. 1975.[4]Uma Lele, *Aid to African Agriculture, Lessons from Two Decades of Donors' Experience*, Johns Hopkins Press, Baltimore, Md., 1991.

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