

The shaping of State policy for rural development in Paraguay

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Summary

The circumstances in which Paraguay's rural agricultural sector finds itself make the development and implementation of innovative state policies that are different from those in existence an imperative. Such policies should be based on a high degree of consensus and commitment among stakeholders involved and a long-term vision that takes into account governments' terms in office. It should also propose sustainable and dynamic solutions for the territories throughout the country. At issue is the need to initiate a process of reflection, discussion, building and consensus regarding the rural development model we seek to institute, one that targets a new institutional framework to articulate and organize the interests, functions and actions of the various stakeholders in the public and private sectors. The success of a political pact of this scope hinges on the participation and commitment of the various segments of society and on the leadership of state institutions that have responsibility for rural development and wellbeing.

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Characterization of the rural problem and of the forces that come into play



The rural milieu in Paraguay can be defined in terms of its magnitude and complexity. The rural population is, for the most part, made up of smallholders and small- and medium-scale producers.

The minority are large-scale producers and indigenous communities. Added to this are the regional and local governments, extension agents, professionals and technicians, third-sector representatives, educational communities, intermediaries, brokers and political representatives.

The complexity and importance of the forestry and agricultural sectors exert social and economic pressures that are undoubtedly a threat to good governance. The primary cause is the prevailing dichotomy in the area of production.

On the one hand, there are the family units involved in a multiplicity of activities. The family agriculture category is, therefore, closely linked to the social representation throughout rural

territories. This representation is also closely associated with social conditions and values: low level of education, poor housing conditions, knowledge and know-how based on tradition and praxis. There are also the small farms with cash and subsistence crops that rely on traditional production techniques, natural resources and family manpower almost exclusively.

On the other hand, there is entrepreneurial agricultural production characterized by the maximization of profit and involving the production of certain specific headings or products. This type of production involves the use of cutting-edge technology and national, regional and international integration.

Given these realities, new approaches are needed for policy-making and strategies to develop the forestry and agricultural sectors, specifically, and the rural sector, in general. These should lead to institutional arrangements, target sustainable solutions for the sector and revitalize the economies of the territories throughout the country.

Public and state policies that factor in two basic aspects therefore need to be developed:

- a. A high degree of consensus among all social actors involved and a firm commitment on their part (government, political parties, social and trade union organizations, production

organizations (entrepreneurial and campesino) and academic institutions;

- b. A long-term proposal that includes a strategy that can be applied, notwithstanding changes in government and stakeholders, as generally occurs in democratic processes.

Several countries in Latin America (Central and South America) have made strides along these lines and are now beginning to reap the rewards of long-term policies that have the consensus of society. Paraguay has taken its first steps in this direction, with technical support from IICA. However, much remains to be done.

To make further headway, when addressing rural problems, due consideration should, in our opinion, be given to at least the following basic aspects, in order to set about the task of making an institutional change:

- a. **Recognition of the heterogeneity and diversity of the rural world** with its implications regarding the changes that need to be made in the prevailing institutional organization models which, generally, have been based on criteria of homogeneity and schemes that oversimplify the reality, social needs and demands. This is why results have hardly been effective since standard solutions have been proposed for diverse situations. RURALITY needs to be approached as a topic for public debate and the need for consensus on a new rural development model, in general,

and a new model for agriculture and forestry issues, specifically, must be tabled as a priority for national policy.

- b. **The need to address problems in the rural world from a territorial perspective.** The territory is a methodological and analytical category that makes it possible to have a practical and systemic grasp of relations and interactions between human groups and natural resources. This is so because it integrates the dimensions of social, economic, environmental, cultural and political life. It also recognizes and explains inter-sectoral relations.
- c. **Agriculture conceived as the various forms of intervention in ecosystems** for the purpose of producing the agricultural goods and environmental services that society requires, through positive interaction between agricultural production and natural resource conservation.
- d. **A new concept of what is public that is not restricted to the State and that enhances the role and potential of civil society organizations** to generate meeting points between social demand and possible state supply, through inclusive coordination and articulation mechanisms to promote cooperation, shared responsibility and participation.
- e. **Development of a systems-based institutional framework** with a long-term, flexible perspective that

is attuned to national needs. In order for the institutional and regulatory framework to be legitimate and recognized, it must offer assurances, security and effective opportunities for participation by society for conflict resolution, the mediation of interests and aspirations and decision-making. It should also offer the necessary mechanisms for channeling initiatives.

- f. **The need for articulated, coordinated and coherent economic and social public policies** to generate synergic effects and positive interaction.
- g. **A policy for modernizing the rural institutional framework** that incorporates management modalities, ensures increased democratization in decision-making processes, a response to the demands and needs of the rural population as a whole, and efficiency in the use of resources.
- h. **Guidelines and consensus for orderly and coordinated inter-sectoral action** that articulates and better focuses investments and that allows for more appropriate coverage.
- i. **The internal improvement of institutions and their interaction** to pave the way for proceeding with the process of building, in the medium term, a legitimate institutional framework that is recognized by

society at the same time that short-term results manifest themselves. This new way of functioning should show the concrete benefits of this practice.

- j. **Confronting promptly the existing overlapping of competences, responsibilities, multiplicity of functions and geographical fragmentation of action and public resources**, which produces limited effects, especially in the rural areas. This is achieved through the creation of a body for coordination and national agreement with leadership and a clear, transparent and consensus-based structure.²

In addition to the above, there is also the need to conceptualize an approach to sustainable rural development that makes it possible to define the framework for orienting specific public policy, strategies and actions and a future vision of the country.

IICA proposes rural development based on a territorial approach, because we believe that it allows for a dynamic and comprehensive analysis of the economic, socio-cultural, environmental and political-institutional dimensions. The purpose of this proposal is, furthermore, to promote the wellbeing of rural society in an effort to boost its strategic contribution to the overall development of society. Here, territoriality (places the human element on the territorial space) is conceived as a network of historical relations that are cultural, political, economic and social in character, and as the institutions,

² Solarte Lindo, G. 2005. Institutional networks, norms, organizations, structures and strategies relating to rural development policy. In: Synopsis, IICA. N° 8.

organizations, entities and norms that intervene socially and politically in ensuring good governance³.

This approach is consolidated through social and territorial cohesion where territories are visualized as units that are intertwined with a broader social and cultural mosaic, rather than as isolated spatial units. These units are set on a natural resource base, and translate into forms of production, consumption and trade, which are, in turn, harmonized by institutions and existing forms of organization.

The territorial approach, therefore, involves sweeping changes in the political and institutional context, due to the following reasons:

- a. It makes the territory an object of public policy.
- b. It poses the need to apply differentiated policies, depending on the context and diversity of social actors.
- c. It establishes local cooperation as a basic component of management.
- d. It redefines the role of the state and of the entire rural institutional framework.
- e. It highlights the fact that the territorial approach transcends a change in the scale of action (from local to a defined physical space).
- f. It implies, furthermore, an understanding of, and ensures,



the participation of social actors in the planning, execution and administration of rural development programs and projects.

The remaining challenge in Paraguay

To achieve the above, we must start with a process of reflection and discussion on the development model by opening up opportunities for exploring and reaching agreement on a new institutional framework that promotes cooperation among the state, private sector and civil society. This will in turn make it possible to incorporate the functions of stakeholders in the sector and recognize creative methods of policy management. If we move in this direction, we must of course come to an agreement, taking into account cultural mores in the country, in order to commence policy implementation, ensure transparency and the exercise of democracy as well as cohesion among the citizenry.

It would therefore be appropriate to establish an institutional body to monitor the process, which should be governed by a basic agreement before starting the project.

³ Solarte Lindo, G. 2005. Redes institucionales, normas, organizaciones, estructuras y estrategias de política de desarrollo rural. In: Sinopsis, IICA. N° 8.

This body should have responsibility for reviewing the organizational models and the action of public institutions affected and amending not only the concepts on which they were built but also their modus operandi and linkages among them and with representative civil society and private-sector organizations.

It should also consider aspects bearing on the development of mechanisms for joint, complementary and articulated action between agriculture and the environment (agro-environmental). The purpose here is to achieve the goals and objectives of the sector and ensure appropriate natural resource use and conservation, a top priority topic for the country.

This body, which would set the process in motion, should give coherence to public action and spark a new modus operandi based on programming, joint and complementary execution of investment and activities within a framework of common and shared objectives targeting specific and previously selected territories.

National public institutions that are directly involved in the rural development process are the Ministry of Agriculture and Livestock (MAG), the Paraguayan National Institute for Rural Land Development, and the Department of the Environment (Secretaría del Ambiente –SEAM). The Social Action Secretariat (Secretaría de Acción Social –SAS), though no less important, is less directly involved.

In the initial phase of the process, it would be important to define the boundaries of institutional coordination, which should be limited to the MAG and INDERT. In the second stage, coordination would be among the MAG, INDERT and the SEAM;

and in the third stage, among the MAG, INDERT, the SEAM and the SAS.

The coordination mechanism we propose will be able to lead the process of formulating policy, designing strategy, and instituting it in the framework of joint actions (MAG-INDERT-SEAM-SAS), as set forth in specific plans relating to specific territorial locations that have been jointly selected for intervention.

To facilitate management activities from the beginning, thought should be given to creating and instituting a “Technical Management” level, answerable to the highest political level. This technical management would be the executing agency for the process and would rely on specialists of recognized standing, hired full time. It would be given basic resources and responsibility for institutional development which should eventually translate into shared visions, and focused plans and programs.

This “Technical Management” would be transitory. Once the new institutional framework is installed, it would take over the function of leading, replicating and extending the experience until it takes root in the institutional culture and makes it the modus operandi of agricultural and rural public-sector institutions.

Leadership and the process of creating a State policy for sustainable rural development

Success in the social formulation of a state policy, i.e., a social pact for sustainable rural development, one that considers territories and their intrinsic features, requires effort at



various levels that vary in scope. This effort cannot be deployed without initial action to lead the process.

The role fulfilled by institutions that play an active part in the socioeconomic development of the country and rural milieu are a factor in the commitment of the citizenry, representatives of micro-, medium- and large-scale enterprises and those associated with them. In the proposed case, it will initially be up to the MAG, INDERT and the SEAM. This is because institutional action becomes an initiative for moving forward with the process of integrating and coordinating the efforts of the various stakeholders that make up the Paraguayan rural world.

Conclusion

Given the unique features, characteristics and dynamics of the rural world, it is important to reconsider the process of shaping public

policy from a participatory and in-depth perspective, both in terms of time and space. The idea here is that these public policies would be embraced by the public and private sectors as a firm commitment for execution.

Hence, the need to commence a social process that is binding and institutionally viable, based on territorial management as the point of departure. Such a process should integrate various political decision-making levels and take into account the unique features of the rural environment.

The political decision to initiate the process is key in achieving the commitment of the parties and obtaining a sustainable agreement over time, with shared responsibility. For this, the institutional leaders must convey the need to expand the current vision of development that is limited to economic considerations so that it espouses multi-sectoral and integrative facets. This is the guarantee for the sustainability of strategies and policies to be defined.

Résumé / Resumo / Resumen

► L'élaboration de politiques d'État pour le développement rural au Paraguay

La réalité du secteur rural agricole du Paraguay exige l'élaboration et la mise en application de politiques d'État, innovatrices et différentes de celles qui existent actuellement, fondées sur un fort consensus et un solide engagement des différents intervenants et sur une vision à long terme qui aille au-delà des mandats présidentiels et procure des solutions durables et dynamiques aux territoires du pays. Le document expose la nécessité d'engager un processus de réflexion, de discussion, de construction et de consensus à propos du modèle de développement rural que l'on voudrait avoir et de disposer d'une nouvelle institutionnalité, capable de coordonner et d'organiser les intérêts, les attributions et les actions des différents intervenants des secteurs public et privé. Le succès d'un pacte politique de cette envergure dépend de la participation et de l'engagement des bases sociales et du leadership des institutions de l'État responsables du développement et du bien-être du monde rural.

► A formulação de políticas de Estado para o desenvolvimento rural no Paraguai

A realidade do setor rural agrícola no Paraguai demanda a formulação e implementação de políticas de Estado inovadoras e diferentes das existentes, baseadas num alto consenso e no compromisso entre os atores envolvidos, bem como numa visão de longo prazo que transcenda os períodos de governo e encontre soluções sustentáveis e dinâmicas para os territórios do país. É patente a necessidade de ser iniciado um processo de reflexão, discussão, construção e consenso sobre o modelo de desenvolvimento rural desejado, que deverá estar voltado para uma nova institucionalidade, capaz de articular e organizar os interesses, funções e ações dos diferentes atores dos setores público e privado. O sucesso de um pacto político dessa envergadura depende da participação e do compromisso das bases sociais, bem como dos dirigentes das instituições do Estado responsáveis pelo desenvolvimento e bem-estar no mundo rural.

► La construcción de políticas de Estado para el desarrollo rural en Paraguay

La realidad del sector rural agrícola en Paraguay demanda la construcción y ejecución de políticas de Estado, diferentes e innovadoras a las existentes, basadas en un alto consenso y compromiso entre los actores involucrados y una visión de largo plazo que extrapole los períodos de gobierno, y alcance soluciones sostenibles y dinámicas para los territorios del país. Se plantea la necesidad de iniciar un proceso de reflexión, discusión, construcción y consenso sobre el modelo de desarrollo rural buscado, que se dirija a una nueva institucionalidad que articule y organice los intereses, funciones y acciones de los diferentes actores de los sectores público y privado. El éxito de un pacto político de esta envergadura depende de la participación y compromiso de las bases sociales, así como del liderazgo de las instituciones estatales responsables del desarrollo y del bienestar en el mundo rural.