

# **Opportunities and limits of the BDS approach in rural areas: Some starting points**

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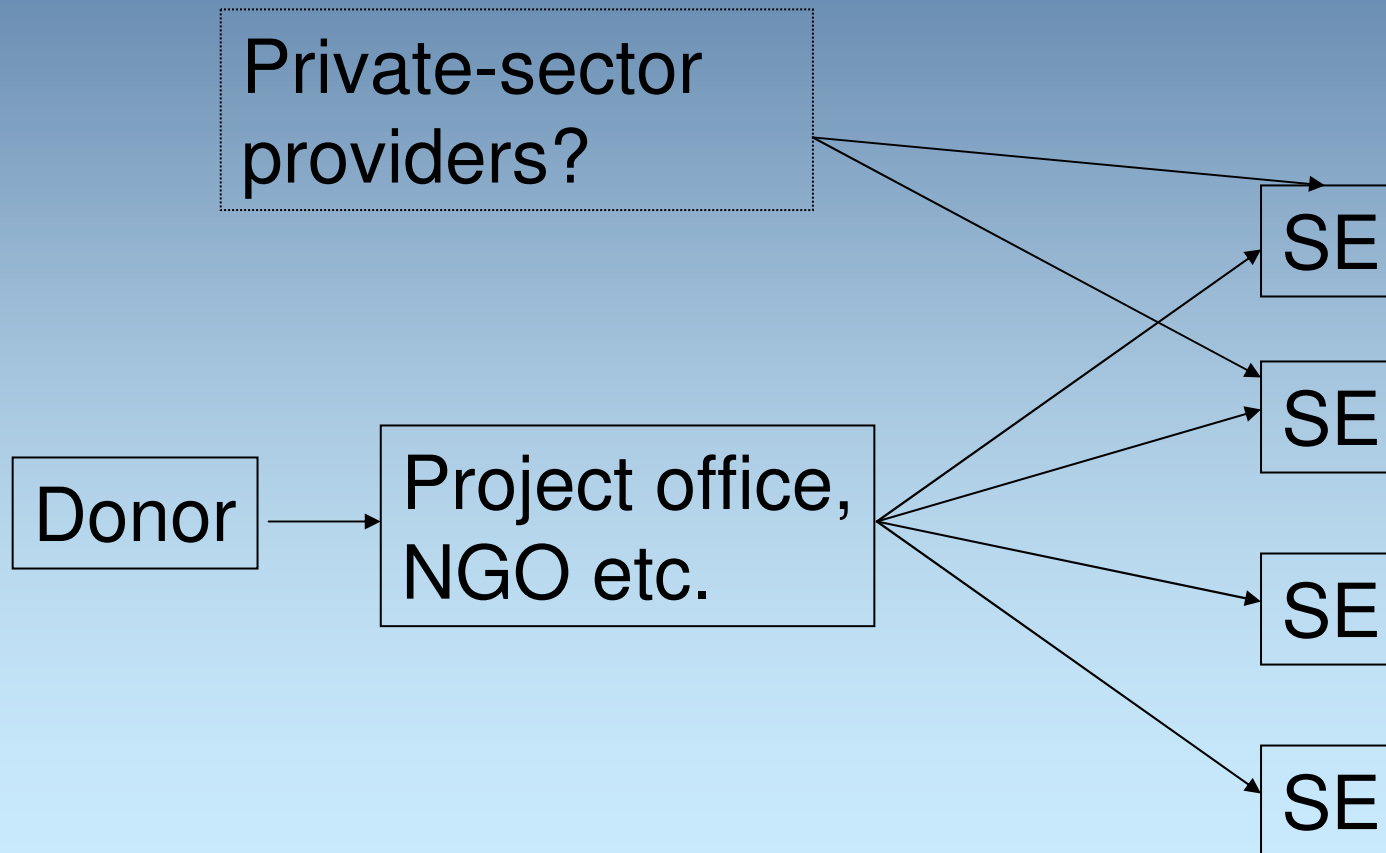
**Gerzensee, 8 January 2004**

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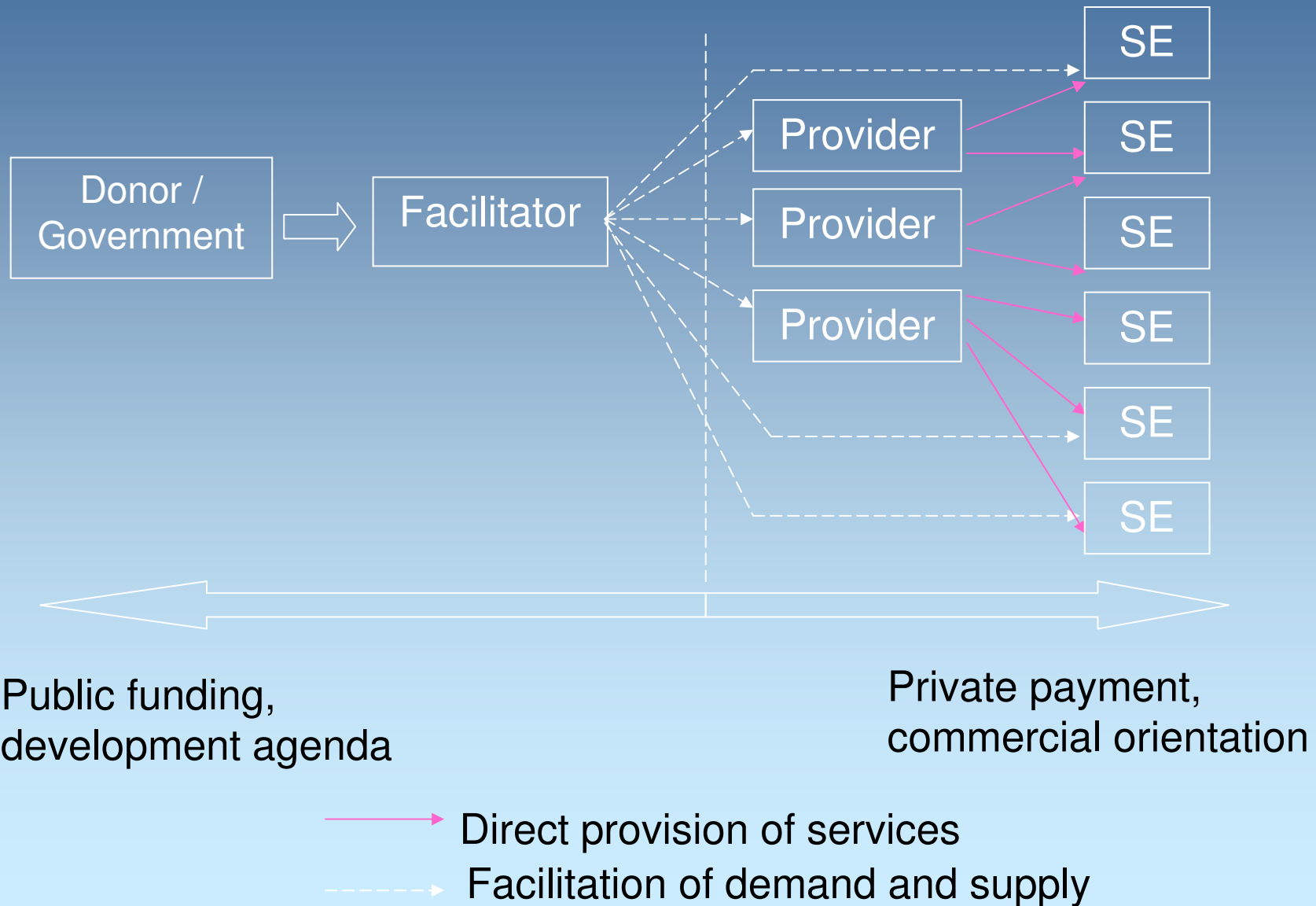
# Outline

- Background to the thinking
- The thematic working groups
- Which systems could help us?
- Some challenges
- Additional resources

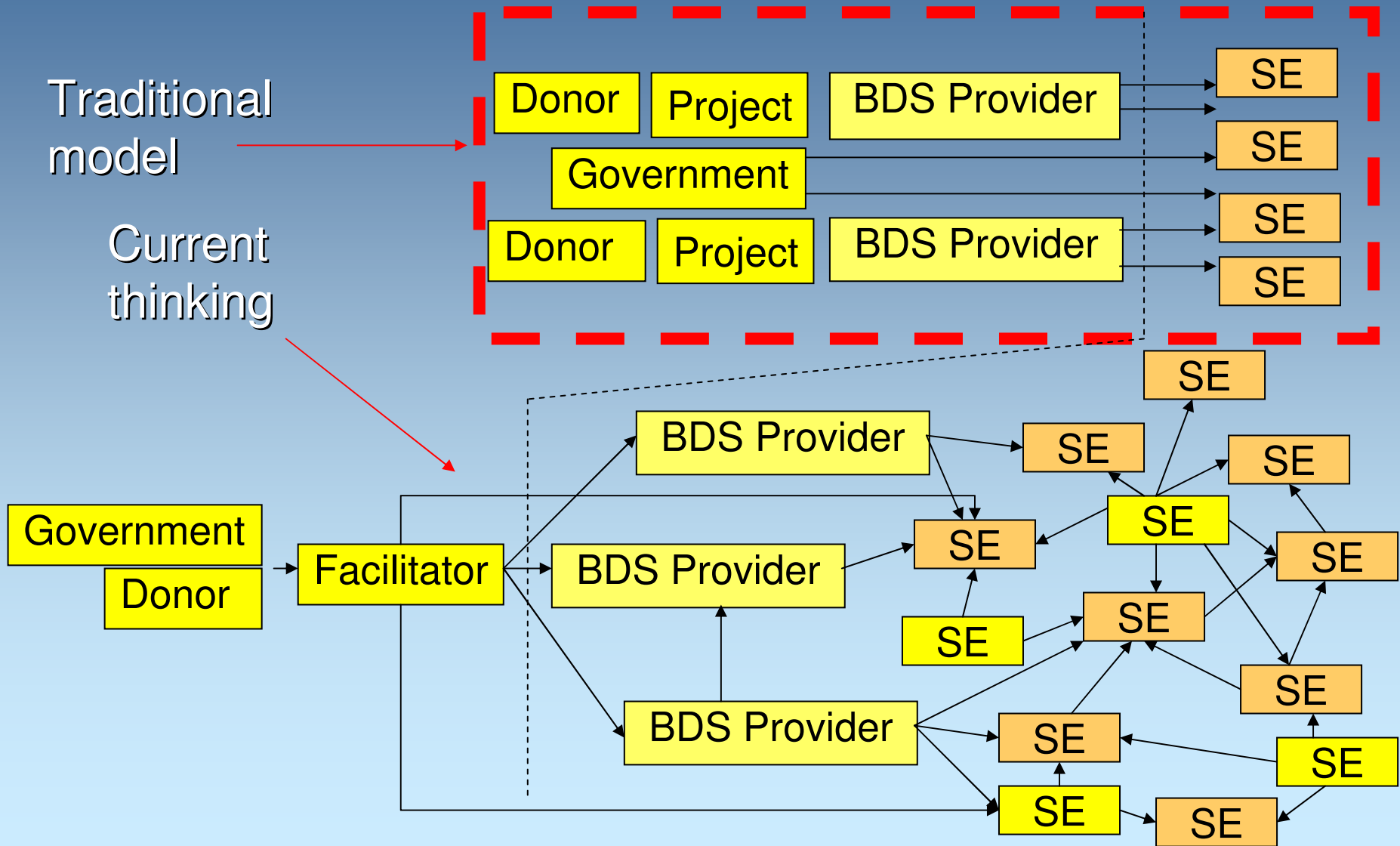
# Background: Traditional approach



# Background: Guiding Principles



# Or more realistically...



# What are the key features?

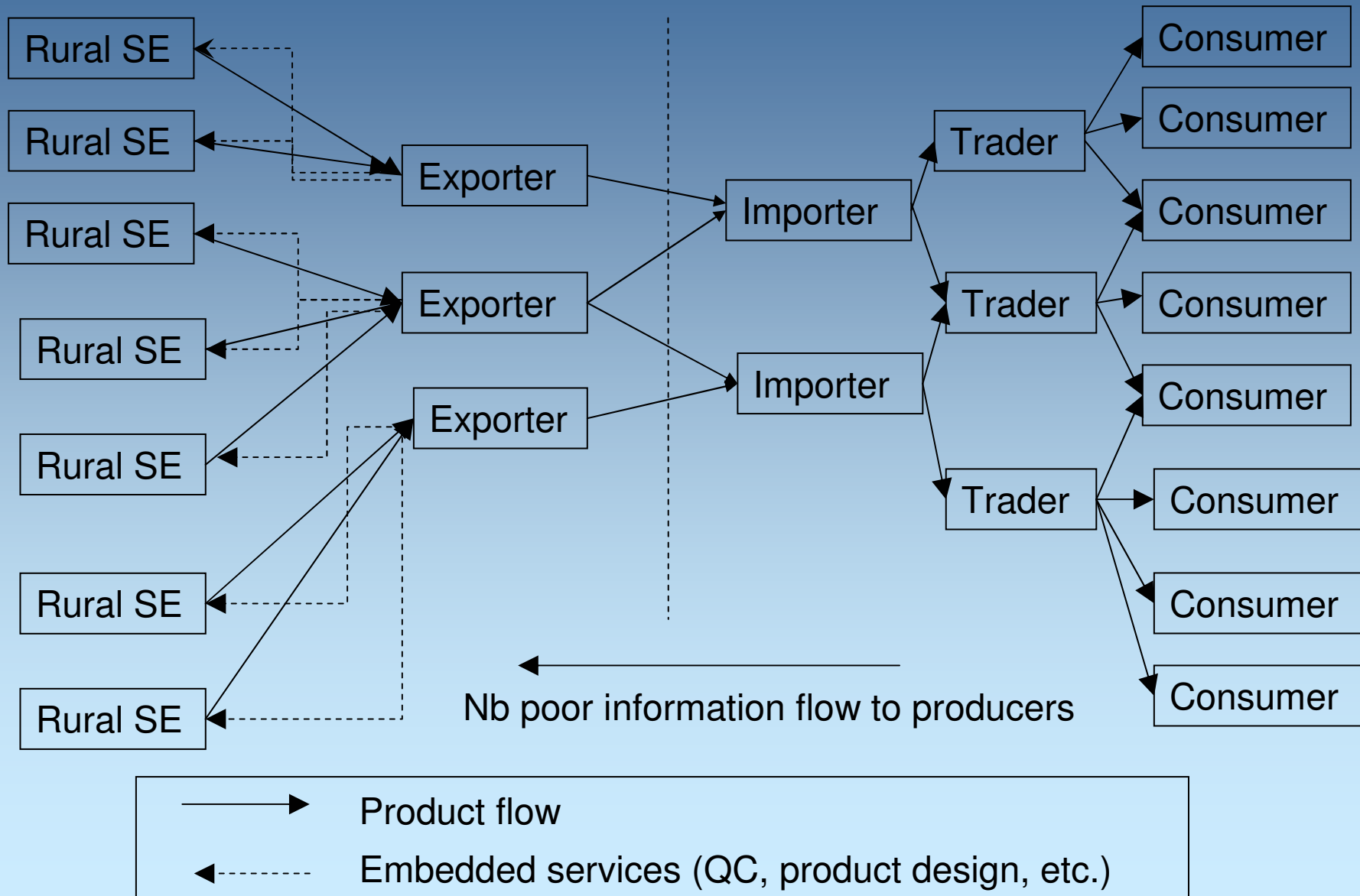
- A shift from meeting the needs of agencies, to thinking about systems, both in analysis and responses
- Sustainability and ownership given greater weight than short-term impacts
- How to work smarter, primarily by challenging implicit assumptions
- But in rural areas, everything is 'weak'...

# The Thematic Working Groups

## Market access

- Merits of starting with potential demand, growth possibilities (-> sub-sector approach?)
- Hard to develop a framework for all aspects of demand; see for example:  
[www.seepnetwork.org/3-14-01/marketaccess.html](http://www.seepnetwork.org/3-14-01/marketaccess.html)  
(but watch those pop-ups!)
- High potential for rehabilitation of those 'evil' middlemen, both as suppliers and customers

# Market access: The challenge of information flows



# Market access: Various solutions

- Improve information flows (e.g. radio, TV, ICTs, newspapers, B2B events, DIY market research)
- Increase power of rural enterprises (e.g. through associations, cooperatives etc.)
- Strengthen/diversify intermediaries, and therefore embedded services
- Strengthen supporting functions (e.g. designers, certification bodies)
- Reach discerning customers in niche markets (e.g. Fair Trade, organics, essential oils)
- Re-orient potential customers (e.g. local authorities, larger companies in supply chains)

# Commercial agricultural extension

- Changing in parallel to BDS, in response to 'Farmer First', but existing provision probably more extensive, entrenched
- Interesting discussions on-going; see e.g. [www.rimisp.cl/agren03](http://www.rimisp.cl/agren03)
- Opportunities mirror those in BDS; solutions emerging around more appropriate standards, embedded services through supply chains, inter-disciplinary approaches etc.

# Mass media

- Unique ability to reach many rural people, without requiring previous participation, literacy, fixed workplace, etc.
- But must be interesting – a challenge for development projects!
- Ownership (in all senses) is a big issue
- Watch for new technology-related opportunities (e.g. 2G cellphones)

# Embedded services / Services inclus / Servicios conexos

- Services provided commercially as part of a business transaction, rather than 'for-fee'
- Provided by suppliers, customers, networks
- Important response to transaction risk, cash flow problems; service may be 'free', on commission etc.
- Can include market information, training, advice, quality control, raw materials etc.

# So which systems could help us?

- Trading systems, including traditional markets, middlemen, exporters, importers
- Commercial mass media, particularly radio
- Local and traditional systems based on the indigenous culture
- Systems for propagation of new and appropriate technologies
- Tourism in various guises, particularly emerging niches around culture, ecology
- New infrastructure (roads, ICTs, etc.)

# Some challenges

- Pressures to think of one-off hits, rather than of creative and systemic solutions
- The time dimension: small enterprises as a transitional step out of poverty
- Information flows, especially in certification of food products, design trends
- Power relationships (e.g. supermarkets)
- Impact assessment (e.g. sample is self-selecting; providers may not be geared up for information collection; diversification may be more likely than vertical growth)

# Resources on rural / embedded BDS

- Fostering Rural Economic Development inter-agency workshop, 2002: <http://www.gtz.de/agro-based-development/english/papers.html>
- BDS database search for 'rural' gives 22 items: <http://www.ilo.org/dyn/bds>
- Gavin Anderson Paper on Embedded Services in Thailand and Viet Nam 1999: <http://www.ilo.org/employment/sedonors> > 'Hanoi Conference'
- Commercial agricultural extension service delivery: <http://www.rimisp.cl/agren03/>

# Additional resources on BDS

- <http://www.ilo.org/dyn/bds>
- <http://www.intercoop.ch/sed>
- <http://www.sedonors.org>
- <http://www.seepnetwork.org/bdsguide.html>
- <http://www.ilo.org/seed>
- <http://www.usaidmicro.org>
- <http://www.springfieldcentre.com>

Thank you  
for your attention