

# INTERNATIONAL VIDEO CONFERENCE ON WDR/2003

## VIETNAM & CHINA

*(18 April 2002)*

### **Discussion Summary**

The World Bank (WB) hosted a videoconference on April 18, 2002 with representatives from government, civil society, academia, and the private sector from two countries to discuss the draft of the 2003 World Development Report (WDR) titled “Sustainable Development in a Dynamic Economy”. The video conference was structured as an informal exchange between the WDR research team and some 10 representatives from government, civil society, and academia in two countries – **Vietnam and China**. (See the complete list of participants in Annex 1).

The video conference began with a short presentation on the WDR draft by the head of the WDR team - Zmarak Shalizi - and then followed by two rounds of questions by the different participants in each of the two countries. What follows below is a summary of the major points made during the video conference.

#### **WDR Presentation and Comments:**

Zmarak Shalizi, began by thanking everyone for participating in this session despite the short notice they were given to read the Report. He then made a 25 minute power point presentation on the WDR draft which included the following points on the objectives, timetable, and nature of the Report:

This year the WDR preparation process is following a very tight timetable. The WDR team’s aim is to distribute the document in time for the World Summit on Sustainable Development (WSSD) to be held in South Africa on August 27-September 4, 2002. Therefore, the review process over the past several months has been subject to tight time constraints. Within the Bank, the content and structure of the WDR have been discussed with operational colleagues and senior managers. The WDR team is also seeking feedback from key interlocutors in government, civil society, academia, and the private sector. This feedback is being sought via face to face meetings, video conferences, and through the internet. A draft of the Report is now available on the internet at: <http://econ.worldbank.org/wdr>.

The WDR is an extensively researched and comprehensive report produced each year by the World Bank on different topic areas. It is intended to stimulate debate by bringing before the international development community key issues as well as tools that might help in dealing with specific development challenges. It is not an operational or policy

document which spells out what the WB should do or not do, for that the WB has other instruments such as operational policies and guidelines.

## **Participants Comments**

### **China**

- The draft does not give enough attention to the role of government in promoting sustainable development and promoting institutional change. Coordination is required to achieve change and governments can provide the motivation needed to initiate change.
- On the other hand, the inability of the government to promote needed change in the development approach can be a problem as exemplified by the Chinese government policy which required (in force until 1979) each province to be self-sufficient in grain production which led to grain production on non-suitable lands, including ecological fragile areas. This misguided policy led to environmental degradation of large areas in some provinces. At times these inadequate policies originate as a result of government's desire to achieve growth above all else.
- Rural to urban out-migration can help to promote rural development since it reduces labor pressure in rural areas. On the other hand this migratory flow often leads to increased poverty in urban areas. Related to this is the issue labor scarcity or abundance as a factor in rural migratory processes.
- There is also a growing concern about landless farmers. In Indonesia they account for some 27% of all farmers. Farmers unable to produce on their land, sell their land, move to urban areas in search of jobs, and often end up unemployed. Eventually they come back to their villages where they no longer possess land or other assets. The WDR also needs to address the issue of degraded ecosystems since this is an additional factor which leads to out-migration from rural areas.
- Land in rural area always has been a factor of productivity, now it also becomes a tool of social security. In this regard, land should be treated as an asset which can be marketed and valued.
- WDR should recognize that reverse migration from urban to rural areas is often a necessary and positive policy for governments to pursue by providing credit and technical assistance in order to allow for increased agricultural productivity. Investments can play a big role in nurturing immature markets and alleviating poverty.
- The structure and logical sequencing of the WDR is quite good, actually the best of all the reports being prepared for the WSSD.
- Agree with the WDR addressing the issues of technology and knowledge as an asset. Technology and knowledge can be a powerful mechanisms in helping farmers deal with their problems such as degraded lands. On the other hand, the effective transfer

of knowledge and technology to rural populations is not a simple process and can be hampered by inadequate methodologies.

- While the WDR provides a useful framework to think about environmental/sustainability problems, we need more time to respond to its many aspects.

## **Vietnam**

- The Report was quite comprehensive, particularly the chapters on sustainability. On the other hand, the role of agriculture is not mentioned enough in the Report. The WDR should highlight more the issue of agricultural development and the need to maintain and protect the environment in rural areas.
- The WDR could benefit from more facts and statistics on global trade as a key factor in promoting or curtailing rural development. The fall in international coffee prices, for instance, has resulted in huge environmental and social costs in developing countries while multinational companies such as Starbucks prosper. Within this context, the WDR should analyze the role that regional economic coordination can play in promoting stable commodity prices, trade, and growth.
- Chapter 1: there should be greater attention paid to the issue of the aging population. Koffi Anan, head of the United Nations, said last week that the aging population in developing countries would increase fourfold in the next 50 years, with Asia/ Pacific region being the most rapidly aging area.
- Chapter 3: The real problem with food security in most Asian countries is not the quantity or availability of food, but rather the indiscriminate use of pesticides and other chemical inputs which are not only poisoning farm families and consumers, but harming the environment.
- Chapter 6: The WDR should consider the principles of the Rio Declaration and analyze why many of the goals forged during that conference 10 years ago were not met. In this regard, the environmental problems of the least developed countries should be given more attention, as well as how to deal with the lack of donor motivation and aid effectiveness standards?
- It is positive that the WDR identifies the potential for the synergy between the three sectors in society - government, private sector, civil society – but the more important issue is how to actually combine these three actors?
- The WDR summary is not well written and should be re-drafted, since it does not match the written quality of the rest of the Report.
- The WDR authors need to be careful with some of the culturally-exclusive chapter titles used (e.g. “To Live or Not to Live on Fragile Lands”) since they may not resonate well with non-western audience and non-English speakers. In this same vein, the authors should avoid using gender-laden terms, such as “manmade”, and “mankind”.

- Technology and knowledge can be a powerful mechanism in helping farmers deal with their problems such as degraded lands, when knowledge is properly transferred from institutions and universities to small-scale farmers..

### **WDR Team Response:**

- Governments indeed play an important role in the development process, although today much more seen as an “enabler” and regulator, rather than constituting the principal engine of change or “controller” or the process. Government action is particularly important when markets fail. On the other hand, the example given about the Chinese government’s grain production policy demonstrates that government policies, as well as that of donor agencies, can indeed be misguided, in this case promoting “perverse subsidies”.
- The issue of out-migration from rural areas is indeed a problem. On the one hand it does play a role in reducing the indices of rural poverty and pressure on land, but on the other it can, obviously, cause problems for the migrants themselves who often find themselves in an unfamiliar urban setting with no livelihoods, and can contribute to overcrowding and higher unemployment to urban centers.
- There are many effective strategies to promote rural development and, where warranted, reduce out-migration. The strategies the WDR will highlight include: training of rural population to manage their ecosystems better, developing ecotourism, improving access to education and healthcare; and providing incentives for creating non-farm employment. Agree with the assertion that the use of new technologies and transfer of knowledge from institutions and universities to farmers is also quite important.
- Regarding the emerging problem of the aging populations, it should be noted that Vietnam accomplished a good deal in its population control efforts. Koffi Anan recently stated that the elderly population of developing countries will increase fourfold in next 50 years. By 2050, 30% of population will be 65 years old and over. The WDR won’t focus on the population issue per se, but will definitely include some of this analysis.
- On Chapter 3 on Rural Transformation the WDR will defend the rational use of fertilizers and pesticides, and provide caution on the food safety problem brought on by overuse of agrochemicals. While the WDR does not focus exclusively on food safety, the research team will be adding a section on GMOs.
- Appreciate the comments regarding the low quality of the executive summary and language used, and the WDR research team will work to improve the executive summary as well as use language that is more culturally sensitive. We fully agree that the WDR has to be written in simple language so non-native English speakers can easy understand it.

In closing, Zmarak thanked the participants for their thoughtful and useful comments and questions. He noted that since the Report is still being drafted and edited, data and examples illustrating the many points made during the VC were quite welcome and that the research team would do its utmost to incorporate them into the Report.

**ANNEX 1**

**Video Conference on 2003/ WDR**

*(18 April 2002)*

**LIST OF PARTICIPANTS**

**China**

1. *Xia Guang*, Director, Policy Research Center, SEPA
2. *Justin Yifu Lin*, Professor, China Center for Economic Research, Peking University
3. *Wen Tiejun*, Professor and Deputy Secretary General, China Society of Restructuring Economic System
4. *Li Lailai*, Director, Environment and Development Research Institute

**Vietnam**

5. *Prof. Le Quy An*, Former Minister of the Environment, now the Chairman of VACNE (Environment Association)
6. *Dr. Truong Manh Tien*, Deputy Director- General of the National Environment Association
7. *Craig Leisher*, WWF program director Vietnam
8. *Prof. Le Thac Can*, Director Center for Sustainable Development (a private institution), hydrologist and EIA/environmental planner
9. *Le Van Minh*, Director of the International Cooperation Department of the Ministry of Agriculture and Rural development