

## **2006 Clinton Global Initiative Annual Meeting: September 20-22, 2006**

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# **Poverty Alleviation: Transforming Agriculture to Empower the Poor 2006 Global Clinton Initiative Annual Meeting September 20, 2006**

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**ANNOUNCER:** Ladies and gentlemen, we continue now.

Please welcome our next panelists: Taklewoini Assefa, Executive Director of the Relief Society in Tigrai; Satyan Mishra, Managing Director, Drishtee Foundation; Robert E. Rubin, Director and Chairman of the Executive Committee, Citigroup and our moderator, again, is Dr. Judith Rodin, President, Rockefeller Foundation.

[Applause]

**JUDITH RODIN, PhD:** Welcome. And welcome to all of you. This is the second half of today's Poverty Alleviation Working Group. In this panel we're going to ask ourselves a fundamental question. That is, how can we make trade work for the world's poorest countries? Here's what we know. Developed countries around the world largely transform their economies by expanding local, regional and international trade. Among other factors, healthy economies depend on robust markets to lift people out of poverty. Trade offers the possibility of increasing producers incomes allowing them to produce real assets. But the world's poorest have limited access to markets, as well as few of the skills necessary to succeed in a market economy. We spent some time talking about the skills and the capacity building, we are now going to focus on the markets and the more upstream developments needed as well and while we are challenging ourselves with those big questions, here's several more to consider as we seek concrete practical

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solutions. How can we harness the potential of rising global trade to benefits the world's poorest producers. How can we tilt the benefits of technology, of science and engineering towards the three billion people living in extreme poverty and, most fundamentally, how and can we make globalization work for the benefit of the world's poor and vulnerable? We have a great panel to discuss these challenges and again we will hear from our panelists first before turning to you for your conversation as well. So, Bob if I may, I'm going to begin with you. We have some examples of success, but clearly the global trading system is complex. The world's worse countries are neither competitive or fully integrated into it. What are the trends were facing with respect to global trade. How can we think about this?

**BOB RUBIN:** Well let me start, directly respond to your question, but let me make a framework of it, first. I think, I believe very deeply in trade globalization. I think it is critically important and the well-being of the United States and the global economy, but I think actually that is becoming much more complex in certain situations than one we're all accustomed to thinking about. Paul Samuelsson, as you may know, wrote an article about two years ago, which he talked about the effects of the emergence of China and India in how one thinks about trade, the possible effects of trade on (inaudible). I think that Dr. Samuelsson's argument was just

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the beginning or just one small piece of what actually is a very complex question, especially with this exchange rates that we have today. I think you are going to have a raging debate in the developed countries soon, and maybe most particularly in the United States about trade and as the politics of trade have always been difficult, my instinct is that they are going to be far more difficult going forward with all the difficulty we have had in the past and I think all of that is going to exacerbated by the effects of having what Ben Bernenki at Jackson Hole in August, that's really a historic change in global competitive conditions with the immergence of China, India, their bask scale, the absolute cost-advantages they have at current exchange and wage rates and the immense expansion as Alan Blinda wrote in Foreign Affairs the immense expansion of the range of tradable goods and services. So I think the point of view of a developing country or poor country, I think the threshold problem is going to be that the trade regimes in the developed countries, United States, the one I'm most focused, I'm saying, this, but I have a feeling it's more broadly true, from what I'm told, it likely to be worse than better, especially for trade to low wage countries. One quick comment if I may on the emerging market of poor countries, themselves and that is, we have talked a great deal about aid and we've talked about all the different components of having effective economies that I at least believe, based on what I've

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experienced and talked to others about, that the absolute number one requisite these countries have to have is an environment that is conducive to investment and that involves movement toward market-based economics and very, very importantly, effective government and reasonably non-corrupt and I think that if you look back over the last 50 years and you look at the great success stories, the emerging market of the poor and developing country world, actually except India they are all non-democratic regime, that's another set of interesting issues. Leaving that aside for the moment, they all involved effective governments that pursued agendas built around education, infrastructure, trade liberalization, and much else and when you see the countries that have failed, I think the number one problem is this: ineffectiveness or to many cases, unfortunately, corruption of government.

**JUDITH RODIN, PhD:** India is certainly viewed as one of the success stories an emerging economy with tremendous growth opportunity. Your organization, Satyan, still has so many challenges. You're focusing on making this economy work for poor people and integrating these people into the global environment and into the growth and opportunity chain. How are you doing that and how do you see trade figuring into your efforts and your work, both trade policies and trade opportunities.

**SATYAN MISHRA:** Thank you and the CGI for inviting us

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here. We couldn't have got a better stage to accomplish the need which I represent here. What, if I may take a step back and tell you what we trying to do. We are in the business of establishing an alternate supply chain. We've realized that the existing supply chain in villages is not efficient. There are multiple intermediaries and, for example, a family earning say \$50 a month has to spend about \$15 on accessing basic services and products. I'm not talking about the cost of the product here, I'm just talking about the access. So far they have been able to look at supplying products and services. We have about 1,000 kiosks, information centers, and housing medium to villages. We have services like government service, basic health care. We have a variety of products, like back tree, cell phone, different things what the village needs, different stuff like that. But we realize now that is not the end. In fact, what we should be actively doing is to reverse the same life chain by providing access to these marginalized farmers and artisans and that is something which is going to be a real big challenge. Taking Tigray from zero to thousand kiosk has been a very difficult exercise. But I can tell you that is just the tip of the iceberg. There's much more to be done and that can only happen obviously if the more products and services, which are riding there's a most compelling proposition for the community to come to the kiosk. What are the gets this established then there is a possibility that the

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farmers, people who are baring the brunt of the lack of access they would be able to use this platform for doing a lot more. Just to maybe give you an example, the plight of farmers was not even what may be close to what it is today. Plus they have a much healthier position about 200 years back. Things were much better for them. The role of woman in the family was also very high. The status of woman was higher than what it is today. What happened was stabilization. Is that people started to move out of the village in search of better income jobs and both lion and woman became assets. The lion got fragmented because it was not of a resource anymore, it was basically an asset. It got fragmented. A brief fragmentation productivity as obviously decreased because there common resources that aren't utilized. The community as a whole initially was they had a lot of bandwidth to invest in the land, but that bandwidth is decreasing. The same thing has happened to the market. Something which was aggregated earlier has become highly defragmented. The middle farmer, the richer farmers have access to market. They can wait for the best price to be given by a local commodity market. But the modularized farmers they depend on the Middle East. They sell at almost half the price of what the richer farmer would be doing. So the problem is much more complex than I think I realized at the two sessions today. I had a lot of commonality and the last session I had some discussions in which we actually

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thought of ways and means of aggregating the demand and aggregating the need of market access. If we do that, in some ways, marginalized farmers put together can be like a big farmer so they'll have better resources to deploy at the field and they'll have better access to market. So this is from where I'm coming. Obviously there are global issues and global challenges, but going down at the micro level I think vis-à-vis some of the fundamental issues which are confronting us and as we see extremism and we see laicism growing in the villages we are really, really concerned. Unless we provide market access for these marginalized farmers, I think more and more people will turn to hatred, they'll turn to ways and means which are not regarded as social in its word.

**JUDITH RODIN, PhD:** Thank you. Teklewoini you're working with maybe among the poorest producers on earth. People who truly are relying for subsistence living on what they can produce. First of all, what are the challenges there, but also do you think about in this work also trying to, whether its aggregate or providing access to markets, or is that just kind of distance at this point, because subsistence level is all that you're thinking about the ability to strive for?

**TEKLEWOINI ASSEFA:** If poor farmers are to be integrated into market or agree to benefits or opportunity of trade they have to be able to produce suppers. Most of the

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subsistent farmers only produce for their own consumption. They are not guided by market. So we should be able to transport the ministry of the economy and the culture. Unless otherwise we transform the culture, unless otherwise we sort the problem of culture, these farmers are not able to produce sustenance, are not able to integrate into the market, are not able to integrate to the industrial economy, then they are not going to benefit the opportunity of trade, the opportunity of globalization. So, transformation is fundamental and it is structural and we have to sort the structure. Then what are the prime rules for transformation. One is of all the things the human computer indications is keep, we have also to change the attitude, the belief, the culture of the people. The second is we have to introduce different type of technology. Now they are using inappropriate technology which is not able to produce sustenance. We have to appropriate introduce technology. For example, integrate the poverty to line these greater than 60-percent. We are trying to introduce drink irrigation so that they could be able to produce all through the year. Once if they depend on rent even good entire the time they only produce for three months or five months so that is 100-percent for consumption, not for market. So we have to introduce appropriate technologies which could help them produce more. We have to develop economic infrastructure. When we take off all the American and cultural development it

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was built on irrigation. In Utopia, in Africa, in Tigray there is no any irrigation. It is 100-percent man fed and with these, and the rain is very erratic so with this we cannot transform the poor farmers and you cannot make them explore opportunity of trade. You have also to enjoy the certain type of institution. For example, microfinance. My organization is a pioneer in introducing microfinance in Utopia, now we have got around 500,000 clicks use microfinance they are able to produce substance. They are able to produce more income, they are to overcome their own consumption, they are able to and specialize so we also have to afford same type of opportunities. They also have to organize so that they could have the very amounted. We have to also have a living environment. There must be condition policies, we have to fight against governments. So, this is the pride movers and then trend is the product of new ideas, a product of new technologies, a product of competition. Trade also teaches the poor how to manage their resources. Trade also teaches them how to specialize and how to integrate into local, national, and international market. If you are going to make poor farmers in Africa, in Utopia, in Mairia, we have to address the pride movers. We have to invest in this one. So here it needs a perspective, it needs a vision. So when a government or a private sector is going to invest we have to have local perspective. We should not be engaged with short-term

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commercial benefit. So it needs patience, it needs long-term vision, it needs, we have to depend on energy, innovation and creativity of the people. As a result of it, we can't integrate them and still transformation needs picking up in Africa and Utopia and what we have to do is we have to cultivate it and it needs rich investment from all sectors involved nationally, internationally and locally.

**JUDITH RODIN, PhD:** Well a great catalog of all of the important elements. Let me try to dig down a little more deeply. Satyan, one of the mechanisms for the delivery of your services for information and tools are the rural kiosks that you have in so many local villages. Tell us actually how they work, why that is a good distribution point and what you think you've learned from doing it that way.

**SATYAN MISHRA:** I think indicative of the word kiosks, we basically talk about the last unique front end of the supply chain. Kiosk and isolation can be used for things like education, can be used for things which are offline, but the moment you talk about a supply chain, you need to have a very strong backend to support that kiosk. The bottom of technology is such that a farmer can even without having the backing support for procurement, which some of the other agencies in India are doing, has the information to select the right market for the product. So just to give you an example, let me be when they normally carry the sack load of produce from the

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village. If they are not going to the village that days that they can no go, if they go left or right and that would have been on the advice of which exist in few different markets. So that is just a very small example of the part of information which exists through the kiosk. Why we have taken up the kiosk as a means of solving a problem is because we feel that it is a very skillable concept. There are entrepreneurs in the villages who have the capacity to operate the kiosk and it's not only the entrepreneurial it's a fall profit mart. A kiosk does service, saves money for the villages and in turn earns a small fraction of it. The villages don't mind paying him for services which would otherwise free, but then they have had to waste their daily wage enough to be service provider ten times. If they get the same service at the doorstep then they don't mind paying money. And just imagine if somebody is paying 20-percent of the income to intermediaries you can very well pay 5-percent genuine fee to rightful service provider and then be happy with it. There's some examples of studies which have been done that suggest that for every dollar one visit kiosk operator earns that at least \$1.05 or \$1.10 saving for the villagers which happens. So this is why we are so committed towards this concept of a kiosk. I believe every village should have a kiosk. At the moment you put a kiosk you have put a strong bandwidth in place and then you can think of doing whatever you feel like. Irrigation, access to market,

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capacity, knowledge, everything is there. It's just that it's the right channel and but still it is a very difficult exercise because setting up a kiosk it require capital, you require connectivity, you require part and all the challenges.

**JUDITH RODIN, PhD:** Teklewoini, let me go back to you. You gave us in your last comments a terrific and lengthy catalog of all of the things that are necessary. Your working though in a particular way in a particular area. I think you began during the terrible famines in the '80s in Ethiopia to solve that problem and to really address what the most fundamental mechanisms were to begin to both feed those relying on subsistence farming but also then to build capacity. What are those fundamental elements? Where do you start?

**TEKLEWOINI ASSEFA:** We try to engage active participation of the people. Without active participation of the people we cannot address the severe poverty and famine. So as the result of it, we build to learn, to implement, to monitor, and this is our major asset. Beside that we have also introduced different type of technology. For example, about more than 50-percent of the population are women. So if you are going to be engaging in productive activity and if there are opportunities going to enhanced then we try also to overcome the bottlenecks. For example, we have fetching water, fetching wood is the role of woman in our country. So as a result of this we have developed a capacity. With the help of

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different donors, even donors among that are supporting us here like [inaudible] or so we are now addressing the water problem and bringing water into the village. As a result of that, women are now spending most of their time in productivity. Second thing is that we have also introduced this microfinance. As a result of it, and it's service all the categories of population, women, youths, marginalizing. We have already different type of producers and based on that we have already seen that decision-making process has increased, they have developed confidence, they have tried to diversify and specialize their activities and they are now integrated into local and national markets. They have learned entrepreneurship and they have developed different type of skills. Beside that, natural resource management. I regret it and as a result of it we already have introduced effective utilization of resource and they are now growing trees for energy and other source of income. We are introducing, it's dependence on the compete are not homogenous masks so you have to make them like a business, one by one. We are trying. We are also developing this captivity. We also make research and based on that we try to communicate the finding of the researchers so that people can be aware of the potentiality and so these are some of the things we are trying to address and we are having successful results.

**JUDITH RODIN, PhD:** That's a great model. Bob, you've

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developed policy, been there, done that, both at the national and at the global level. These are wonderful examples of things that happen on the ground, but I think nothing happens without the right policies, financial and trade related policies. Many of us are nervous about the collapse of the last Doha round. How do you think these policies need to develop going forward and then what's your prognosis for how they will actually develop? Either trade policies or financial policies.

**BOB RUBIN:** Can I address one other thing, though.

**JUDITH RODIN, PhD:** Sure.

**BOB RUBIN:** Just listening to this, I was in Mozambique, in Africa when I was in Treasury, but I was in Mozambique and I was enormously impressed by the finance minister. I don't remember his name, unfortunately, but he was very, very impressive. He told me about the agriculture in the Hinter land. He said there's really a lot of production going on, but we can't get it to the markets and so we don't have an agriculture economy. I said why not. He said well we have rudimentary roads, but we don't have the trucks. So I said, well, that seems, I sort of tend to sort of be commercial by nature, so I thought myself if I can have this bloody treasure job, I could buy a bunch of trucks and I can really make some money here.

[Laughter]

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**BOB RUBIN:** But I knew I'd be out sooner or later, so I started thinking about that. So I said well that's interesting why don't we find people to buy trucks. As soon as I left Treasury, even before I went to Citigroup, I talked to some friends of mine who knew a lot about investing in Africa. I actually know some people, Europeans, not Americans, who are pretty heavily invested there. It was interesting. It seemed to me that the problems in Africa are just enormous, but the opportunities were also enormous. The problem is government in some measure, I think. What these people told me, I was actually pretty energized around trying to figure out how to get involved entrepreneurially in some parts of Africa and they were quite discouraging in a way because what they said was is there is a tremendous opportunity, there are a lot of good people to work with, there's great richness in Africa, there really are riches and just listening to the discussion it made me think of it, but the problem is you've got to get past the problem of government. And I don't know the answer to that, Judith. When I was at Treasury, Larry Summers and I spent a fair bit of time talking about how do you try to encourage better governance. The trouble is, you can say conditionality on aid, but it doesn't seem to have that much effect and also it leaves behind the people who most desperately need your help, which are the people who have governments who don't care about their people. It seems to me it's both inhumane and

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also, in many practical ways, counterproductive to not provide aid to people because governments of which they have no control are ineffective and corrupt. I think it's a very complex set of questions. I still have this zeal, actually, but unfortunately every time I speak to somebody about it, and I've continued to do that, including very recently. A friend of mine in London who has a very large agricultural holdings in Sub-Saharan Africa, and he too was quite discouraging. Maybe because he didn't competition, I don't know. I don't think, so. I think he was being sincere. In terms of policies, Judith, as you know, the equivalent of fast track, now called Trade Motion Authority is going to expire in the United States next year. Sandy Berger would know better than I, but my guess in today's political environment, that's going to be very hard to get renewed, like close to zero. In which case, it's going to be very hard for the United States to engage in multilateral trade negotiations, I would think, Sandy. Maybe that's right, maybe it's wrong, but that's kind of my instinct, so I think that a lot of these trade negotiations, a lot of trade arrangements are going to have to be regional or bilateral. I was told by the Chief Economist of Citigroup the other day, I was talking to him about this, that there's studies that show the tremendous gains to be had for emerging market countries by working out all sorts of regional arrangements as long as they are trade creating and not create destroying. In other words,

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as long as they reduce barriers within the region as opposed to creating barriers outside of it. I think it's a tremendous economic disadvantage for the United States not to be part of this, but I think the politics in our country are going to be terrible around trade, Judith.

**JUDITH RODIN, PhD:** I think Africa, in particular, is trying to be creative about within continent trade policies and many new organizations and many new compacts allowing them to think more creatively and more collaboratively perhaps about how all of that should work.

Well now it's your turn. For the next half hour we'll have table conversations, and then we'll come back to our panelists. Thank you all very much and please join me in thanking the panelists.

[Applause]

[END RECORDING - PART 2]

[START RECORDING - PART 3]

**ANNOUNCER:** Ladies and gentlemen, please welcome back Dr. Judith Rodin.

**JUDITH RODIN, PhD:** Thank you. Thank you all for the very good conversations and ideas. I was circulating a little bit, hearing some of the dialog, and I know that when Gail reports, we will have many, many good ideas to continue to learn from. We have a chance for another question or two to

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our panelists in the interim. Perhaps I can start again with Mr. Rubin and ask there was as we descended and walked to our table a comment that, it sounded very much like doom and gloom. And the question is, is that true and what could we do to begin to turn the politics of trade around in the developed world? What will create the momentum to do that, I mean aside from the obvious electoral things, but are there [laughter]. I didn't mean it the way it sounded. I said the developed world.

**BOB RUBIN:** I at least, Judith, an a-political, I can't speak for you. [Laughter]

**JUDITH RODIN, PhD:** How do we do this?

**BOB RUBIN:** Look, I actually thought I was rather upbeat relative to what I think the reality is, so I have a little trouble responding to that. Sandy Berger and Gene Spurling both know a lot more about the politics of trade than I do and I don't their views are dramatically different than mine. I think, Gene made a good point though, at least in the immediate term, over the next few years, I think it's going to be tough. If you could put somehow or other put together what President Clinton always talked about which is inextricably intertwining trade with a powerful domestic agenda to both promote productivity and also hope those dislocated by trade that's the right place to be when appointing new policy and protection, which I think will be terribly dangerous for us. But, having said that, I still have a feeling it's not really

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responsive to a lot of the anxiety. Pew did a poll a month or two or three ago, I don't remember which, which showed that 55-percent of the American people think their kids are going to worse off than they are, 35-percent better and 10-percent undecided. Well that's a terrible change in the traditional view of America about the future. Now Gene makes the point that if you looked out maybe 15 or 20 years from now or whatever period of time that may be, when you've had wage rates hopefully converged not by ours coming down, but their's going up and you have productivity going up with China and India and one thing or another, some of this problem may become far less serious, but, Judith, I think that it's immensely important for our country that we remain involved with trade liberalization and we not move backwards, but I don't have a great answer on the politics of it. I think on the policy of it I think we should do what I said a moment ago.

**JUDITH RODIN, PhD:** Let me ask either of our other two panelists, how do you develop the markets. You're taking local production, you're taking local activity in a variety of product production, whether it's agriculture or other kinds of products. Bob made an interesting point about trucks. We actually noticed in one of our Rockefeller projects in Western Kenya and Uganda that the bananas were getting delivered across Kenya from Uganda to Mombasa in full trucks and the trucks were coming back empty and one of the interventions was simply to

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provide access on the empty trucks back into Uganda for the Kenyan farmers. So there's some very obvious simple, straight forward, non-expensive things, are there other ways that building markets aren't only the responsibility of the governments and the government policies, but of the people on the ground who really are trying to manage their lives and livelihoods.

**SATYAN MISHRA:** Development should be own by all of the stakeholders; otherwise, we'll by government I don't think so we can have development. But, number one policy wise, business as you actually know it is over. We have to think definitely. This attracts our farmers, they have to be guided, they are production system has to be guided by market forces. We have to change the farming system. We have to change the economy. We have to shift from food to high-yield crops and this high-yield crops it will generate high income and it could also be incentive for continued production. So this is one thing. The second this is that we have to make universal access of resource. For example about this truck, already in one village farmers are able to grow orange fruit, then by having that collateral they organized into cooperatives and by having collateral orange trees, they have build from the microfinance and they have boat, minitruck about six tall, now the activity. So, number one, if you make conducive environment policies and if you put (unknown - 37.19), (unknown

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- 37.23) are vital for transformation for development and if you make these (unknown 37.30) or so universal access to all. I think people in Africa are ready to change, they are ready to adjust to the economic strategies. The only thing is that we have to give them the opportunity. We have to have policies and we have to have shared vision and understanding of that situation and we also have to make them actively participate in the whole process. If they do this, I think they can solve the problem themselves. We can only help.

**JUDITH RODIN, PhD:** Satyan, sometimes the local farmer complains that he or she doesn't have information that would allow them to sell properly their products to the middle man and that often they get taken. So your kiosks, I think, provide an opportunity for a technological solution for providing market information on a five minute or whatever basis. There are those that are using cell phones as text messaging as the first step of creating markets, of really giving the individual farmers or the collectives of farmers, access to real market information in real time, so that they can move up the chain. Is that something that you're doing? Do you think that is a good idea?

**SATYAN MISHRA:** I think getting out knowledge in a way reflects involvement and it's a very good tool, but that is not the only thing which the farmers requires. A very small incremental value would be added if only the information about

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the market prices are made available to marginalized farmers. What they require is a solution. The solution today is existing. It's just that the solution comes at a very high cost. So they require a platform to buy or sell information about the prevailing price is going to add a very small incremental value. At the same time, I don't have the perfect answer to the question which was posed by Judith. But, I can tell you for sure that if economy equals in the red and that is the state of the village economies across the globe, then you can do two things. First of all you can try and increase income, which is the market acts you are discussing right now, or you can also decrease the cost. So agriculture, somehow I think is being pushed up just a bit too much. With technology coming in we should try and decrease the pressure on agriculture. There aren't many other avenues of livelihood generation which this new economy has thrown and the villagers have to get engaged in other forms of livelihood generation. It is the moment the village becomes a more dynamic society and economically more dynamic than there would be local market, which would be great and that is a flow which is really required today. If farmers are committing suicide it's because there's no flow available. If things go wrong, they go drastically wrong. But if there is a market that is created inside the village, then they would know that okay they cannot go below a particular point. Which is the basic, I think,

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point, which is necessary for survival. So, as I said, I don't have the right answer, as of today. And yet, working towards it, I'm sure, that there's a lot of school thought generally access to market on a for-profit model also. At the same time I think we need to take some immediate steps to generate other livelihood sources within the village so that a small market is created and there is the amount of resource that we deploy agriculture is a good return investment from that. Right now it's, I think, highly misbalanced.

**JUDITH RODIN, PhD:** Thank you. Bob?

**BOB RUBIN:** One quick comment that just occurred to me. There have been over the last five years or, something more than five years and less than ten years, these vast new bodies of, pools of capital around in private equity funds, hedge funds and the like. I know a lot of these people, I talk to them a lot. I never here, ever, and risk premium across all asset classes have shrunk tremendously so that the general prices in the most asset classes are probably overpriced relatively. You never hear anybody talk about the kinds of things that were talking about right here, Africa, the poor villages of India, and so forth. If were the Rockefeller Foundation, just as one example, and I really wanted to do something really good, what I might try to think of is, and there is a tremendous hunger to find places to put capital, there is just enormous amount of capital looking for places to

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go. I would try to figure out some way to translate all of this into commercial application and to tap these bodies of capital. Now, the problem is you got to figure out how to do it in such a way that they're not afraid of the governments that they're going to encounter. But I think there is a tremendous opportunity there.

**JUDITH RODIN, PhD:** I agree with that I do think there's a tremendous opportunity. You know the word microfinance has become so trendy and we're not thinking about other really alternative mechanisms for bringing capital, for bringing credit, to these communities that would be well-served and where there really is the capacity for entrepreneurship. Everywhere I've gone in Africa I really am amazed at the entrepreneurial spirit of the African people. I haven't traveled as widely in India, but it's obvious from the growth of the economy and so the kinds of capital tools the things that work and stimulating markets where we have the confidence and we provide the access seems to me a very creative area in which to be working. Gail, it's now your turn.

**GAIL E. SMITH:** Thank you, Judith. Thank you again to all of our panelists. It's interesting that you end on a note on financing because I think that's something that all of you focused on a great deal and we have six kind of themes, three that I think are quite concrete. The other three strike me as really principled approaches that we need to follow and then

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some specific gems or nuggets.

One is that angel investors should be role-models, because entrepreneurs can work through challenges more quickly than governments and I would remind you that we heard in our first session about what do you do where you don't even have governments, where you don't really have public policy. The second is the notion of using local cooperatives to develop domestic and regional markets for locally produced goods and underscoring the important point, for the developing world it's not just about exporting to U.S. markets, it's also about growing and sustaining local and regional markets. An MBA Peace Corp to work with business schools to exchange graduates with developing companies. I think that's a great idea and I understand it came from a couple of places.

We had the point raised in several sessions that producers in developing countries can use communication technology to leap frog usual bottlenecks in the supply chain and, interestingly, our first session tomorrow is on technology and how we can grapple with that. Obviously, we've gotten back to the issue of trade agreements. We need to change the focus and place more emphasis on regional agreements was the view of many of you. But, also important to expand the network of actors and tap into religious leaders and leverage important diaspora expertise.

Now in the area of what we call gems, there are a

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couple things we wanted to tease out. This is not at all to suggest that there weren't many of these. But one is the concept of poll marketing, linking products manufactured in developing countries directly with specific markets in rich countries. We've heard some examples of that earlier today. Like a dedicated effort to do that, rather than leaving it to chance. And also then there's the micro insurance. To improve access to risk assessment and insurance for small producers. In some of these countries we're talking about a producer can be wiped out in less than a season if the rains fails. So how do we work on things like insurance that are relevant to some of the smallest producers in the world. With that, I would like to turn back to Judith and our panel. We're going to ask our panelists to make their final remarks in light of these findings and Judith to have the last word, after which we will release you and hope to see you all bright and early tomorrow morning. But, Judith back to you and the panel to summarize and close us up.

**JUDITH RODIN, PhD:** Thank you. Teklewoini, why don't I start with you and what thoughts you have in seeing these recommendations.

**TEKLEWOINI ASSEFA:** I think most of the recommendations are quite valid and acceptable. But, these recommendations they have to be country specific. They have to be very, very specific, even as I said before, the tragedy our

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farmers are not masks, so if you don't take the averages or if you don't take context in situation, you may not be able to maximize our potentiality. So I think this is one thing which I will do. The second is networking. It needs networking. Strategy alas. Poverty is waterless now, if you don't tackle it, it has got consequence to the water development, it's got consequence to the social and justice. So as the result of it, all of us we should be we should be owner of that one, we should be the champion, we have to passion to overcome it. Otherwise, if it is only the problem of Africa or the problem of a farmer living in Africa I think that is even before we're trying to solve passionately, not it needs comprehensive mobilization of resources outwards of water. I think ownership by all because it is also our moral obligation to end poverty. So this should also be included.

**JUDITH RODIN, PhD:** Satyan?

**SATYAN MISHRA:** I think that they're excellent recommendations. I would like to fold them and pose them to our government back home, especially the first one. AT the same time, I think the idea of the MBA peace corps is also pretty fascinating, something that's very much in line with what we have been thinking. If you can get some support all across the globe to figure out some business models which can be worked out, in the field of agriculture I think that would be very compelling. As for the gems are concerned, I think

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when we look at the micro insurance, first of all the bull market is exactly the way to go. There has to be not just maybe a push, which would be done by developing countries, but it should be a strong need for products in developed countries and it should be one to one linkages which need to be established. At the same time, the micro insurance, somehow has to get initially because the perception of insurance is very different in rural India. People are very slowly in getting across to micro insurance and getting that would be a phenomena across the globe. But the moment you link insurance to capital and finance, then I think people will make sense. I think when England have already demonstrated that by charging a higher interest they're somehow taking care of the insurance part so they has the risk. Overall I believe these are very precise recommendations, and I would definitely like to take them back and work on them. Thank you.

**JUDITH RODIN, PhD:** Thank you. Bob?

**BOB RUBIN:** I think in away, Judith, I sort of made my concluding comment before, but I just expand on that for one second. I do think some of these are very interesting, for example, where'd this thing go, oh, yeah, the MBA peace corps work with business schools. I would guess that if somebody actually took the trouble to do what you say, to reduce the specifics in granular, I would guess that there would be receptivity in the business schools. But go to this pull

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marketing thing for the moment. I want to go back to my pools of capital, I think if somebody would put in place the capability to map out actual projects, but it's going to have to be somebody with a lot of capability and that understands the local environment and then developed attractive commercial proposals that you could bring to the kind of pools of capital that I was talking about a moment ago and if you can do it in such a way that people are not going to be afraid of what they run into with government, which is a tremendous impediment, unfortunately to this whole questions, I think it's a tremendous opportunity. But that's going to take a lot of serious work and very sort of specific mapping.

**JUDITH RODIN, PhD:** I think even there we're seeing some preliminary work that is very effective, some of the innovators in Silicon Valley who are setting up foundations and are asking those kind of questions. How do you move some of those pools of capital over and seeking some significant opportunities and we'll learn a lot from their examples. Well, we've heard today about the importance or civil society, the private sector and government each playing an extraordinarily important role, individually and collaboratively. Sometimes those collaborations are difficult, their problematic, and fraught with concern, but they're worth the effort. We heard many very good examples today and all of us know more and that's what's going to be required at the fundamental level.

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Pressure and support for government to do the right things, create pro-poor policies and to sustain those policies with really deep attention, particularly in countries of growth and here India, in some ways, may be the newest example where we see the difficulties still for the poor in an environment where many are benefiting enormously from the growth. We've heard a lot about empowerment and entrepreneurship, really important concepts as you think about what kinds of sustainable changes at the individual level are going to be necessary in order for these things to happen. It's not only government people have to change and their aspirations have to change, and their ability to act on opportunities have to change. These are critical initiatives that really do enable both empowerment and the development of an entrepreneurial spirit and a reinforcement for entrepreneurial efforts. We've heard a lot through these discussions about the search for and indeed the availability of many creative new mechanisms. New mechanisms for financing and insurance we've talked about. New ideas for trade partnerships are evolving. New ways of creating market demand. Local ways of providing access to tools and communications networks. All of those are going to be absolutely essential. The critical thing that we need to continue to be focused on is globalization is providing extraordinary opportunities for so many people, but many people are falling further behind and so we need to think about how to

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continue through the kinds of ideas that we've talked about to create the opportunities for everyone to be able to participate in the benefits of globalization. Thank you very much.

[Applause]

**ANNOUNCER:** Thank you ladies and gentlemen for joining us this afternoon. Please note the second plenary will begin at 5:00 p.m. on the second floor.

[END RECORDING - PART 3]