Chapter III

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Poverty, inequality and rural development

Introduction

Extreme poverty is mainly a rural phenomenon. In fact, four of every five people living below the international poverty line reside in rural areas, according to the World Bank (Castañeda et al., 2018). However, there has been tremendous progress in reducing rural poverty over the last decades, partly as a result of successful policy strategies to promote the expansion of economic opportunities for the rural poor and to expand social protection in rural areas.

This progress has not been equitable across the board. The same economic forces that drive poverty reduction, including rural development and urbanization, can cause inequality to rise. In many countries, income inequality has risen over time in rural areas, often in line with increases at the national level. At the same time, inequalities in key markers of opportunity, such as health and education, remain stubbornly high in rural areas, leaving some rural groups behind. These high levels of inequality can greatly dampen gains from growth to people in poverty, even where inequalities are not rising.

Trends in rural poverty and rural inequality cannot be understood in isolation, however. National and regional contexts, policies and institutions matter, as do trade flows, migration and other linkages between rural and urban areas. An assessment of rural trends would therefore be incomplete without a comparison of progress in urban areas. As this chapter shows, the rural-urban divide in access to opportunity remains large, but it is shrinking in many countries.

Poverty is now on the rise as a result of the COVID-19 crisis. All evidence points to possible increases in inequality as well. The pandemic and subsequent lockdown measures have so far affected urban areas disproportionately, but still have had a substantial impact on rural residents. Travel and transport restrictions have disrupted the livelihoods of the rural poor, many of whom depend on mobility, seasonal and migrant work, and remittances. In some countries, there has been a massive return of migrants to rural areas, largely due to job loss. Now, during this decade of action and delivery for sustainable development (United Nations, General Assembly, 2019a), policies at both the national and rural levels will be vital, not only in driving equitable rural development and poverty reduction, but also in strengthening the resilience of rural residents to shocks, including pandemics.

This chapter focuses on the linkages between poverty and inequality in rural areas. It starts by acknowledging that rural conditions are geographically, socially and economically diverse, even within one country. The second and third sections provide an overview of trends in rural poverty, rural inequality and disparities between rural and urban areas across countries. The fourth section compares trends to illustrate that rural poverty and rural inequalities, although interlinked, follow different dynamics. The fifth section discusses policies that promote inclusive development in rural areas, drawing lessons from countries that have succeeded in reducing both rural poverty and rural inequality.

Rural areas are diverse

Location is a key determinant of opportunities and outcomes. Local conditions have a major impact on an individual's chances to live in good health, find decent employment, learn critical skills, and stay out of

poverty. These conditions differ geographically, even between different rural areas in a single country.

Distance to urban markets, flows of goods and services to and from cities, the quality of local infrastructure and public services, the natural resource base, and population density differ strongly between different rural areas. The quality of services and infrastructure, for example, tends to be worse in remote rural areas (Abate et al., 2020; Bird, McKay and Shinyekwa, 2010; Mitra, Dangwal and Thadani, 2008).

Large and persistent differences between rural areas within a single country—geographically, socially and economically—make it difficult to accurately assess rural challenges and opportunities within a single framework. The term "rural" captures a highly diverse group of areas under a common denominator—from the peri-urban, which is very urban in character, to the very remote (box III.1).[1] Therefore, establishing a simple dichotomy between urban and rural areas may be increasingly at odds with how people live.

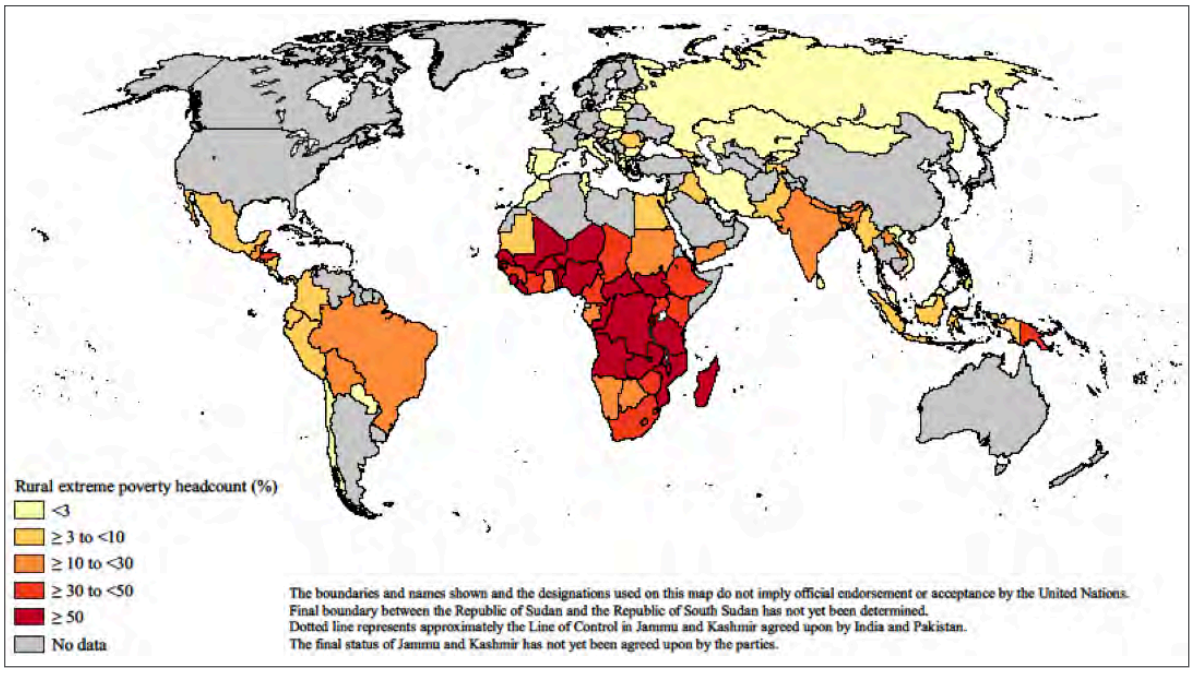
Rural poverty: main facts

Rural poverty is declining fast, but the poorest are being left behind

Poverty levels are generally higher in rural than in urban areas. In developing countries, 80 per cent of people in poverty live in rural areas. About 18 per cent of rural residents live in extreme poverty, as compared to 5.3 per cent of urban residents (Castañeda et al., 2018).[2] The highest rates of extreme rural poverty can be found in sub-Saharan Africa, where in numerous countries, more than half of rural residents are living in extreme poverty (figure III.1).

Figure III.1

Rural extreme poverty headcount[a] for available countries, most recent year



Source: World Bank Global Monitoring Database (GMD).
Note: GMD offers a snapshot of rural extreme poverty estimates for 110 countries based on the most recent survey year (ranging from 2006 to 2018).
a Extreme poverty headcount at $1.90-a-day (2011 PPP prices).

1 IFAD (2019) uses three rural gradations (rural, semi-rural and peri-urban) to proxy for commercialization potential and pairs it with an enhanced vegetation index to proxy for agricultural potential.

2 Based on data for 89 countries in developing regions. See Castañeda et al. (2018) for additional information.

BOX III.1

The challenge of defining rural and urban areas

Obtaining standardized global measures for rural extreme poverty and rural inequality is challenging. Estimates of income poverty and inequality disaggregated by rural and urban areas are not readily available for most countries (United Nations, General Assembly, 2020). Cross-country comparisons are further hampered by the fact that the official definitions of rural and urban differ by country (United Nations, 2018c).

In addition, the characteristics associated with urban and rural areas are becoming increasingly blurred. Areas officially defined as rural can be home to substantial urban growth. For example, Van Duijne (2019) finds evidence of hidden urbanization in villages surrounding rapidly growing secondary cities in Bihar, India. While most villagers make their primary living outside of agriculture, village leaders attempt to hold on to their rural status since this has implications on, inter alia, access to rural development funding. Along the same lines, in West Bengal, part of the population currently classified as living in rural villages along the Dhulian–Malda corridor are in fact living a mostly non-agricultural life in a contiguous, built-up area of over 250,000 people without any form of urban governance (Van Duijne and Nijman, 2019). More broadly, the transformation of agrifood systems and economic diversification in rural areas has intensified the economic linkages between these areas and cities, heightening the need for a more fluid spatial definition (IFAD, 2019).

How "urban" is defined may even differ between different data sources within a given country, challenging any attempt to combine information from multiple sources. Moreover, what exactly constitutes an urban area is highly context dependent and, as the urbanization process unfolds, also likely to change over time. It is therefore challenging to adopt uniform criteria that distinguish rural from urban areas. For example, setting a minimum threshold of 3,000 inhabitants as a designation for "urban" may not be meaningful in a populous country where rural settlements have many inhabitants, while lacking most of the typical characteristics that would be expected of urban areas. As it stands, national statistical offices remain best placed to determine a suitable definition for their respective countries.

By way of example, in preparing the United Nations *World Urbanization Prospects*, urban areas are not defined solely based on fixed administrative boundaries, as they may miss important issues, such as suburban areas just beyond these boundaries or large agricultural zones within them. When available, two alternative concepts are applied, namely the urban agglomeration and the metropolitan area. The former refers to a contiguous territory with an urban level of population density, while the latter expands on this by also including surrounding areas with lower settlement density under direct influence of the city.

Ambiguities in the definition of urban areas challenge the use of administrative data. Accurate analyses of the spatial disparities between rural and urban areas call for the use of alternative data sources, such as satellite imagery of land cover or night-time light intensity.

Source: UN DESA.

The situation of the rural poor is made worse by deficiencies in access to public services, infrastructure and social protection. The COVID-19 pandemic has compounded their already vulnerable position by reducing incomes, limiting mobility and reducing food security. Historically, as incomes fall, people living in poverty fall back on the consumption of staples and cut back on meat, dairy, and fruits and vegetables, affecting food security and nutrition (FAO, 2020b). However, early evidence suggests that those pushed into poverty by COVID-19 differ from the current global poor, with many of those newly forced into poverty more likely to live in urban areas and work outside of agriculture (World Bank, 2020b).

Despite persistent rural disadvantages, the data available indicate that poverty is declining faster in rural than in urban areas. Figure III.2 compares changes in rural and urban poverty in 19 countries with data available. All but one of the countries fall above the diagonal line, indicating faster progress in rural areas. Among

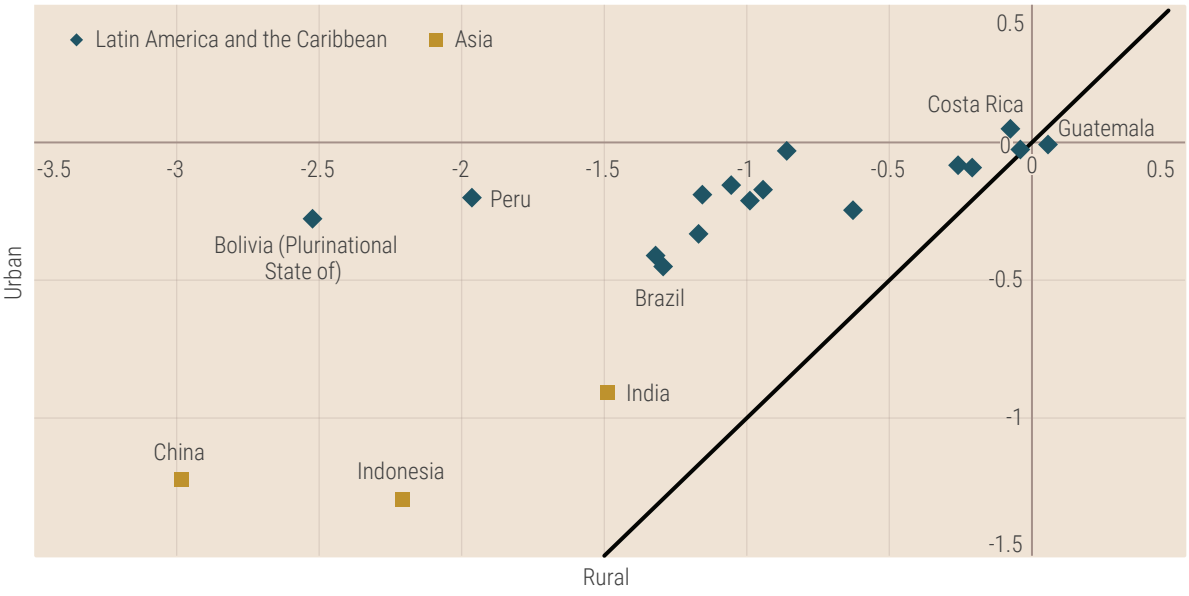
the countries shown, Bolivia (Plurinational State of), Brazil, China, India, Indonesia and Peru have made the most progress in reducing extreme poverty rates in rural areas. The drivers of these rapid poverty declines differ by country (box III.2 compares the experiences of Brazil and China). The exception to this pattern of fast rural poverty decline is Guatemala, where rural extreme poverty has increased slightly since 2000, as smallholder farms have seen productivity decline or stagnate (Sanchez, Scott and Lopez, 2015). Among the countries in the dry corridor of Central America, Guatemala is the one that has experienced the longest and most severe droughts in recent years (OCHA, 2020). Increased droughts and other disasters related to climate change are affecting the growth cycle of its key subsistence crops. While comparable estimates of rural poverty are not available for other countries (box III.3), the available evidence suggests that faster rural than urban poverty reduction is a common pattern (Kharas et al., 2020; Asian Development Bank, 2014).

Despite important declines in rural poverty, reaching the very poorest remains challenging. Over the past 30 years, developing regions have made little progress in raising the "poverty floor"—a measure of the level of consumption of the very poorest (Ravallion, 2016a). In other words, the poorest have been left behind. Based on estimates of multidimensional poverty, which considers overlapping deprivations in education, health and living standards, poverty is not only higher in rural than in urban areas but also more intense (UNDP and OPHI, 2020; Alkire et al., 2014). In other words, reaching the very poorest largely means reaching the rural poorest.

These most extreme forms of poverty are often chronic: they affect people for substantial periods of time or even their entire lives, and their disadvantage is often passed on to the next generation. People living in rural areas, particularly remote rural areas, account for a substantial proportion of the chronically poor. Tackling chronic poverty is challenging for several rea-

Figure III.2

Average annual percentage point change in extreme poverty headcount[a] in rural and urban areas in selected countries, 1990s to 2010s



Source: UN DESA calculations, based on data from LAC Equity Lab: Poverty–Poverty Rate and PovcalNet.
Notes: Data is from 19 countries (16 from Latin America and the Caribbean and 3 from Asia), representing 47 per cent of the 2020 world population. The diagonal dashed line represents points where the change in rural and urban areas is identical.

a Extreme poverty headcount at $1.90 a day (2011 PPP prices).

BOX III.2

The drivers of rural poverty reduction in China and Brazil

China and Brazil have seen rapid reductions of extreme poverty in rural areas. Extreme poverty (living on less than $1.90 a day) dropped from 79 per cent in 1990 to less than 1 per cent in 2018 in rural China[a] and from 27 per cent in 2001 to 9 per cent in 2015 in Brazil.[b]

Both countries experienced rapid economic growth and shared a strong political commitment to eradicate poverty. They also recognized the role of agriculture in poverty reduction. China incentivized production through the Household Responsibility System, and linked small-scale agricultural producers to the non-farm economy through agribusiness and cooperatives and other non-agricultural enterprises at the village and township level. Brazil viewed farming as a major force to drive growth in the rural economy and ensure food security and nutrition for all. Both countries stressed coordination between sectors, and developed institutional mechanisms to improve the reach of policies on poverty reduction and hunger eradication.

However, the main drivers of poverty reduction differ significantly between the two countries. While agricultural growth drove poverty reduction in China, rural pensions were essential for reducing poverty in Brazil. In China, primary sector growth in the rural economy, particularly coastal areas, has contributed more to poverty reduction than urban economic growth. Low levels of inequality in key physical and human assets ensured that people living in poverty were able to benefit from growth (Ravallion, 2011). The relatively equal distribution of farmland after the pro-market economic reforms of the 1980s was particularly important in ensuring pro-poor growth in China.

In Brazil, social pensions and cash transfer programmes (both conditional and unconditional) have played an important role in poverty reduction since the late 1990s. The rural pension, in particular, has been essential, reducing extreme poverty among the rural population by about 37 per cent in 2008 (Barbosa, 2011). The substantial reduction in inflation rates from 1994 onwards contributed to reducing poverty as well.

Hence, while rural economic growth and a relatively equal distribution of assets were the main drivers of poverty reductions in rural China, Brazil resorted to a combination of pro-poor social policies and macroeconomic policies. However, over the past decade, China has also expanded social protection in rural areas, through programmes such as the *dibao* rural minimum income guarantee scheme introduced in 2007 and a rural pension pilot programme that started in 2009 and was accelerated beginning in 2012.

Source: UN DESA.

a Data from PovcalNet.

b Data from LAC Equity Lab: Poverty—Poverty Rate.

sons. First, people who live in long-term poverty lack assets, and those available to them provide meagre returns. They tend to live in marginal areas—those more prone to natural disasters such as droughts and floods—and do not have the resources needed to cope with shocks. Second, due to their identity or because of where they live, many face barriers in accessing land, housing, decent work and credit; they are often discriminated against, overlooked by institutions and lack political voice. Third, deep, chronic poverty is often hidden. The very poor are often landless, live in underserved areas, are employed in the informal sector or lack official forms of identification. They are often missed in household surveys and may have difficulty accessing public services. The poorest may also live in households that are classified as non-poor, due to intrahousehold dynamics and inequality, which often affects rural women and children.

Rural inequalities

Lower income inequality in rural areas

While poverty is higher in rural than in urban areas, income inequality is often lower in the former. This is the case in 44 of the 56 countries with rural and urban income inequality estimates available (based on

BOX III.3

Harmonized information on rural poverty is scarce

Poverty estimates are based on nationally representative household survey data (either income or consumption).[a] National household surveys are not available in all countries or are not collected with sufficient regularity. Where they are available, they are rarely representative beyond the first administrative level (e.g., regions or States within a country) and, therefore, poverty levels cannot be easily estimated for smaller areas or clearly associated with rural heterogeneity in agroclimatic characteristics and livelihoods.

In order to estimate extreme poverty for a country at the international poverty line in a given year, the survey data must be combined with data on purchasing power parity exchange rates and inflation. In order to project estimated poverty rates for non-survey years, consumption or income data is extrapolated based on real economic growth rates.

Since prices can change rapidly, intertemporal price deflators are required to compare real standards of living over time. In addition, prices do not only vary between countries, but also within them. To compare standards of living within a country, adjustments must be made for geographic differences in prices. Without these price adjustments, a national level poverty line would overestimate poverty in areas with lower prices (such as rural areas) and underestimate it in areas with higher prices (such as urban areas).

Compiling the necessary variables from household surveys and making them comparable across countries with data available is a major undertaking. Different countries use different methods and questionnaire designs to estimate household income and consumption. Additionally, questionnaires are frequently changed over time. This heterogeneity limits the comparability of poverty and inequality estimates between countries, and sometimes even within countries over time.

Given these data requirements, time series data of extreme poverty estimates that are disaggregated geographically (e.g., by rural and urban area) are not readily available or comparable across countries.

Source: UN DESA.

a See Ferreira et al. (2016) for a more in depth-discussion of the complexities involved in estimating the global poverty count.

the Gini coefficient).[3] Cities are engines of growth, accounting for 80 per cent of global gross domestic product (UN-Habitat, 2016). Agglomeration economies promote productivity, innovation and social mobility in cities, and therefore attract people of diverse skill levels and occupations. Hence, incomes in the top percentiles of the national distribution are mostly earned in cities.

There are exceptions, however, with higher rural than urban income inequality in countries that span all regions. The largest difference is found in Bolivia (Plurinational State of), where the Gini coefficient of rural income inequality was 10 points higher than the urban Gini coefficient in 2018. High rural inequality is linked to the localized benefits and distributional consequences of hydrocarbon extraction—specifically gas in the department of Tarija (Humphreys Bebbington and Bebbington, 2010). However, inequality has declined substantially in both rural and urban areas of the country, dropping by 10 and 16 points between 2005 and 2018, respectively. Evidence suggests that labour income growth for lower-income groups was the main driver for this reduction in inequality (Vargas and Garriga, 2015).

Rural-urban inequality following national trends

Despite differences in levels, income inequality trends are similar in urban and rural areas. For 79 per cent of countries with data available, inequality as measured by the Gini coefficient either increased or decreased both in rural and urban areas, along the lines of a shared national trend (table III.1). Figure III.3 illustrates

3 Based on the latest available year of data on income inequality measured using the Gini coefficient. See Annex table III.A.1 for details.

this shared trend graphically, based on the example of four countries from different regions.

Regions, rural and urban areas, and different sectors of the economy are linked—including through trade and migration—and share common institutions and national development patterns. The roll-out of social protection programmes or the implementation of national education plans, for instance, generally help reduce inequality in both urban and rural areas. Rural development, including poverty and inequality trends, are affected by national and regional economic, social and political contexts, including linkages between urban and rural areas.

Rural-urban linkages

The extent of these linkages depends on the proximity and connectivity of rural areas to urban centres, the levels of migration and remittances, and the distribution of resources and public services, among others. Rural economies depend on urban demand for their products and services. They also rely on transport networks and local or regional markets to sell outputs

Table III.1

Number and percentage of countries experiencing an increase or decrease in the rural and urban Gini coefficients, 1990s to 2010s

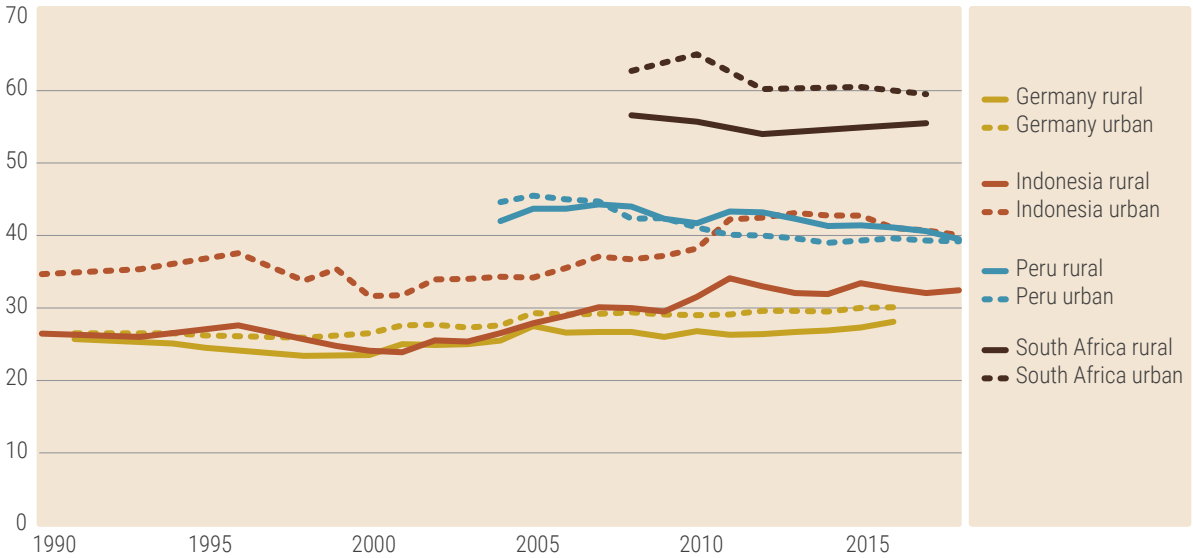
		Urban			
		Increase		Decrease	
		Number	Percentage	Number	Percentage
Rural	Increase	16	29	4	7
	Decrease	8	14	28	50

Source: UN DESA calculations, based on data from LAC Equity Lab: Income inequality—Urban/rural inequality (SEDLAC tabulations), Luxembourg Income Study's Data Access Research Tool, PovcalNet, the National Statistical Office of Thailand, the National Statistical Office of Mongolia, the National Statistics Office of Mongolia and World Bank (2020), and UNU-WIDER's World Income Inequality Database.

Note: Data is from 56 countries (6 from Africa, 17 from the Americas, 11 from Asia and 22 from Europe), representing 63 per cent of the 2020 world population.

Figure III.3

Trends in the rural and urban Gini coefficients for four selected countries, 1990s to 2010s



Source: UN DESA, based on data from LAC Equity Lab's tabulations of SEDLAC (Peru), Luxembourg Income Study's Data Access Research Tool (Germany and South Africa) and PovcalNet (Indonesia).

from rural production. In other words, urban development can spill over and generate economic activity in neighbouring rural areas.

The creation and expansion of small towns, for instance, plays a crucial role in the diversification of rural non-farm incomes, labour mobility, and the building up of agrifood systems. Linkages to towns strengthen connections of rural economies to different segments of the agricultural value chain—including storage, processing and packaging—and stimulate a greater variety of employment opportunities for rural communities. This diversification of economic activities and jobs can be an important source of livelihood for those rural poor who are unable to move out of poverty through agriculture alone.

Poor access to education, health care and other services in rural areas stands as a barrier to human capital accumulation, hampering the ability of the rural poor to participate fully in economic growth. Expanded economic activities and employment in non-agricultural sectors—including those generated as a result of growth in neighbouring towns—can provide alternative livelihood options and potentially higher wages than in agriculture, but are likely to demand new or higher-level skills. Even within the agricultural sector, farming is becoming more technology intensive, and more advanced, productive farming methods will increasingly require higher levels of education and technical skills (Ravallion, 2016b). Over time, these disparities can leave the poorest residents in rural areas behind—especially poor women—as the country progresses.

Migration is a key diversification strategy for rural households. It benefits rural areas through remittances and knowledge and through skills transfers, helping reduce poverty. It may even push rural wages upward. Remittances are invested in the farm and non-farm sectors, partially making up for poorly functioning rural credit markets. This can create new employment opportunities in the sending rural areas and can fund investment in mechanization and innovation, improving productivity. Studies in developing countries highlight the central role of remittances in boosting investments in sustainable agriculture and climate change adaptation among recipient households (FAO et al., 2018). Remittances also provide insurance against shocks, including natural disasters and health epidemics. At the same time, rural economies can be negatively impacted if they lose a significant share of their young, educated and/or skilled workers through outmigration.

Converging access to basic services and opportunities between rural and urban areas

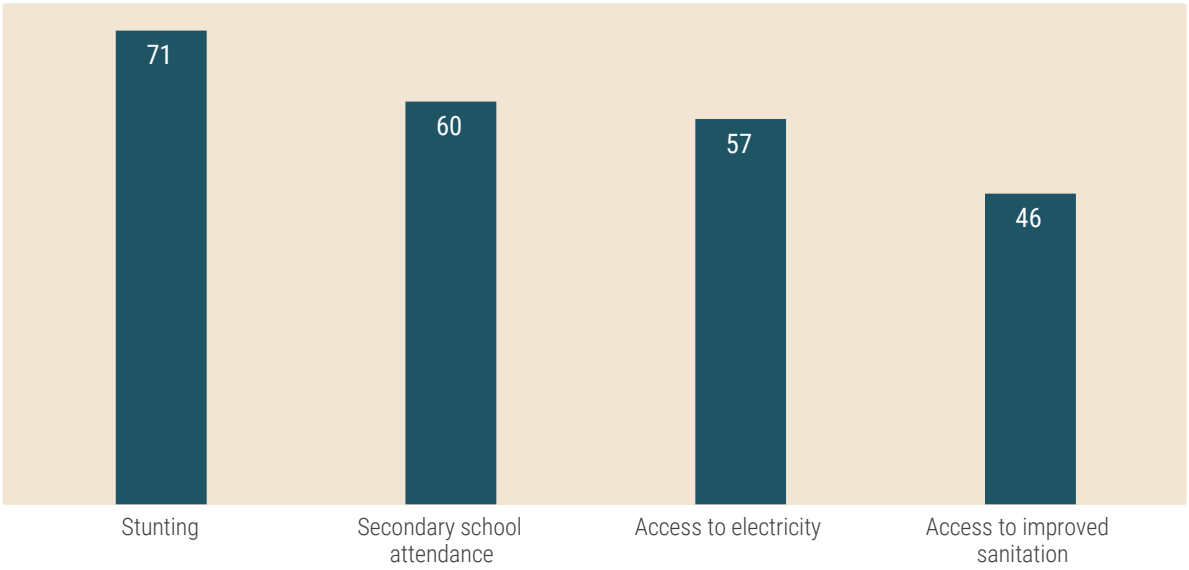
Inequalities between urban and rural areas can be significant. Generally, living in an urban area gives one access to more job opportunities, better education, higher-quality health services, safer drinking water and more advanced infrastructure. Extreme poverty is largely a rural phenomenon, despite faster improvements in rural areas.

However, rural-urban gaps in basic health, education and other dimensions of well-being are declining in many developing countries with data available. On average, progress in secondary school attendance, the reduction of stunting, and improvements in access to electricity has been faster in rural than in urban areas since the 1990s in more than half of all countries with data available (figure III.4). The exception is in access to improved sanitation, where rural-urban gaps have decreased in slightly less than half of all countries with data available. Nevertheless, even if the progress observed in these dimensions of well-being continues, rural areas will still lag far behind urban areas by 2030 (United Nations, 2020e).

At the same time, technological innovation is generating new forms of inequality. Access to information and communications technologies (ICTs), for instance, can make an important contribution to poverty reduction by providing rural residents with the skills, knowledge and information they need to develop their livelihoods. The rural-urban digital divide is still vast: most of the 3.8 billion people who are offline live in rural areas. Globally, rural residents were 40 per cent less likely to use mobile internet than urban residents in 2018. In sub-Sharan Africa, they were 58 per cent less likely to do so (ITU and UNESCO, 2019).

Figure III.4

Percentage of countries with declining urban-rural gaps in basic indicators of well-being, 1990s to 2010s



Source: UN DESA calculations, based on data obtained from Multiple Indicator Cluster Surveys (MICS) and Demographic and Health Surveys (DHS).
Note: See Annex table III.A.2 for list of countries, data and calculation methodology.

While the use of ICTs has increased in schools worldwide, mobile learning opportunities are particularly lacking. In response to the COVID-19 pandemic, governments around the world have instituted school closures and remote learning policies. However, an estimated 463 million students worldwide have been cut off from education and cannot be reached by digital and broadcast remote learning programmes (UNICEF, 2020). Over 70 per cent of these students live in rural areas, causing rural students to fall further behind their urban peers. Moreover, these school closures have a cascade of consequences that may expand rural-urban disparities, such as reduced food and nutrition security or reduced school enrolment for adolescent women and girls.

High inequality of opportunity in rural areas

Differences within rural areas are often as stark as those between rural and urban areas. The *World Social Report 2020* (United Nations, 2020e) showed that major progress in fulfilling basic needs, such as improved child health and completion of primary education, has helped to reduce gaps between rural and urban areas. Within rural areas, however, gaps in these basic markers of opportunity are persistent for specific groups.

Table III.2 shows disparities in child stunting and secondary school attendance within rural areas by characteristics of the household head (educational level, wealth quintile) in a large sample of developing countries. Children in richer and in highly educated rural households are twice as likely to attend secondary school and significantly less likely to suffer from stunting. Households in rural areas with a well-educated household head are almost as well off as the average household in an urban area. The same is true for rural households in the two wealthiest quintiles. Households with either an uneducated head or from the bottom two wealth quintiles, on the other hand, are far worse off. Moreover, these differences are not narrowing. On average, stunting gaps have not changed since the 1990s and progress in secondary school attendance is faster among children from more educated and richer

Table III.2

Trends in stunting[a] and secondary school attendance[b] by rural household head completed education level, rural wealth quintiles and urban average, 1990s to 2010s

Percentage

	Stunting					
	Rural					Urban
	Education level of household head			Household wealth[c]		
	No education	Primary	Secondary and higher	Poorest quintiles	Richest quintiles	Average
1990s	45	40	31	42	30	27
2010s	37	30	24	33	20	20
Average change[d]	-0.5	-0.7	-0.4	-0.6	-0.6	-0.5

	Secondary school attendance					
	Rural					Urban
	Education level of household head			Household wealth[a]		
	No education	Primary	Secondary and higher	Poorest quintiles	Richest quintiles	Average
1990s	15	27	43	22	40	47
2010s	23	40	56	37	60	61
Average change[d]	0.6	1.0	1.0	1.1	1.4	1.1

Source: UN DESA calculations, based on data obtained from Multiple Indicator Cluster Surveys (MICS) and Demographic and Health Surveys (DHS).

Note: Stunting data is based on 44 countries for the rural education level of the household head, 50 countries for rural wealth quintiles and 51 countries for the urban average. Secondary school attendance data is based on 36 countries for the education level of the household head, 44 countries for wealth quintiles and 45 countries for the urban average.

a Stunting measures the proportion of children below minus two standard deviations from the median height-for-age of the World Health Organization Child Growth Standards.

b Secondary school attendance measures the proportion of children in the secondary school age range attending secondary school at the time of the survey.

c Poorest quintiles are a combination of "poorest" and "poorer," while richest quintiles are a combination of "richer" and "richest".

d Average annual percentage point change.

households, leaving those who are already struggling to catch up still further behind.

Unequal opportunities also manifest across other groups. Indigenous peoples and many ethnic minority groups suffer from worse health and educational outcomes across countries and are much more likely to live in poverty than the ethnic majority—the outcomes of a shared history of marginalization and discrimination (Hall and Patrinos, 2012; United Nations, 2018a; United Nations 2020e). While these groups are at disadvantage in both rural and urban areas, the available evidence points to greater ethnic gaps in wealth and opportunity in rural areas (United Nations, 2016; World Bank, 2020a). In Belize, for instance, the percentage of mestizo children completing lower secondary school is two thirds that of Creole children in rural areas, as compared with nearly 90 per cent in urban areas (United Nations, 2016). In the former Yugoslav Republic of Macedonia, the percentage of Albanian children completing this level of schooling is less than 75 per cent that of Macedonian children in rural areas, but close to 90 per cent in urban areas (ibid.).

For indigenous peoples, spatial disadvantage has been perpetuated by the State through the dispossession of land, deforestation, housing policy, zoning rules and laws regarding land use. In addition to threatening indigenous peoples' way of life and identity, geographic concentration in rural and remote areas with poor infrastructure and few opportunities for non-agricultural employment leads to the observed lower levels of education, poorer health, higher rates of unemployment and informality, and lower returns on productive activities among these groups (Hall and Patrinos, 2012; United Nations, 2016; World Bank, 2020a). Indeed, indigenous peoples living in rural areas are more than twice as likely to live in extreme poverty (22.4 per cent) than their non-indigenous rural counterparts (10.6 per cent) (ILO, 2020). Globally, 55 per cent of employed indigenous peoples work in agriculture, compared to only 27 per cent of the non-indigenous population, and they work much more often in informal employment (ibid.).

In addition, indigenous and ethnic minority cultures and languages have historically been suppressed and undermined, in large part through colonization. Few countries today actively suppress indigenous cultures or those of ethnic minorities, but the failure in many to take cultural differences into consideration means that disparities between indigenous and ethnic minorities and non-indigenous and ethnic majorities persist. For instance, as much as 40 per cent of the world's population does not have access to education in a language they speak or understand, limiting their prospects for the future (UNESCO, 2016).

The overlay of gender with rural residence confers additional disadvantages to rural women, who face more obstacles in accessing education than rural men or urban women; lower levels of ownership and control of assets; and less access to paid employment and public services. Traditional values and norms—which often prevent women from taking some or all types of jobs—together with lower levels of public service provision in rural areas, deny rural women the opportunity to participate fully in society as independent socioeconomic agents.

When active, women in agriculture operate smaller farms and are much less likely to use inputs such as credit, fertilizer, improved seeds and mechanical equipment than rural men (FAO, 2011). As a result, rural women in agriculture produce less than men, with the gap in productivity being caused by differences in input use. Closing the gender gap in access to inputs could increase yields on women-owned farms by 20–30 per cent (ibid.). Due to a greater overall workload—which includes low-productivity activities like fetching firewood or water and unpaid care and domestic work—rural women also face greater time poverty than men.

Out of the world's 1.2 billion young people aged 15 to 24, nearly 1 billion reside in developing countries (IFAD, 2019). Rural youth make up about half of all youth in developing countries and the growth of this group is concentrated in the world's poorest developing countries. This large base of young people offers tremendous opportunity in the form of a demographic dividend. However, young people in rural areas also face specific challenges: They are much more likely to be unemployed than adults and face difficulties in accessing land, finance and education. Rural youth need a vastly different skillset from their parents. For example, markets have expanded into new areas, and the digital revolution is making access to information increasingly important. Young people need to know how to manage these new networks and utilize new modes of communication. Only when young people in rural areas are enabled to successfully navigate the rapidly changing reality—from changing dietary habits and the rise of automation to climate change—will they be able to prosper, to access and seize opportunities, and to contribute to sustainable development in rural areas.

The disadvantages of living in rural areas—including inadequate access to infrastructure, efficient transportation, public services and health care—are particularly challenging for older persons. They are more likely than younger persons to work, or have worked, in the agricultural and informal sectors, and many lack savings, health insurance and pension coverage for their old age (United Nations, 2011; UNECE, 2017).

Urbanization holds prospects and challenges for these disadvantaged groups. Not only do cities promote greater social and economic mobility and better access to opportunities and markets, but they

are less constrained by traditional values and provide a more anonymous space that enables members of these groups to escape discrimination and exclusion. At the same time, ethnic groups tend to cluster residentially in cities, with negative consequences when such segregation amounts to a geographic concentration of poverty (United Nations, 2018a). In addition, the urban advantage, in terms of fulfilling basic needs and providing better opportunity, is shrinking in many countries.

Reducing poverty and inequality in rural areas: complementary goals?

Many countries have succeeded in reducing rural poverty over the past decades, including through rural development strategies. However, few of these strategies aim explicitly at reducing inequality. An important question thus arises as to whether reductions in rural poverty have gone hand in hand with reductions in rural inequality.

Rural poverty and rural inequality: different dynamics

Reductions in rural poverty do not always occur in tandem with reductions in inequality. Figure III.5 illustrates trends in rural poverty and rural inequality, as well as national inequality, based on the examples of six countries. In Bolivia (Plurinational State of), Brazil and Ecuador, rural poverty decreased along with rural inequality from the 2000s to 2010s. However, over a similar period in China, India and Indonesia, rural inequality increased or maintained around the same level while rural poverty fell. In all six countries, changes in rural inequality roughly followed the same trend as that of national inequality.

Additional data on rural-urban gaps support the finding that rural income inequality can rise despite progress in reducing other dimensions of disadvantage. Table III.3 shows trends (annual changes) in the Gini coefficient of rural income inequality, rural poverty, where available, and rural-urban gaps in health, education and other indicators of well-being. Some countries have made progress across the board: in four of the five Latin American countries shown as well as Mongolia, rural poverty and inequalities (in rural areas and between urban and rural areas) have mostly declined between the 1990s and the late 2010s. By contrast, in Bangladesh, India, Indonesia and Viet Nam, rural Gini coefficients have increased, while rural-urban gaps in well-being have declined. These four countries serve as examples of how rural income inequality can rise despite relative improvements in other social indicators.

Rural poverty and inequality trends: different drivers

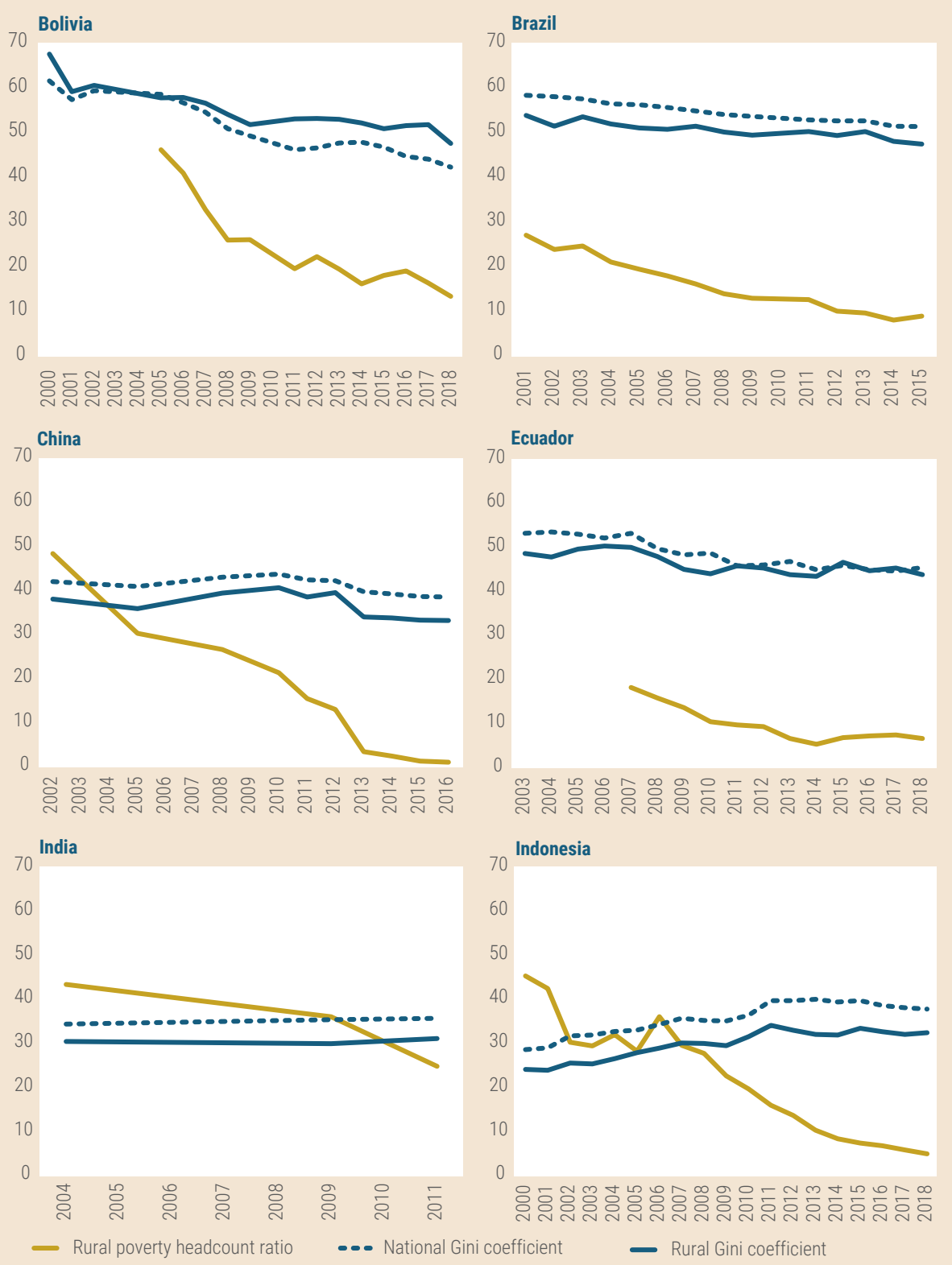
Over the course of development, the same economic forces that drive poverty reduction can cause inequality to rise. Especially in phases of rapid growth, a rising tide can bring many out of poverty while concurrently widening inequality, as certain regions or segments of the population become frontrunners or reap higher returns to their investments than the rest (see box III.4 for an example from rural India). Kuznets (1955) posited that primarily rural and agricultural societies see growth accelerate during the initial phases of development through rapid urbanization and an economic transition to non-agricultural activities.[4] Those at the frontlines of this structural transformation stand to reap substantial gains through higher wages. As countries develop further, increased wealth should enable the introduction of broad-based education and social protection, leading to a reduction of inequalities.

Regional and time trends suggest that declines in inequality are not a systematic outcome of growth and development, however (United Nations, 2020e). Trends in the distribution of income within countries, in particular, are shaped by national policies and institutions as well as global forces. In the rural context, agricultural development, a key driver of rural poverty reduction, can exacerbate rural inequality as segments of the rural population differ in their participation in the sector's growth. This can arise from disparities in access to resources among population groups or districts. For instance, if land is unequally distributed,

4 See chapter II for a broader discussion on structural transformation.

Figure III.5

Trends in national and rural Gini coefficients and rural poverty headcount in selected countries, 2000s to 2010s



Source: UN DESA. Poverty calculations based on data from LAC Equity Lab: Poverty—Poverty Rate and PovcalNet. Gini coefficient calculations based on data from LAC Equity Lab: Income inequality—Urban/rural inequality (SEDLAC tabulations) and PovcalNet.

Table III.3

Trends in the rural Gini coefficients, rural poverty headcount, and urban-rural disparities, 1990s to 2010s

Annual change

	Rural		Rural-urban gap			
	Inequality	Poverty	Stunting	Secondary attendance	Sanitation	Electricity
Bolivia	▼	▼	▲	–	▼	▼
Colombia	▼	▼	▼	▼	▼	▼
Dominican Republic	▼	▼	▼	▼	▲	▼
Gambia	▼	–	▼	▲	▲	▲
Guatemala	▼	▲	▼	–	–	▼
Mongolia	▼	–	▼	▼	▼	▼
Peru	▼	▼	▼	▼	▼	▼
Serbia	▼	–	▼	▼	▼	▲
Thailand	▼	–	▼	▲	▼	▼
Bangladesh	▲	–	▼	–	▼	▼
Côte d'Ivoire	▲	–	▼	–	▲	▲
Ethiopia	▲	–	▲	▼	▲	▲
India	▲	▼	▼	–	–	▼
Indonesia	▲	▼	–	–	▼	▼
Malawi	▲	–	▼	▲	▲	▲
Uganda	▲	–	▼	▼	▲	▲
Viet Nam	▲	–	–	▼	▼	▼

Source: UN DESA. Poverty calculations based on data from LAC Equity Lab: Poverty—Poverty Rate and PovcalNet. Gini coefficient calculations based on data from LAC Equity Lab: Income Inequality—Urban/Rural Income Inequality (SEDLAC tabulations), Luxembourg Income Study's Data Access Research Tool, PovcalNet, the National Statistical Offices of Mongolia and Thailand, and UNU-WIDER's World Income Inequality Database. Urban-rural calculations based on data obtained from Multiple Indicator Cluster Surveys (MICS) and Demographic and Health Surveys (DHS).

Note: See Annex table III.A.3 for figures, and Annex table III.A.2 for calculation methodology of rural-urban gaps.

▼ Decrease ▲ Increase – No data

gains accrue disproportionately to those with larger land endowments (Ravallion, 2016b; Griffin, Khan and Ickowitz, 2002).

Widening inequality during growth can manifest between regions within a country, as experienced in China from 1990 to 2016. Significant reductions in rural poverty during the period were accompanied by not only a rise in the rural Gini coefficient from 30.6 to 33.2, but also growing developmental gaps between the richer, more urban coastal provinces and the poorer, more rural inner provinces (Chen and Cowell, 2017). As millions in rural areas escaped poverty, urban residents were pulling ahead as a result of faster rates of income growth in cities.

Inequality trends may also vary depending on the sector and nature of economic growth. Urbanization and a diversification away from agriculture in developing countries, for instance, can concentrate economic returns in urban areas and wealthier households. In a study of countries in Asia, Imai and Malaeb (2018) find that agricultural growth tends to reduce inequality both within rural areas and between rural and urban areas,

BOX III.4

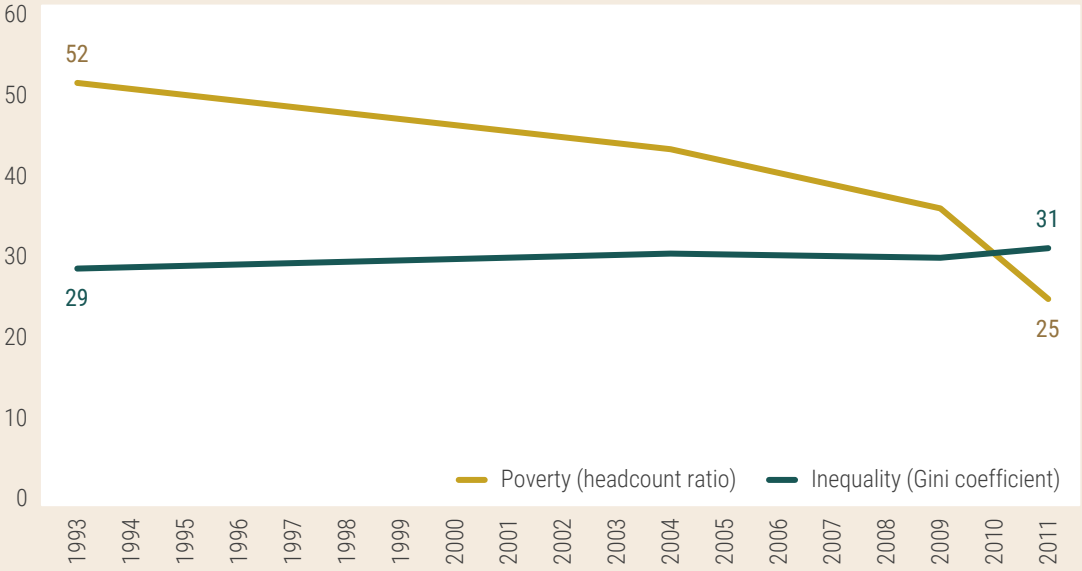
Poverty and inequality in rural India

Rural India, home to 65 per cent of the country's total population, has seen a steady decline in the percentage of people living in extreme poverty over the last two decades (figure III.4.1). The Gini coefficient of rural income inequality, on the other hand, has increased over the same period. The structure of the rural economy has changed substantially, as annual growth in rural non-farm employment has outstripped that of farm-based employment. The rural non-farm sector now accounts for 40 per cent of all rural employment, increasing non-farm income opportunities and economic mobility. Yet, agriculture remains the main sector of employment, and India's rural workforce remains mostly involved in agriculture.

Himanshu et al. (2013) document how these developments have impacted rural India through a case study in the village of Palanpur, Uttar Pradesh, which is mostly comprised of small-scale farmers. While the bulk of economic activity takes place in agriculture, a growing share of villagers rely on non-agricultural wage employment outside the village. These non-farm activities have benefited disadvantaged Jatab caste members in the village the most: while roughly 90 per cent of them were classified as "very poor" or "poor" in the early 1980s, the number had decreased to about 60 per cent by 2009.[a]

Figure III.4.1

Trends in extreme poverty and inequality in rural India, 1993–2011



Source: PovcalNet.

However, income inequality as measured by the Gini coefficient increased from 30.7 in 1983 to 42.7 in 2009 in the village. Caste-based income inequality plays a limited role in this increase. Instead, over two thirds of overall income inequality in 2009 can be attributed to the distribution of non-agricultural incomes. In other words, the increase in non-farm incomes reduced poverty and increased mobility, slowly breaking down long-standing barriers to mobility among the poorest segments of rural society in India, but it also brought greater income inequality to the village.

Source: UN DESA.

a Households are divided into five quintiles based on per capita income: very poor, poor, secure, prosperous, rich. See Himanshu et al. (2013) for more detail.

while non-agricultural growth is inequality increasing, as it tends to benefit urban households and less-poor rural households more. Poorer rural households often lack the capital, skills or market access needed to take advantage of increased economic opportunities in non-agricultural sectors, including in manufacturing and services. Consequently, expansion in these sectors can lead to widening income gaps between wealthier and poorer households within rural areas. On the other hand, agricultural expansion is typically centred in rural areas, and opportunities are more readily accessible to rural households, notwithstanding disparities in land distribution. Rural agricultural growth, when based on small-scale farming in particular, is strongly beneficial to rural households living in poverty (Rodríguez-Pose and Hardy, 2015).

Rising income inequality in the midst of rural poverty reductions may not necessarily be a cause for concern, so long as the rise is temporary and stems from economic development. Over the longer term, however, persistent and growing inequality can be detrimental for growth and poverty reduction: the more unequal a society, the less poverty decreases as economies and incomes grow.[5]

In rural areas with high inequality, people in poverty—already disadvantaged in terms of access to income, wealth, land and other resources—benefit less from subsequent growth. Even in periods of agricultural expansion, those with fewer resources will gain less from general agricultural productivity improvements. Consequently, this growth will have a reduced impact on rural poverty reduction. This is particularly true in settings that suffer from unequal land distribution patterns, or where the ability to purchase fertilizers and other farming inputs, for instance, varies heavily among different population groups.

Left unaddressed, challenges faced by the rural poor in trying to escape poverty and fulfilling their potential ultimately lead to constraints on rural economic growth, on the aggregate.

5 For a discussion on the impacts of inequality, see United Nations (2020e).

Inequalities and rural areas: what policies are most effective?

Until the COVID-19 crisis hit, rural poverty had been declining in most countries with data available. While the pace of poverty reduction has slowed down in recent years, poverty gaps between rural and urban areas have generally declined. That is, progress in reducing poverty has been faster in rural than in urban areas. At the same time, rural income inequality has at times increased, in parallel with urban inequality.

Most rural development strategies are designed to reduce rural poverty, while few aim explicitly at reducing inequality (Ravallion, 2016b). Yet, more equitable and inclusive rural development does not occur naturally or in isolation from wider national trends. It requires promoting access to quality education, health and other services as well as opportunities for decent work, especially for the rural poor. Such development also calls for building resilience to shocks, addressing the degradation of natural resources and reducing inequality of opportunity both within rural areas and between rural and urban areas. It therefore must include both localized rural policies and action at the national level. The right mix of economic and social policies, both rural and national, can spur economic development while reducing poverty and inequality in rural areas.

This section draws lessons from countries that have succeeded in reducing both rural poverty and rural inequality, based on concrete examples. Specifically, it examines those national and rural strategies that have (i) helped address the distribution of resources and assets within rural areas and between rural and urban areas, with a particular focus on land distribution; (ii) promoted equal opportunity; (iii) helped increase the resilience of the poorest; and (iv) promoted the rights of the most disadvantaged and have given them a voice.

Upgrading basic infrastructure

Historically, a key element in the successful reduction of poverty in rural areas has been substantial investment in basic infrastructure and public services. Sustained investments in roads, electrification, improved sanitation, safe drinking water, education, health care and the bridging of the digital divide in rural areas will be required to eradicate extreme poverty and reduce rural-urban disparities. Such investment must also address inequalities in access to public infrastructure and services within rural areas to ensure no one particular area or group of people is left behind.

Basic infrastructure lies at the heart of rural-urban linkages that connect rural villages to towns and cities. Access to all-season roads, for example, increases household welfare, especially when it brings access to new job markets and social services, and enhances food security. Improving access to transport for rural populations is thus key to promoting rural development and poverty reduction, increasing uptake of public services, advancing the inclusion of disadvantaged groups and improving employment opportunities. Access to roads is particularly critical for smallholder farmers in order to reduce their distance to markets and transport costs, and to promote agricultural growth. Markets may cease to function in remote rural areas under certain circumstances—for instance, during the wet season if roads become more difficult to use, if not impassable.

Public investments in highways have been vital for Ghana, for example, to build up logistical and urban-rural connections for the agricultural market (Wiggins and Leturque, 2011). Notably, Ghana's transport network today is well-regarded among sub-Saharan African countries. The connections made possible by this network have helped to link smallholder farmers to the wider national market, and even export markets in neighbouring countries. Similarly, in Peru, the Decentralized Rural Transport Project improved the coverage and quality of rural roads, and is estimated to have reduced travel time to schools by 25 per cent, contributing to an increase in school enrolment among children aged 12 to 18 (World Bank, 2020e). As expanded road networks halved the average travel time from a rural district to a city, connections opened up between rural and urban regions around the country, allowing for greater market access and reduced transaction costs for agricultural produce (Flachsbarth, Lay and Garrido, 2017; World Bank, 2017b).

Mikou et al. (2019) estimate that, in most developing countries, less than 60 per cent of rural residents live within two kilometres of all-season roads; in sub-Saharan Africa less than 50 per cent do. While investment is thus sorely needed, building and maintaining a universal paved road network in rural areas by 2030 will be unaffordable for most countries. In the short-term, rural areas will have to be integrated using alternative methods, such as constructing gravel rather than paved roads (i.e., feeder roads) or using drones to deliver medical and school supplies.

Access to electricity is also necessary for people to escape persistent poverty (Shepherd et al., 2019). In addition to raising the efficiency of agricultural production, increased electrification has been associated with positive educational impacts (Franco et al., 2017; Kulkarni and Barnes, 2017). Franco et al. (2017) find that household electrification in rural Peru has significantly increased reading time at home for children aged 6–18, and secondary school enrolment rates. The ability to study for longer periods at home increases the likelihood of students staying in school, and of parents encouraging children to focus on schooling as opposed to engaging in labour activities.

Households' needs for energy to fulfil both productive and domestic demands requires that electricity be available, affordable and reliable. The grid should be expanded into remote rural areas. People living in poverty should be supported financially to access modern energy services. While regional and local systems provide a limited amount of power, they can still be an appropriate solution for isolated households, businesses and public services. This calls for a decentralized approach to promoting uptake and regulating electricity, as well as to providing subsidies for the poorest households.

Beyond electricity, universal access to ICTs stands to radically change rural life, bolster poverty reduction efforts, and contribute to closing the rural-urban gap. Digital job networks improve the functioning of the rural labour market; telehealth enables remote con-

sultations; digital banking provides rural people with real time access to credit; online teaching materials ensure everybody has access to the same, high-quality content; access to market information empowers rural smallholder farmers; and more.

The world has made great progress in building the backbone infrastructure to enable connectivity in rural and remote areas. However, these areas are likely to remain largely unconnected without appropriate last-mile connectivity solutions—made more difficult by the challenges of rugged terrain, lack of investment, and high last-mile infrastructure installation costs. In order to promote connectivity in rural areas, Governments can ease regulatory requirements for alternative business models such as community networks; create a more enabling environment for investment in underserved areas through incentives such as tax breaks; and create a universal service fund to expand rural access financed through some form of mandatory contribution from telecommunications service providers (ITU, 2020).

Improving access to quality public services

Sustained investments in public services are also central to promoting equal opportunity for rural populations. A key factor for effective public services is quality. The focus of investments therefore should not only be expanding coverage, but also improving the quality of existing public services in rural areas. Many countries have rapidly expanded access to primary education beyond their funding and institutional capacity, resulting in a drop in educational outcomes (Shepherd et al., 2019). Recent research suggests that interventions that improve school quality are more cost effective than interventions that solely increase attendance (Angrist et al., 2020).

Improving the quality of education in rural areas calls first for upgrading supply-side capabilities, namely by hiring more teachers, particularly in remote areas, and providing more school materials, such as computers and textbooks. Second, it often requires offering additional payment to teachers willing to work in rural areas and increasing efforts to recruit teachers locally. These measures should most often be complemented with efforts to incentivize participation, such as monitoring teachers' attendance or offering conditional cash transfers to encourage people in rural areas to send their children to school. Third, decentralizing the management of education has often helped meet the needs of local communities better, namely by providing bilingual education in places where local minorities speak a different language. A systematic review of the evidence suggests that a combination of policies improves the effect of interventions on the quality of education (Masino and Niño-Zarazúa, 2016).

The Gambia introduced a special allowance in 2006 to attract teachers to hardship locations, which are defined as schools located more than 3 kilometres from a main road. The hardship allowance is equivalent to 30 to 40 per cent of salary, depending on the region (Mulkeen, 2009). As early as 2007, one quarter of teachers in the regions where the incentive was offered had requested transfer to hardship posts (ibid.). In the Republic of Korea, teachers are offered additional stipends, smaller class sizes, greater promotion opportunities and the opportunity to choose their next school after teaching in a difficult area (Kang and Hong, 2008). As a result, students living in rural areas have greater access to better educated and more experienced teachers (Luschei, Chudgar and Rew, 2013).

Moreover, teacher workload is determined primarily by class size, which varies across rural areas in many developing countries. In order to make schools cost efficient when class size is very small, Governments have encouraged teachers to undertake multigrade teaching methods (Adedeji and Olaniyan, 2011). However, not many teachers are properly trained in this type of teaching, which negatively affects the performance of the pupils. Teachers should either receive instruction on multigrade teaching during their formal training or follow additional courses in order to apply the teaching technique effectively. Moreover, governments can put in place policies to encourage flexibility in rural schools' timetables. This allows school programmes to align with the labour requirement of rural parents and for their children to attend school while also being able to render assistance at home during the planting and harvesting seasons (ibid.).

Another approach to improving the quality of rural education is to recruit teachers locally. Locally recruited teachers are more likely to be socially and culturally familiar with the daily context faced by their students (UNESCO, 2015). Less social distance between teachers and students has been argued to have a positive impact on student learning (Rawal and Kingdon, 2010). More generally, teachers posted in rural areas should receive specific training designed to teach more effectively in those areas. This includes an understanding of the language or dialect spoken and specific local behaviours in rural communities.

Box III.5 illustrates how one country, Mongolia, has expanded access to education, as well as electricity and ICTs, among its rural population.

Regarding health care, investments are needed to boost various aspects of rural health systems, including the availability and accessibility of pharmacies and essential medicines, the number and quality of health facilities, and rural health information systems. Strengthened institutional capacities for coordination between national (central) and rural (local) levels of the health system are vital to ensuring that rural health needs, especially those of disadvantaged groups, are adequately reflected in policymaking, monitoring and evaluation.

One of the main health care challenges is ensuring that people living in rural areas have access to trained health professionals (WHO, 2010; Scheil-Adlung, 2015). Skilled and motivated health workers are a prerequisite to delivering effective health services and improving health outcomes in rural areas. Scheil-Adlung (2015) estimates that global health-worker shortages are more than twice as high in rural than in urban areas. As a result of these shortages, more than 50 per cent of the rural population lacks effective access to health care, compared to 24 per cent of the urban population.

Improving rural access to health workers may involve strategies such as a more equitable geographical allocation of staff from a national health system, and the recruitment of students from underserved areas who return to work in their communities after their training. At the same time, as physicians are often in short supply, nurses could be trained to independently perform tasks or procedures traditionally carried out by doctors. Health workers in rural areas should also be provided with decent working conditions, including adequate wages and incentives to work in rural areas, and professional development opportunities. The motivation of rural health workers can be maintained by enabling them to do their jobs effectively and securely through investments in equipment, supplies and (community) infrastructure.

More broadly, boosting community-based health services, particularly in primary care, can be an effective way to deliver health care in rural and remote settings under resource constraints (WHO and UNICEF, 2018). Community health workers provide the first level of care and help alleviate the demand for doctors and nurses for basic routine care and less urgent or less complicated cases. In addition to community health workers, rural residents themselves can be trained to provide basic care, such as administering simple treatments and utilizing portable equipment for conducting initial diagnoses, which reduces the need for costly visits to hospitals or clinics far away. Such community-based health efforts have been crucial in the response to COVID-19 in rural Africa, especially where public and fiscal resources are limited (Zhou, 2020).

Community-based health care is increasingly made possible by telemedicine and mobile health technologies, which facilitate medical consultations from distant locations, and provide software-based assistance (some of which may be used offline) and health education and training. Automated telephone monitoring and self-care support calls, for instance, have been found to improve self-management of chronic diseases in low- and middle-income countries (Scott and Mars, 2015). In Kenya, no significant clinical differences were found between the antiretroviral therapy care received by HIV/AIDS patients in clinics and that delivered in a community programme by fellow patients supported by training and pre-programmed mobile devices (Fulton et al., 2011).

Due to their close contact with domestic animals and wildlife, rural residents—especially those working in agriculture—are often central to the human-animal interface. Such interactions must be given great attention, due to the possibility and impact of zoonotic dis-

BOX III.5

Extending electricity, ICT and education access to Mongolia's rural communities

With a population of just 3.3 million situated in a vast land area, Mongolia is the least densely populated nation in the world. Many rural Mongolians live a traditional nomadic lifestyle, herding livestock at a subsistence level and shifting from location to location according to the seasons and pastural needs. Infrastructure and public service provision in rural Mongolia can be challenging and costly, but the Government has managed to tailor its solutions to the country's characteristics.

In 2000, when herders had almost no access to electricity, the Government started the national solar electrification programme, subsidizing portable solar home systems for rural households, and establishing sales and service centres throughout the country to provide critical services within reasonable proximity. The programme brought electricity access to more than two thirds of Mongolia's nomadic herders, and most herder households now have mobile phones, televisions and refrigerators powered through solar panels (World Bank, 2013; World Bank, 2015b).

The Government has also sought to promote information and communications technology (ICT) investment in rural areas. Public-private partnerships have boosted phone and internet coverage in rural areas, and annual rural ICT investment rose tenfold from 2005–2013 (World Bank, 2020d). Over the same period, phone call minutes originating from rural areas other than district centres rose dramatically from almost zero to 530,000 a year. Access to such communications has helped improve rural agricultural business practices, with herders now able to obtain better, more up-to-date information and connect directly with both local markets and those farther away.

Nomadic lifestyles can be disruptive for children's education. Children often have to live in district centres away from the family in order to attend school, or delay entry into formal schooling. Most rural children enrol in primary school without adequate preschool preparation, and many encounter learning difficulties along the way. Dropping out is largely a rural phenomenon in Mongolia, with a majority occurring at primary grades (World Bank, 2017a; Steiner-Khamsi and Gerelmaa, 2008).

Over time, there has been an increased public focus and funding for education in rural areas (Engel, Prizzon and Amgaabazar, 2014). The building of more boarding schools and dormitories—the latter of which are all funded by the Government—has expanded education access for rural children. In 2012, a home-based school preparation scheme started, where Parents are trained by local teachers, and follow a specially designed programme to teach their children at home, using learning materials from mobile toy and book libraries. Particular courses were also developed to help young children who have dropped out to learn at home, and to subsequently enrol in school again. The scheme's impacts include reduced school dropout rates, better learning results for children, and increased support of parents and local communities (World Bank, 2017a).

Between 2007 and 2013, the Rural Education and Development Project sought to make learning materials more widely available for rural students by setting up libraries in all rural primary schools and selected kindergartens, dormitories and non-formal education centres (World Bank, 2014). This was accompanied by training and the formation of a local professional development network for rural teachers and school directors. On average, classrooms benefiting from the project were estimated to have doubled their reading time per week (ibid.).

Source: UN DESA.

eases.[6] Investments in rural areas in disease outbreak detection, preparedness planning and response capacities can help save lives, particularly among the most vulnerable, while generating jobs for local economies.

Stimulating inclusive rural development

The benefits of promoting agricultural development are both direct, through increased incomes and food security, and indirect, through increased investment in health and education. Poverty reduction through agricultural growth is estimated to be two to three times as effective as through growth in other sectors, and mainly benefits the poorest in society (Christiaensen and Martin, 2018). In mostly agricultural economies, the broad aim should be to boost the agricultural productivity of smallholder farmers in order to increase their incomes. Moreover, it is critical to support the integration of rural areas into the wider economy. Rural-urban linkages can be fostered by reducing transaction costs, allowing smallholder farmers in the rural agricultural sector to benefit from urban demand and keeping food prices in check.

Addressing rural poverty also requires facilitating the reallocation of labour to rural non-farm activities and assisting farmers in further modernization and specialization. Enabling rural households to diversify their income is known to be an effective way out of poverty. There should be public support to facilitate the transition to a more diverse rural economy and equip people with the skills required to participate in non-farm activities through, for example, investments in education and vocational training. Rural small and medium-sized enterprises and agribusinesses should be cultivated to allow a rural middle class to develop and promote the creation of a vibrant non-farm economy. Natural resource management and tourism in rural areas can create further employment opportunities.

As economies develop, reducing poverty through agricultural growth requires a targeted approach, aimed mainly at supporting smallholder farmers in more marginal and less connected rural areas and at tackling concentrated pockets of poverty in specific rural areas and among particular groups, such as indigenous peoples, older persons or women. The primary aim of policy should be to connect the remaining rural poor to the opportunities provided by modern food markets. This includes assistance to smallholder farmers in meeting food standards, improving market access in marginal rural areas, and promoting rural wage employment in the non-farm economy. In countries where the agricultural labour force is ageing, agricultural innovation, new technologies, and the adaptation of agricultural policies to fit the changing demographics of the agricultural workforce are needed. Box III.6 illustrates how agricultural and non-farm livelihoods can be supported, with examples from Peru and Ghana.

Ensuring access to land and natural resources

As populations and economies grow, constraints on available land may arise. Policy choices will influence whether this increased competition for resources leads to innovation and inclusive development or to degradation, scarcity and inequalities of access and control over these resources.

A country's initial level of inequality in the distribution of land has an impact on the nature of agricultural growth. When smallholder farmers living in poverty have less access to land, they naturally stand to gain less from improvements in agricultural productivity, lowering its impact on poverty reduction. Additionally, smallholder farmers tend to have a higher demand for labour per hectare than large landowners. Hence, if more land goes to smallholder farmers, the agricultural sector's ability to absorb labour and, in turn, reduce poverty improves. In short, the more equal the initial distribution of agricultural land, the more agricultural growth can contribute to pro-poor growth.

Besides the distribution of land, for rural people living in poverty, secure access to land and its natural resources is vital for their empowerment, food security and ability to climb out of poverty. With secure access to land, people are more likely to make sustainable, long-term investments in their resource base since they will directly reap the benefits. This, in turn, strengthens

6 Particularly in view of the COVID-19 pandemic, wherein the coronavirus was transmitted to humans zoonotically.

BOX III.6

Enabling agricultural livelihoods in Peru's highlands and rural entrepreneurship in Ghana

The Sierra Rural Development scheme (ALIADOS) was carried out from 2008 to 2017, targeting low-income communities in Peru's rural highlands. ALIADOS supported farmers and local organizations in designing and running business plans and community-led subprojects that aimed to build productive networks, increase market access, and improve food security through boosting agriculture and livestock assets (World Bank, 2020c). Workshops were held to train farmers in skills and guide them in subproject implementation. Many beneficiaries also had their first interaction with financial services through participation in the scheme.

At the close of ALIADOS in 2017, three quarters of participants had increased their productive assets by over 65 per cent compared to 2008 (ibid.). The scheme had contributed to a revitalization of economic activity, job creation, and poverty reduction in the highlands, and rural net sales volumes rose by more than 35 per cent from 2013–2017, with the most significant gains in agricultural products. An important lasting impact is the building up of local networks and their capacities for resource management and collective action. ALIADOS activities placed decision-making roles in the hands of farmers' communities and organizations, thus promoting participation and empowerment of local communities. Many participants continued to collaborate even after ALIADOS ended.

Even as agriculture has become a major driver of Ghana's national and rural growth, the structure of the economy continues to evolve and diversify. To better involve lower-income rural residents in this process and address poverty, the Government introduced the Rural Enterprise Project (REP) in 1995 (Adjei, Adjei and Serbeh, 2020). The scheme targets vulnerable rural inhabitants, particularly women and youth, willing to engage in small-scale and micro-enterprises. Participants receive technological resources and skills transfer, including through training in sales, customer service and finance. Earnings derived from these enterprises not only benefit participants directly, but also function as an important safety net for households engaged in agriculture, cushioning the impact of unpredictable agricultural income in the face of weather and climate changes.

Participants have utilized the entrepreneurial skills and knowledge gained to organize into groups that are more creditworthy, and better able to jointly tap microcredit that is otherwise inaccessible to them as individuals (ibid.). These funding sources help to boost financial capacity and are typically put to use in their small-scale livelihood activities. Group formation also enables the joint marketing of products, and strengthens the social network and social capital of members. The manufacturing sector in participants' communities is gradually seeing a boost following REP technology transfers and managerial training initiatives (ibid.). Livelihood activities resulting from REP interventions also promote technology transfer to non-beneficiaries, contributing to industrialization progress in the rural economy.

Source: UN DESA.

their economic position and improves their household's ability to invest in health and education. Hence, land reform policies should aim to both improve the distribution of natural resources and guarantee secure tenure, regardless of whether tenure is based on individual or collective rights.

Globally, about half of all countries are engaged in land tenure reform, with over 1 billion farmers already having benefited (IFAD, 2016). Land reforms have been undertaken to address growing inequalities, biases against specific groups, and social conflict. Many countries now recognize a continuum of land property rights. The basis of all successful programmes has been major investment in the infrastructure of land registration. This includes cadastral surveys, digitized records and improved resolution of land conflicts. Land registration, in particular, has historically been based on paper documentation. Paper records can be lost, falsified, destroyed or otherwise manipulated. Governments should invest in the simplification of cumbersome processes, improve record keeping and fight corruption. Building a digital records system based on

blockchain technology, for example, would create an indisputable record of land ownership.

However, rural women often have limited rights over land and natural resources. In many parts of the world, they still face discrimination in relation to land rights due to a combination of traditional practices and discriminatory laws. As a result, women often hold rights through male relatives and risk losing access in cases of divorce or widowhood. Additionally, women's parcels are generally smaller and of lower quality than men's (FAO, 2010). Furthermore, land reform policies meant to improve its distribution can have a male bias (ibid.). With land only being registered in men's names, compensation payments are made mostly to them, or compensation for land use restrictions are based solely on men's activities.

It is vital to ensure rural women's equal access to land and natural resources and address discriminatory laws and practices that impede their rights in this regard. However, secure and equal access to land is necessary but insufficient by itself to foster the effective use of land by rural women. Rural women also need improved access to other resources, such as credit, technology, extension services and markets. Land reform policies should be complemented by efforts to improve these aspects as well.

Countries have sought to implement land reform in various ways—such as by enacting new legislation—but these measures do not always pan out fully in practice. In Ethiopia, a land-titling programme was initiated in 1998 to increase tenure security and strengthen women's land rights, including through recognizing their equal rights in the use, transfer and inheritance of land and property (Fox et al., 2018). Land certification subsequently came to require the names of, and be held jointly by, both husband and wife in the case of married couples. Although the formal legal system now accords greater protection to women, obstacles such as high female illiteracy rates, discriminatory application of laws, and inadequate enforcement mean that many women continue to be unable to exercise their land rights.

For indigenous peoples, land is often not seen as a commodity. It is instead a sacred part of their cultural identity. Most indigenous peoples have land tenure systems based on collective rights, regulated by customary laws and tradition. However, in many parts of the world, these rights are either only partially recognized or not recognized at all by national Governments (IFAD, 2020). A lack of recognition of their customs and conceptualization of territory leads to conflict, marginalization and, ultimately, poverty. To ensure a prosperous future for indigenous peoples, both culturally and economically, secure access to their ancestral land must be guaranteed.

Young people in rural areas have limited access to land. They face three main challenges (IFAD, 2019). First, due to rapid population growth, particularly in sub-Saharan Africa, rural areas are becoming more densely populated. As a result, land is scarcer and plots are becoming smaller and more fragmented. Second, people live longer, more productive lives. Parents are thus less likely to transfer their land to their children when they enter the labour force. Third, the rise of medium-scale commercial farms is further increasing competition for land. As a result of all three factors, young people are significantly less likely to own land than adults. In sub-Saharan Africa, for example, 1 in 3 adults is the sole owner of a plot of land, while this is true for fewer than 1 in 10 young people (ibid.). Rental markets are making up for this to an extent. There has been a steep increase in the number of rural households that are renting land, particularly households headed by young people. However, land markets alone are not sufficient to address all constraints faced by the rural youth in accessing land.

Expanding social protection in rural areas

There is ample evidence of the positive impact of social protection on poverty and inequality reduction as well as its ability to promote inclusion (United Nations, 2018a; IFAD, 2016). Access to regular and adequate social protection benefits protect households from shocks and minimize negative coping practices in the short term. In the longer term, social protection can help smooth consumption, build (human) capital and enable investments that improve rural people's resil-

ience to future crises. Cash transfers, for instance, help prevent poverty and support broader human development outcomes, such as improved nutrition, health and education outcomes, particularly if linked with other sectoral policies such as those in agriculture. With shrinking household sizes and a future where unpaid family care will be insufficient, incorporating long-term care within essential health care as part of social protection systems will become increasingly important.

Faced with disproportionate levels of poverty, seasonal and informal employment, unsafe working conditions, limited access to markets, lack of access to basic services, and exclusion based on gender, age, ethnicity and other factors, access to social protection is essential for those living in rural areas. Yet, social protection coverage in rural areas is generally lower than in urban areas. Globally, 56 per cent of the population in rural areas lack health coverage, for instance, compared to 22 per cent in urban areas (ILO, 2017).

Agricultural micro-insurance is a developing field that can help lower-income farmers reduce vulnerability—at a lower cost than traditional insurance—to weather risks and shocks, which are increasingly exacerbated by climate change and are a major cause of income and livelihood loss. This is particularly relevant for smallholders, who often lack irrigation and depend on unpredictable rainfall, and find it difficult to cope with crop losses. The Kilimo Salama micro-insurance initiative in Kenya, Rwanda, and the United Republic of Tanzania is a weather-indexed insurance that pays claims based on weather measurements such as rainfall. Compared to traditional insurance, where losses have to be verified after they have occurred, Kilimo Salama is simpler and less costly (both to operate and to purchase), while its administration and payment through mobile phones has allowed it to reach smallholders in remote areas with poor access to financial services (Sibiko, Veettil and Qaim, 2018). Take-up rates, however, are still relatively low overall, as with most forms of agricultural insurance, and there is room for improvement in terms of customizing contracts to individual needs, reducing premium costs, and simplifying process and communications.

For all of its advantages, few social protection programmes are explicitly tailored to rural people or the specific vulnerabilities and constraints they face. There are a number of legal, administrative and financial barriers that must be addressed in order to overcome the low coverage of social protection in rural areas.

Globally, workers in rural areas are twice as likely to be in informal employment (80 per cent) than workers in urban areas (44 per cent) (ILO, 2018). Workers in informal employment are insufficiently covered by social protection or not covered at all. In fact, lack of social protection coverage is often used to identify informal employment (United Nations, 2018a). Seasonal and casual work are largely excluded from social protection as well. Even when not explicitly left out, there can be thresholds related to working hours, duration of contracts and enterprise size that disproportionately affect rural workers, even those in formal employment. In addition to legal barriers to access, the frequency and timing of payments and slow accrual of rights further discourage rural workers in non-standard forms of employment from signing up to voluntary schemes.

Administrative hurdles can further undermine the reach of social protection programmes. On the supply side, strong administrative capacity is required to identify and register beneficiaries, monitor payments and contributions and control for potential errors. Weak administrative capacity in rural areas has limited the reach of social protection programmes. The remote nature of some rural areas further increases the cost of delivering social protection. Moreover, reserving time to register and queue for benefits can result in significant losses of income, particularly for workers in casual employment who have to miss work or for those who have to close a small business; especially when it takes a substantial amount of time to reach the nearest rural service point.

There have been innovative solutions aimed at expanding the reach of administrative services. Governments are increasingly paying benefits and cash transfers directly to mobile phone-based accounts, a method that reduces transaction and travel costs for those living in rural areas. In Mongolia, visiting government offices to claim benefits is difficult and impractical for remote households, particularly herders who cannot leave their flock unattended for long. In addition to long travel distances, different public

offices had to be visited in the past for different needs. Access improved when One Stop Shops were introduced in 2007, gathering services of multiple government ministries in single locations (ILO, 2015). These combined-service centres have since been set up in all provinces and most districts, with mobile vans bringing access to those living in the most remote areas.

In terms of financial barriers, the most significant obstacle for rural people that prevents participation in contributory schemes is a lack of contributory capacity. Seasonal workers, for example, may earn their primary incomes in a short period of time during the year. As a result, making regular monthly contributions to contributory social insurance will be more difficult during, and particularly at the end of, the off-season. Rather than spend their limited financial resources on something like pension contributions, many living in poverty in rural areas must prioritize more immediate needs. For non-contributory schemes, indirect financial costs—such as transportation costs or the costs of compliance with conditionality—may reduce the potential benefit of the programme to participants. Given the higher levels of poverty in rural areas, this may represent a hidden cost that many cannot bear.

To overcome these structural barriers to the adoption of social protection in rural areas, legal frameworks can be adjusted and expanded to include people living in rural areas, working towards a universal social protection floor accessible to all. Contribution schemes can be modified to account for employment types common in rural settings and offer more flexible payment options. Participation in contributory schemes can be improved by offering subsidies to those living in poverty. Finally, the hidden costs of participation in non-contributory programmes can be lowered by simplifying administrative procedures and ensuring that services are readily accessible.

Beyond programme-specific adjustments, it is vital to be aware of the structural nature of the barriers in rural areas. They are fundamentally linked to poverty, remoteness, the informality of employment and the economic structure of rural areas. An integrated rural policy framework on social protection that recognizes these structural barriers stands a better chance at overcoming them.

Leaving no one behind: promoting the rights of the disadvantaged

Discrimination remains a persistent driver of inequality. Distinctions on the basis of gender (box III.7), race, ethnicity, religion, age, disability or other characteristics often deny certain groups the full benefits of economic growth. Because of this systematic exclusion, the benefits of rural growth are likely to be unevenly distributed, potentially contributing to rising inequality. The 2030 Agenda for Sustainable Development calls for the elimination of discriminatory laws, policies and practices to ensure equality of opportunity and prevent the entrenchment of exclusion of disadvantaged groups.

Furthermore, socially excluded groups are more likely to live in poverty owing to a combination of political, sociocultural, economic and spatial factors (United Nations, 2016). These factors are often intertwined, leading some people to face overlapping forms of exclusion and an elevated risk of falling into a poverty trap. A rural, indigenous woman, for instance, faces a triple burden, making it that much more difficult to escape poverty. For growth to contribute to the eradication of rural poverty for the most disadvantaged groups, governments should utilize the necessary legal and policy instruments to ensure inclusion of these groups, while also removing obstacles to their political participation (United Nations, 2020e).

Conclusion

Poverty remains a largely rural challenge. The situation of the rural poor is made worse by deficiencies in access to public services, infrastructure and social protection. The COVID-19 pandemic has compounded the already vulnerable position of the rural poor by affecting livelihoods, limiting mobility and reducing food security. However, poverty is declining faster in rural than in urban areas.

BOX III.7

Promoting the inclusion of rural women

Structural barriers and discriminatory social norms continue to constrain women in rural households (United Nations, General Assembly, 2019b). Women in rural areas continue to lack equal access to land and natural resources, public services and infrastructure—all of which compromise their ability to build better economic futures for themselves and their households. Much of their labour remains invisible and unpaid. Disproportionately affected by poverty and exclusion, rural women continue to lag behind rural men and urban women in almost all development indicators.

Many countries have adopted gender-responsive agricultural and rural development policies for the economic empowerment of rural women (ibid.). These policies aim to support the livelihoods and well-being of rural women through capacity development, entrepreneurship, investments in productive assets and increased participation in the agricultural labour market. Some countries have targeted specific groups of rural women, including indigenous women. The two examples below, from Mexico and Uganda, illustrate some of the policy measures adopted by Governments (ibid.).

The Sowing Life (Sembrando Vida) programme in Mexico promotes the effective participation of women and men in rural development—particularly older persons living below the poverty line—and supports them in establishing agroforestry production systems that will help to achieve food self-sufficiency, improve incomes and restore forest cover of 1 million hectares. The programme was operational across 20 states in 884 municipalities, and served over 400,000 beneficiaries in 2020

Uganda's Women's Empowerment for Resilience and Adaptation Against Climate Change project aims to enable rural women to become agents of change. The project has resulted in the creation of over 1,600 women-led associations that have pooled more than $2.8 million. Women can borrow from this fund to invest in scalable solutions that address climate change. The initiative promotes solar energy for rural domestic lighting, fruit and fish drying, water irrigation technology for dry season agriculture, and agroprocessing activities to diversify and strengthen women's income-earning opportunities. The project has economically empowered over 250,000 women, many of whom now own and control the land they use.

Source: UN DESA.

Despite higher levels of poverty in rural areas, rural income inequality tends to be lower than urban income inequality. As regards disparities between urban and rural areas, progress in access to basic services has been faster in rural than in urban areas of developing countries with data available since the 1990s. Nevertheless, even if the progress observed continues at the same pace, rural areas will still lag far behind urban areas by 2030. Within rural areas, inequalities in basic services and opportunities remain high and are persistent for specific groups.

Reductions in rural poverty have not always led to reductions in rural inequalities or in inequalities between rural and urban areas. That is, regional and time trends suggest that declines in inequality are not a systematic outcome of growth and development. The same economic forces that drive poverty reduction can cause inequality within rural areas, and that between urban and rural areas, to rise.

Countries that have succeeded in reducing both rural poverty and rural inequalities have invested in infrastructure and public services. They have promoted inclusive agricultural growth, access to land, especially for women, and expanded social protection in rural areas. Sustained investments in roads, electrification, improved sanitation, safe drinking water, education, health care and the bridging of the digital divide in rural areas will be required to eradicate extreme poverty and reduce rural-urban disparities. Such investment must also address inequalities in access to public infrastructure and services within rural areas to ensure no one particular area or group of people is left behind.

Annex tables

Table III.A.1

Rural and urban income inequality (Gini coefficient) for selected countries, latest available year

Country	Year	Rural Gini	Urban Gini
Austria	2016	25.6	30.4
Bangladesh	2016	45.4	49.8
Belgium	2016	23.1	26.9
Bolivia (Plurinational State of)	2018	47.5	37.4
Brazil	2015	47.4	50.7
Canada	2017	28.3	31.5
Chile	2017	42.6	44.4
China	2016	33.2	36.1
Colombia	2018	43.5	49.2
Costa Rica	2018	46.1	47.1
Côte d'Ivoire	2015	52.8	58.9
Czech Republic	2016	24.5	25.4
Denmark	2016	24.2	25.4
Dominican Republic	2016	41.2	46.2
Ecuador	2018	43.8	44.3
El Salvador	2018	35.9	37.6
Estonia	2013	35.5	35.3
Ethiopia	2016	28.0	38.0
Finland	2016	23.4	26.6
France	2010	24.2	30.3
Gambia	2011	40.0	42.1
Georgia	2016	38.4	37.0
Germany	2016	28.1	30.1
Greece	2016	31.9	32.0
Guatemala	2014	43.6	47.0
Honduras	2018	49.9	46.7
Hungary	2015	23.9	27.1
Iceland	2010	22.9	24.6
India	2011	31.1	39.0
Indonesia	2018	32.4	40.1
Ireland	2010	28.1	30.0
Israel	2016	23.8	35.3
Italy	2016	31.0	34.5
Lithuania	2017	39.0	35.7
Luxembourg	2013	27.2	29.1
Malawi	2011	37.5	49.1
Maldives	2010	36.0	38.0
Mexico	2014	44.4	47.9
Mongolia	2018	29.2	34.0
Nicaragua	2014	40.8	45.7
Norway	2013	22.3	25.0

continued >>

Table III.A.1

Rural and urban income inequality (Gini coefficient) for selected countries, latest available year

Continued

Country	Year	Rural Gini	Urban Gini
Panama	2018	49.7	45.7
Paraguay	2018	48.5	42.9
Peru	2018	39.5	39.2
Poland	2016	30.6	27.6
Russian Federation	2017	29.2	31.0
Serbia	2016	36.1	30.3
Slovakia	2013	27.4	26.4
South Africa	2017	55.5	59.5
Spain	2016	31.1	34.5
Switzerland	2013	27.6	30.0
Thailand	2017	42.6	44.1
Turkey	2013	36.5	39.2
Uganda	2010	37.5	44.7
Uruguay	2018	33.0	39.8
Viet Nam	2018	40.7	37.2

Source: UN DESA calculations, based on data from LAC Equity Lab: Income inequality—Urban/rural inequality (SEDLAC tabulations), Luxembourg Income Study's Data Access Research Tool, PovcalNet, the National Statistical Office of Thailand, the National Statistical Office of Mongolia, National Statistics Office of Mongolia and World Bank (2020) and UNU-WIDER's World Income Inequality Database – version 6 May 2020.

Note: Data from 56 countries representing 63 per cent of the 2020 world population – 6 from Africa, 17 from the Americas, 11 from Asia and 22 from Europe.

Table III.A.2

Trends in urban-rural gaps in stunting, secondary school attendance, access to improved sanitation and access to electricity, 1990s to 2010s

Country	Urban-rural gap (annual percentage point change)			
	Stunting	Attendance	Sanitation	Electricity
Armenia	0.13	-1.12	3.11	-0.03
Bangladesh	-0.49	-	-1.80	-1.27
Belize	-0.65	-1.47	0.06	-0.65
Benin	0.14	-0.09	-0.09	0.12
Bolivia (Plurinational State of)	0.31	-	-0.51	-1.69
Bosnia and Herzegovina	-0.29	-1.08	-0.76	-
Burkina Faso	-0.17	-	6.03	0.69
Cambodia	0.10	-0.23	-0.09	-0.27
Cameroon	0.28	0.33	1.24	0.31
Central African Republic	0.21	1.48	2.76	0.77
Chad	-0.04	-	1.20	1.25
Colombia	-0.37	-1.27	-1.26	-0.42
Côte d'Ivoire	-0.09	-	1.80	0.17
Dominican Republic	-0.37	-0.31	0.72	-1.10
Democratic Republic of the Congo	0.46	0.43	0.85	-
Egypt	-0.71	-0.56	-0.74	-0.37
Eswatini	-0.17	0.67	-1.59	-0.82
Ethiopia	0.22	-1.24	2.68	0.57
Gambia	-0.26	0.40	0.17	1.07
Ghana	-0.57	-0.55	0.52	-2.11
Guatemala	-0.20	-	-	-1.62
Guinea	-0.01	0.41	1.15	0.64
Guyana	-	-0.71	-3.37	-
Haiti	-0.26	0.12	-0.09	-0.60
India	-0.17	-	-	-1.81
Indonesia	-	-	-0.76	-1.82
Iraq	-0.42	-0.32	-2.11	-0.48
Jordan	-0.58	-	-0.14	-0.36
Kazakhstan	-0.39	-0.07	-0.06	-0.01
Kenya	-0.13	0.52	2.19	0.78
Kyrgyz Republic	-	-0.26	-0.31	-0.05
Lao People's Democratic Republic	-0.25	-0.80	-2.11	-3.90
Lesotho	0.00	0.04	0.83	2.42
Madagascar	0.19	-	0.98	2.03
Malawi	-0.20	0.37	0.99	1.15
Mali	0.05	0.33	1.42	1.15
Mauritania	-0.24	0.35	0.04	1.14
Mongolia	-0.53	-1.03	-0.59	-0.86
Mozambique	-0.06	-	-	1.80
Namibia	0.39	-1.09	3.03	-0.64

continued >>

Table III.A.2

Trends in urban-rural gaps in stunting, secondary school attendance, access to improved sanitation and access to electricity, 1990s to 2010s

Continued

	Urban-rural gap (annual percentage point change)			
Country	Stunting	Attendance	Sanitation	Electricity
Nepal	-0.18	-0.64	0.44	-2.83
Nigeria	0.17	0.76	2.09	-0.49
Pakistan	-	-0.10	-1.89	-0.25
Peru	-0.36	-1.14	-2.06	-2.86
Philippines	-	-	0.50	-1.71
Rwanda	-0.04	-0.10	-0.60	1.50
Senegal	-0.26	0.38	2.98	-0.37
Serbia	-0.19	-0.20	-1.70	0.02
Sierra Leone	0.07	1.27	2.17	6.69
Suriname	-0.46	-0.21	-0.58	-0.75
Tanzania	-0.07	0.70	3.11	0.88
Thailand	-0.51	0.15	-0.07	-0.06
Togo	0.17	-0.08	-0.08	1.45
Uganda	-0.59	-0.51	1.91	0.11
Viet Nam	-	-0.92	-3.36	-0.23
Zambia	-0.48	0.34	1.83	0.82
Zimbabwe	0.02	-0.10	3.37	-0.27
AVERAGE	-0.15	-0.16	0.43	-0.06

Source: UN DESA calculations, based on data obtained from Multiple Indicator Cluster Surveys (MICS) and Demographic and Health Surveys (DHS).

Note: Urban-rural gap in this table refers to the percentage point difference between urban and rural areas for a particular dimension of well-being. The change in this gap from the first year (1990s round of surveys) to latest year (2010s round of surveys) of observation is divided over the number of years to obtain the annualized percentage point change. A negative figure denotes a shrinking of urban-rural disparities in well-being, while a positive figure denotes a widening of disparities. Average figures in the bottom row are unweighted.

Table III.A.3

Trends in rural Gini, rural poverty headcount, and urban-rural gaps in stunting, secondary school attendance, access to improved sanitation and access to electricity, 1990s to 2010s

Country	Rural Gini	Rural poverty	Urban-rural gap (annual percentage point change)			
			Stunting	Attendance	Sanitation	Electricity
Bangladesh	0.24	-	-0.49	-	-1.8	-1.27
Bolivia (Plurinational State of)	-0.78	-2.52	0.31	-	-0.51	-1.69
Colombia	-0.41	-1.32	-0.37	-1.27	-1.26	-0.42
Côte d'Ivoire	0.27	-	-0.09	-	1.8	0.17
Dominican Republic	-0.39	-0.63	-0.37	-0.31	0.72	-1.1
Ethiopia	0.05	-	0.22	-1.24	2.68	0.57
Gambia	-0.59	-	-0.26	0.4	0.17	1.07
Guatemala	-0.27	0.06	-0.2	-	-	-1.62
India	0.14	-1.49	-0.17	-	-	-1.81
Indonesia	0.21	-2.21	-	-	-0.76	-1.82
Malawi	0.7	-	-0.2	0.37	0.99	1.15
Mongolia	-0.31	-	-0.53	-1.03	-0.59	-0.86
Peru	-0.18	-1.96	-0.36	-1.14	-2.06	-2.86
Serbia	-0.07	-	-0.19	-0.2	-1.7	0.02
Thailand	-0.08	-	-0.51	0.15	-0.07	-0.06
Uganda	0.17	-	-0.59	-0.51	1.91	0.11
Viet Nam	0.29	-	-	-0.92	-3.36	-0.23

Source: UN DESA. Poverty calculations based on data from LAC Equity Lab: Poverty—Poverty Rate and PovcalNet. Gini coefficient calculations based on data from LAC Equity Lab: Income inequality—Urban/rural inequality (SEDLAC tabulations), Luxembourg Income Study's Data Access Research Tool, PovcalNet, the National Statistical Offices of Mongolia and Thailand and UNU-WIDER's World Income Inequality Database (version 6 May 2020). Urban-rural calculations based on data obtained from Multiple Indicator Cluster Surveys (MICS) and Demographic and Health Surveys (DHS).