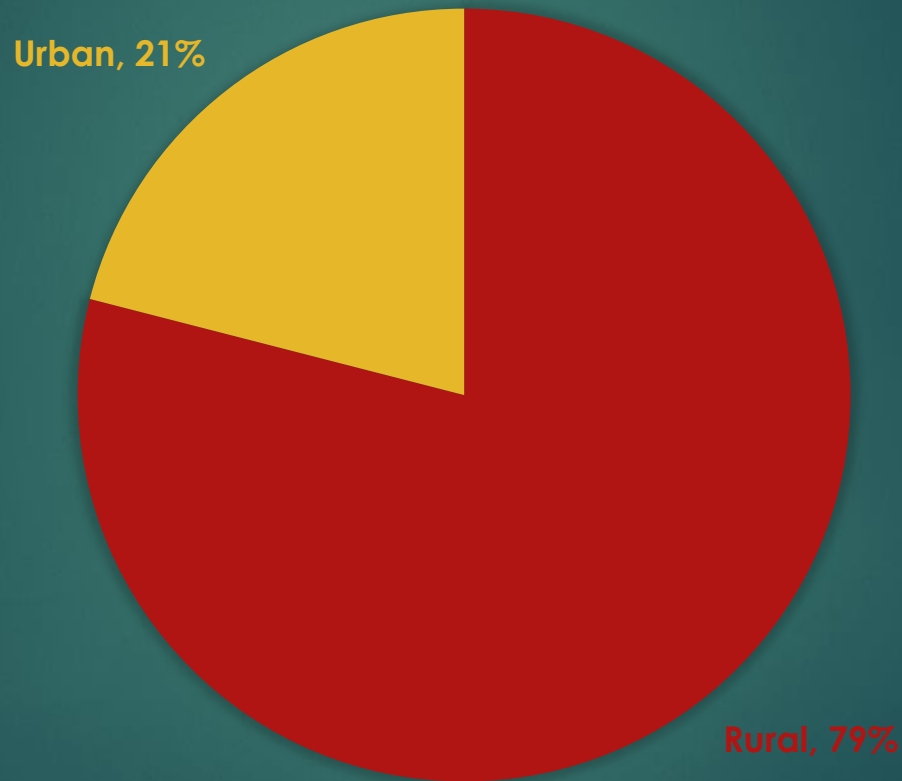


Rural poverty in developing countries: Issues, policies and challenges

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Poverty in the world today is largely rural



Source: World Bank

Rural poverty is most prevalent in Africa

- ▶ Of the world's 736 million poor people, 413 million (56%) are in Africa
- ▶ Africa remains the world's most rural region (nearly 60% population is rural), though urbanization is proceeding rapidly
- ▶ Little structural transformation in Africa compared to Asia and Latin America
- ▶ Pockets of poverty in Asia and Latin America; groups and areas left behind by growth and transformation of recent decades

Drivers of rural poverty, exclusion and disempowerment

Economic

- Low levels of agricultural productivity
- Lack of diversification in rural economies
- Difficulties accessing markets

Social

- Lack of participation in political/policy/planning processes
- Power imbalances within community; issues related to gender, ethnicity etc.

Environmental

- Degradation and scarcity of natural resources
- Impacts of climate change

Emerging opportunities for rural people

Higher gross demand for food, including higher value items

Productivity-enhancing technologies

Strengthened rural-urban linkages

More integrated agri-food value chains

...But rural people not the ones benefiting most

Developing smallholder systems – rural economy benefits

Productivity and economic advantages

Food security advantages

Development of smallholder systems

Community cohesion

Environmental sustainability

But inclusive rural transformation will not happen automatically

- ▶ Poor smallholders are unlikely to be the beneficiaries of emerging market opportunities because...
 - ❖ Political unwillingness to bear public costs associated with rural service provision
 - ❖ Unsuitability and unaffordability of new and advanced technologies in smallholder context
 - ❖ Concentration of market power in the hands of a small number of private actors

Policy entry points

- ▶ If political will exists, entry-points for policies to enable rural people to benefit from emerging opportunities include:
 - ❖ Reconsider efficacy of direct public investment
 - ❖ Explore institutional arrangements
 - ❖ Adhere to good practice and guidelines on responsible governance of tenure of land
 - ❖ Restructure investment policies/regulations
 - ❖ Strengthen integration of rural and urban economies
 - ❖ Finance for climate change adaptation
 - ❖ Reconsider mobility/migration



Thank you!

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