

Policies for Effective Rural Transformation, agricultural and food system transition

IFAD Rural Development Report 2016

Fostering inclusive rural transformation

Lebanon Room - Building D, Floor 2 - FAO

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DEVELOPMENT CONTEXT

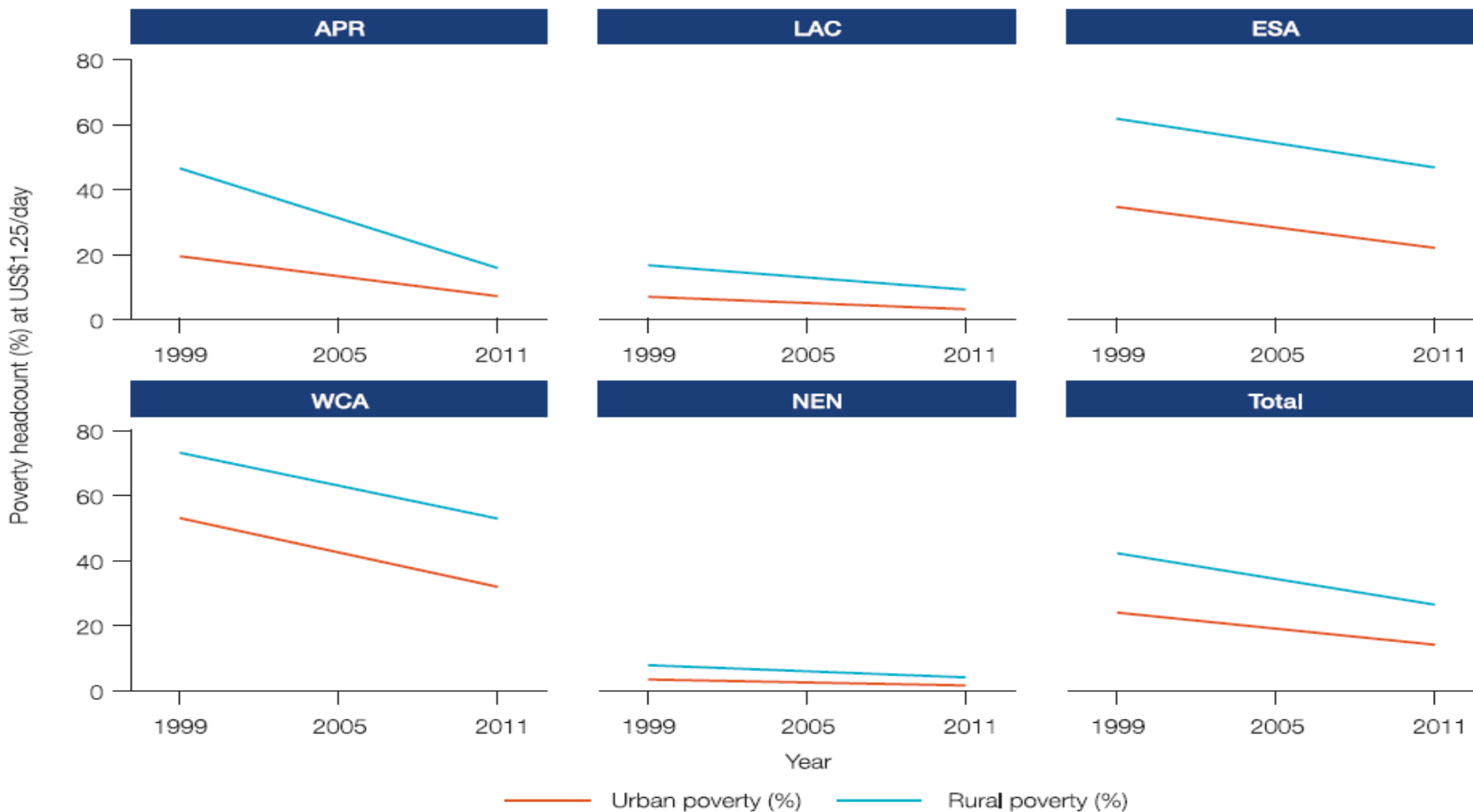
- RDR new IFAD flagship replacing the Rural Poverty Report last released in 2011
- Since then, the global context continues to evolve creating opportunities and challenges
 - Relevance of emerging economies, BUT slowing growth
 - Changing trends in finance, trade, investments
 - Increased urbanization, incomes and diets
 - Rising inequality
- Against this context, we have also set ourselves a dramatic challenge in the 2030 agenda.
- Achieving the goals of the SDGs requires careful analysis of pathways forward.

2016 RURAL DEVELOPMENT REPORT OBJECTIVES

1. What are the different pathways of structural and rural transformation across the developing world?
2. What are the consequences of transformations for rural poverty reduction and inclusion?
3. What can the main actors do to promote an inclusive rural transformation?
 - Database of 60 countries in Asia, Latin America, Middle East and North Africa, and Sub-saharan Africa
 - Period: since 1990's to early 2010s

Globally, extreme poverty has been significantly reduced but rural areas still lag behind and much remains to be accomplished

Trends in rural and urban extreme poverty by region, 1999-2011

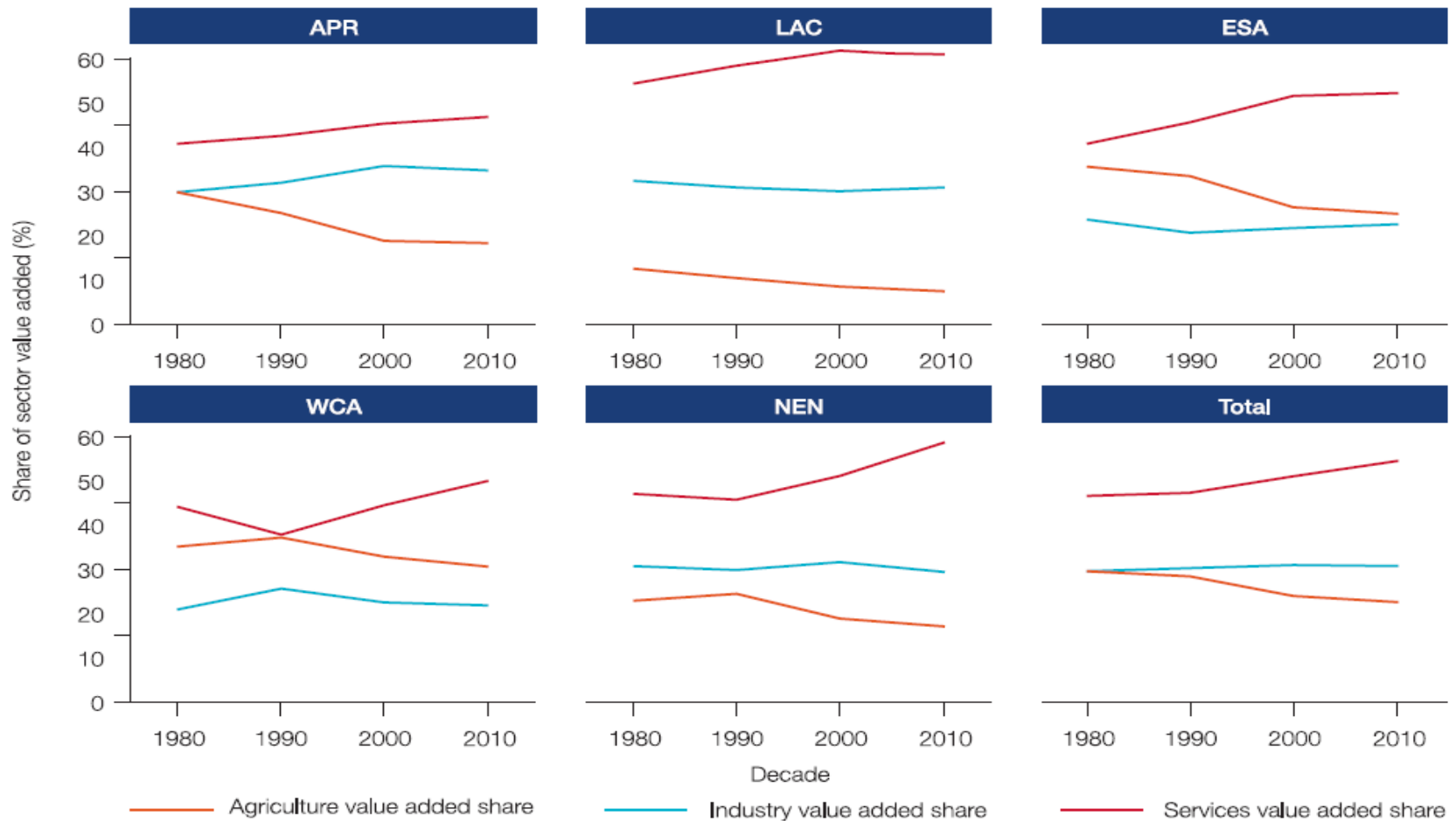


Notes: APR = Asia and the Pacific; LAC = Latin America and the Caribbean; ESA = East and Southern Africa; WCA = West and Central Africa; NEN = Near East, North Africa, Europe and Central Asia.

Source: IFAD, based on World Bank (2015c).

Economic growth tends to lead to structural transformation thereby changing, but not diminishing, the role of agriculture

Sectoral structure of the economy by region, 1980s-2010s

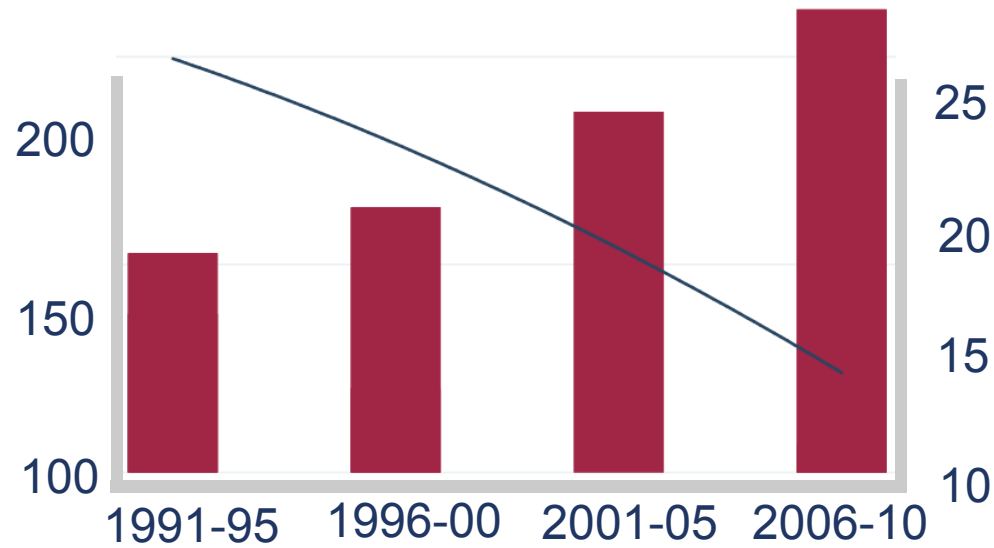


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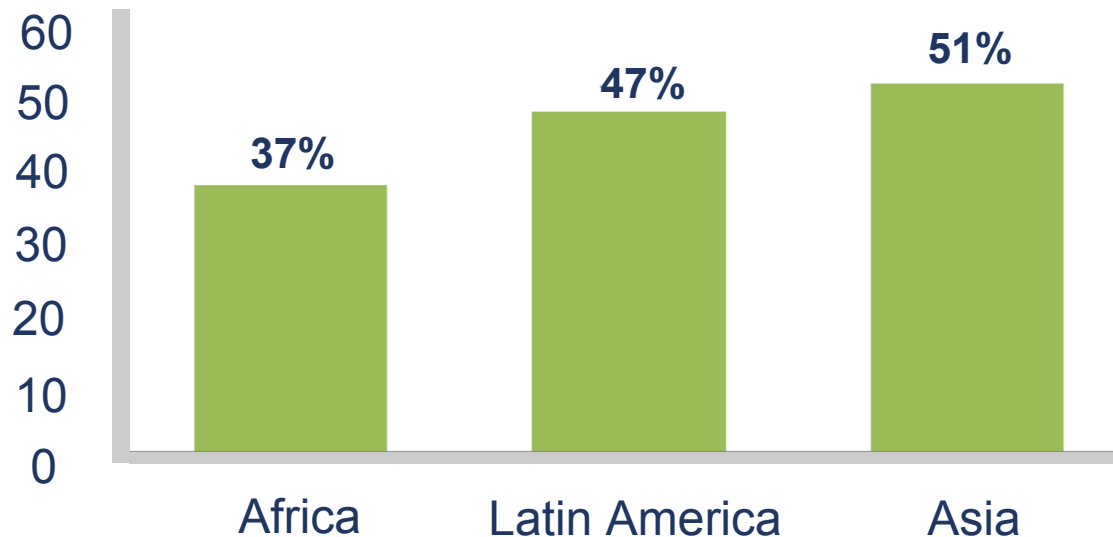
Structural transformation in the economy is accompanied by rural transformation

**Agrifood
Industry Output
per Capita (US\$)**



**Share of
Agriculture
in GDP (%)**

**Non-farm Share
of Rural
Household
Incomes (%)**

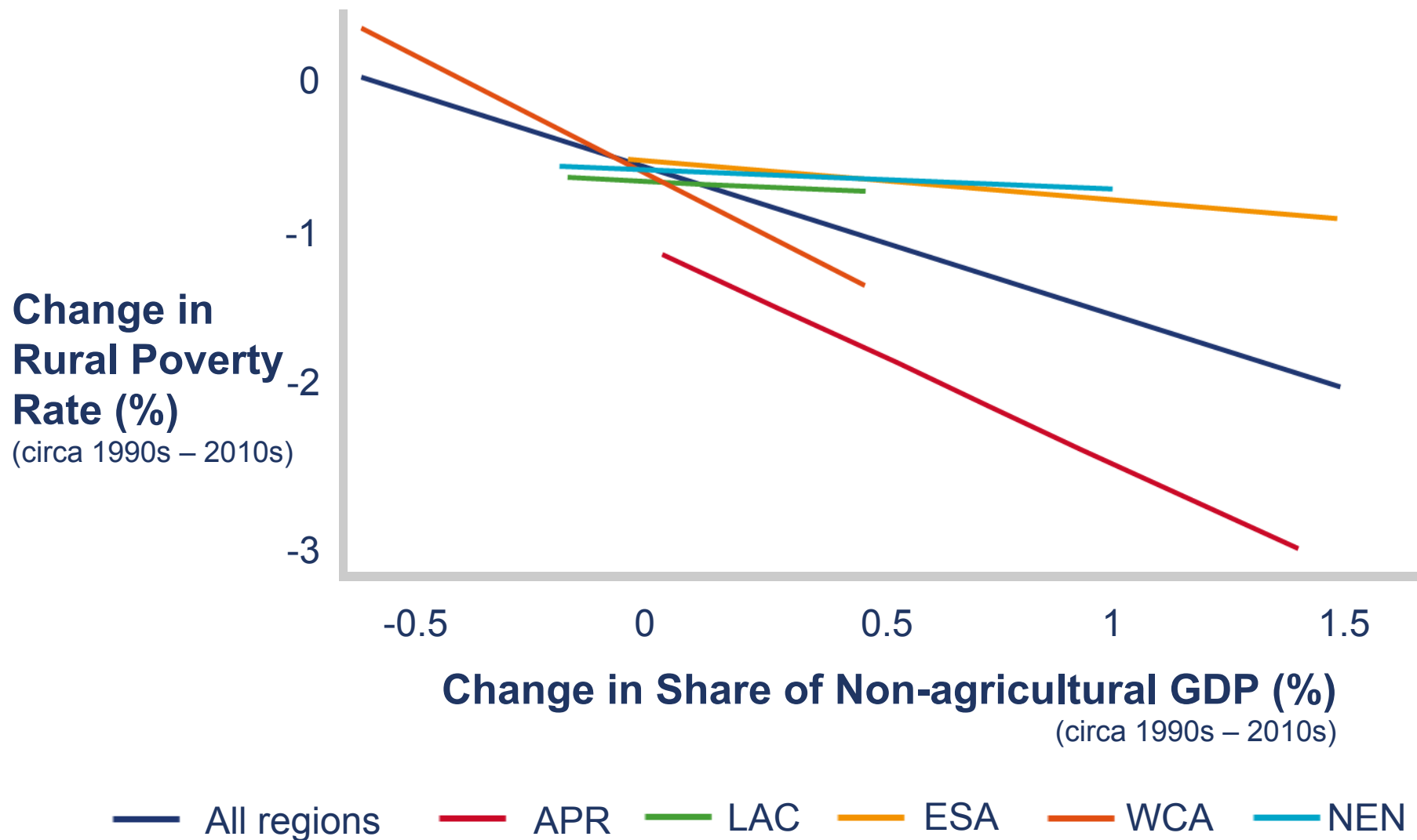


KEY MESSAGES

MESSAGE 1

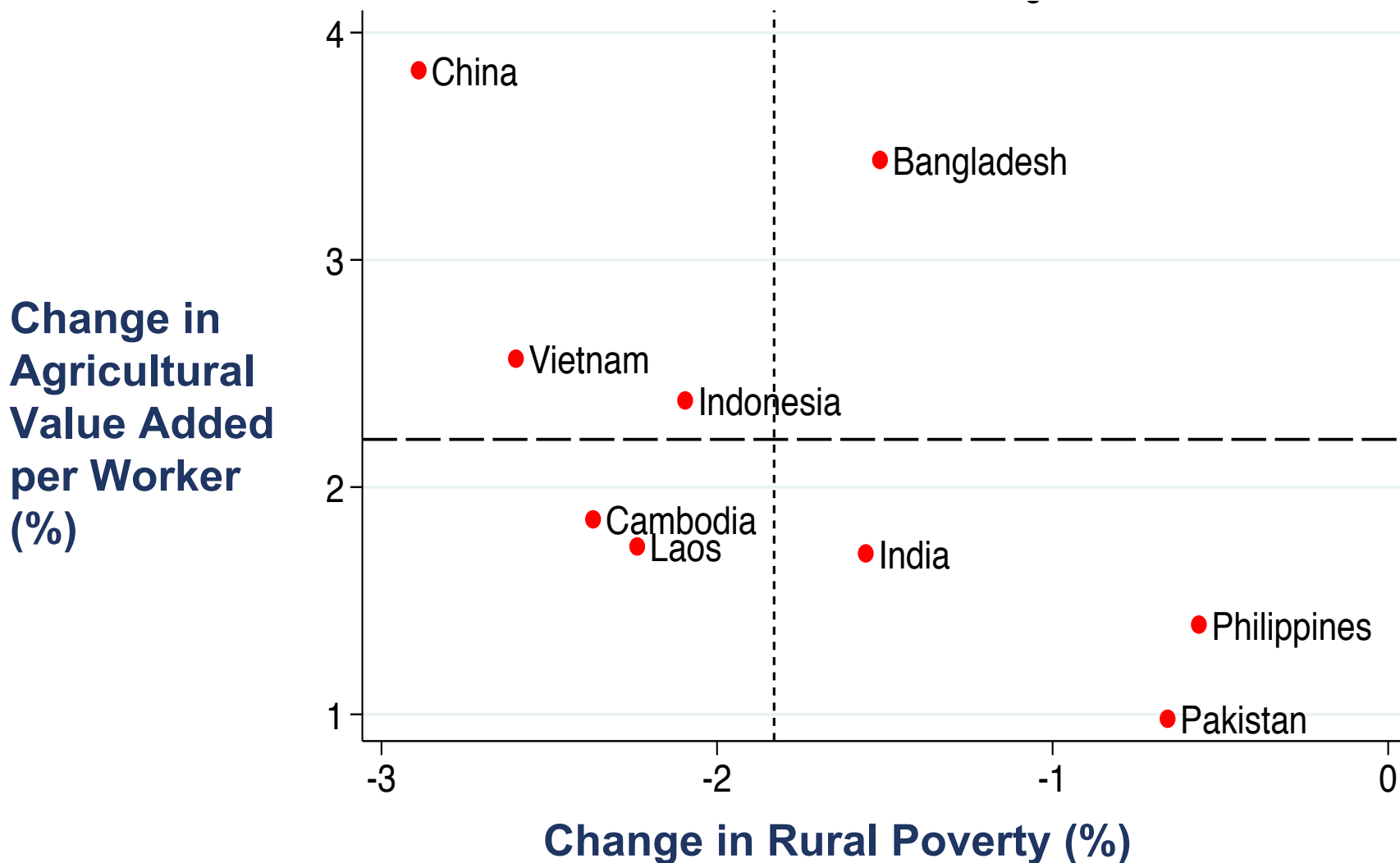
Rural transformation happens as part of a broader process of structural transformation altering the role of agriculture and broadening rural investment opportunities

Rural poverty falls as structural transformation proceeds



Rural poverty falls as rural transformation proceeds, but regional and country experiences vary significantly

Asia and the Pacific



KEY MESSAGES

MESSAGE 2

While rural transformation may generate both positive and negative effects for rural people, inclusive rural transformation will not happen automatically
– it must be made to happen

KEY MESSAGES

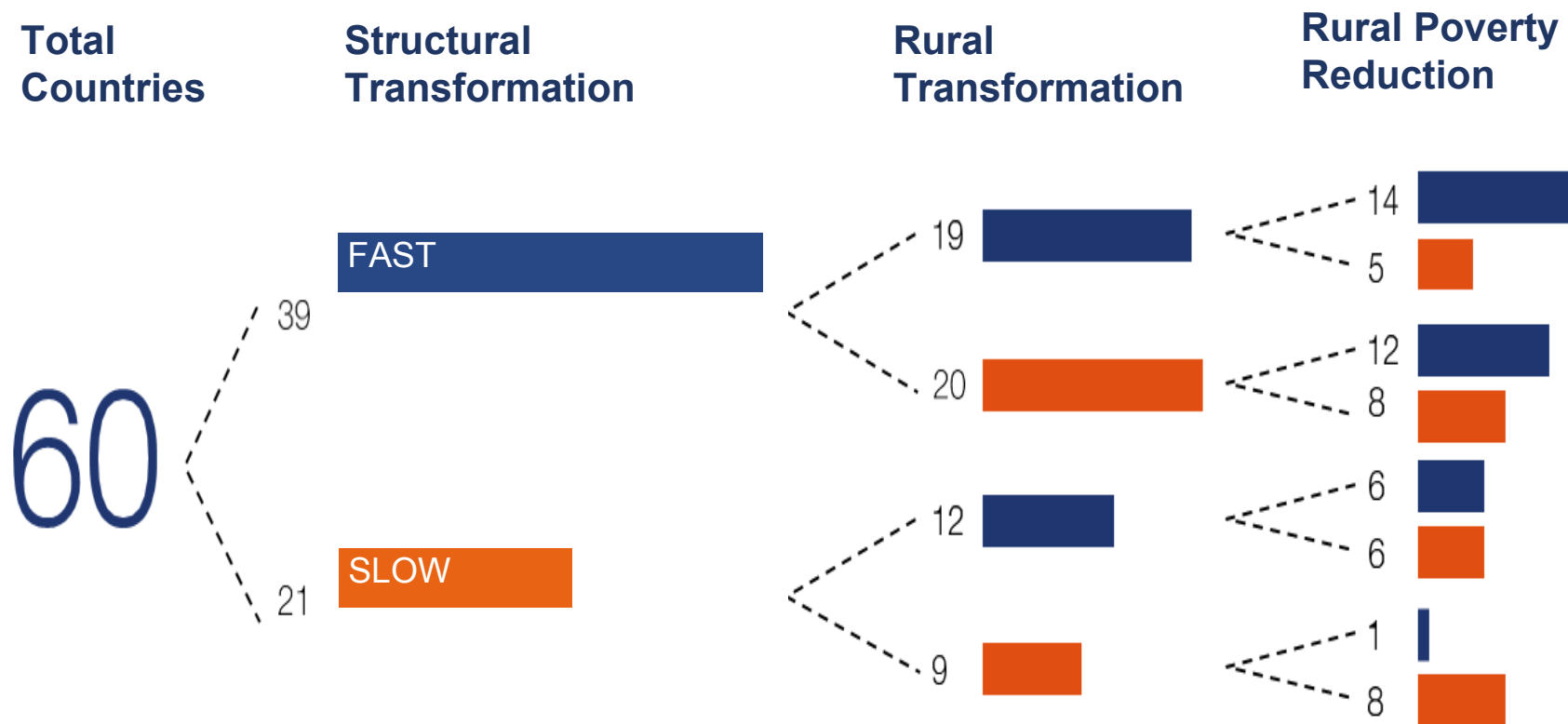
MESSAGE 3

Rapid rural or structural transformation, while necessary, do not automatically lead to a rapid reduction in rural poverty

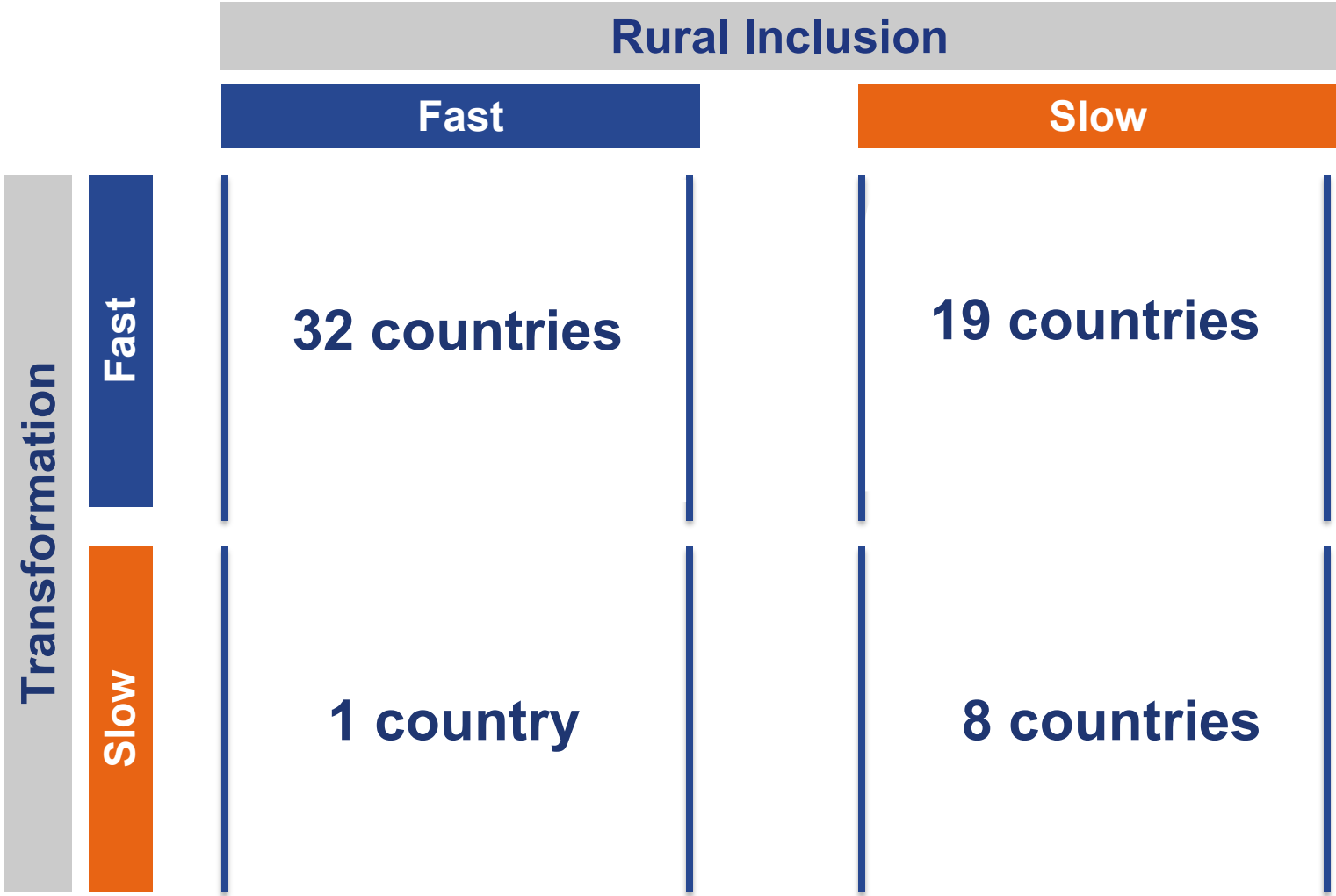
Two Propositions Tested:

1. No country has reduced poverty significantly in the absence of rapid ST and/or RT
2. Countries that have gone through rapid ST and/or RT have significantly reduced rural poverty

Rapid structural or rural transformation do not automatically lead to rapid rural poverty reduction



Rapid structural or rural transformation do not automatically lead to rapid rural poverty reduction



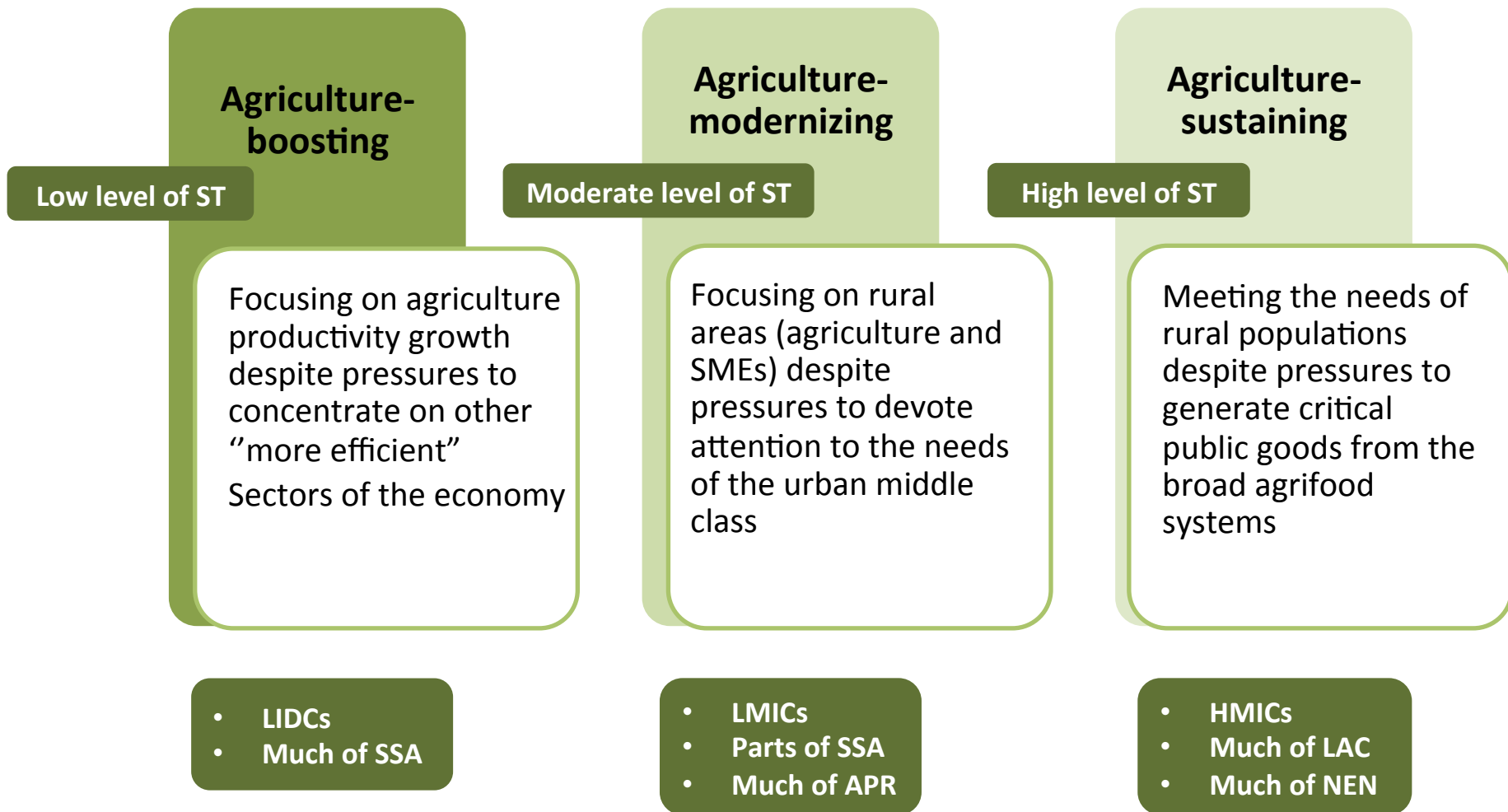
KEY MESSAGES

MESSAGE 4

Inclusive rural transformation hinges on agriculture, which retains its importance as the transformation unfolds.

Distinct agricultural policies
must be adopted at different stages of rural transformation.

The “right approach” to rural development for IRT depends on the role and importance of agriculture and rural areas at different levels of structural transformation

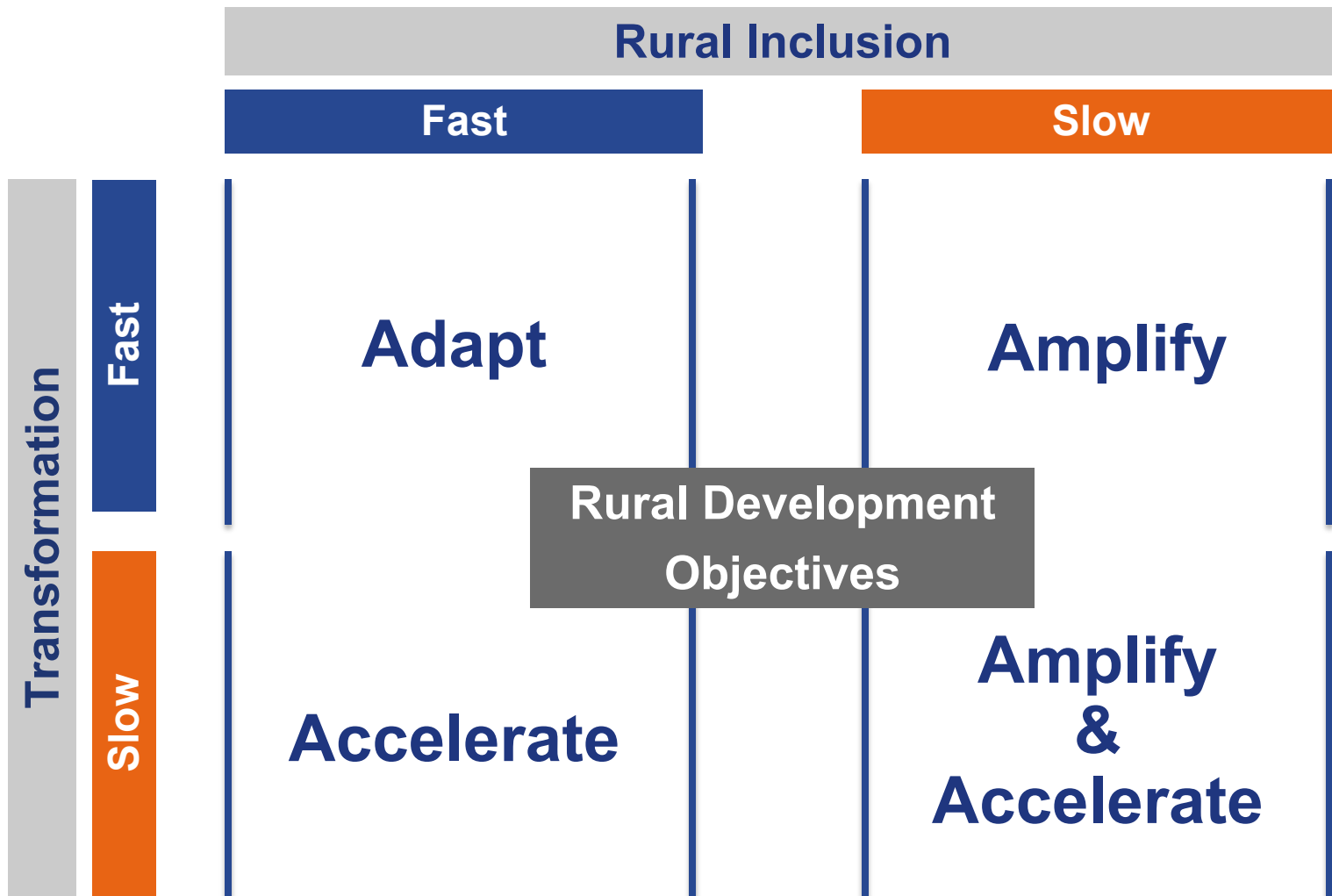


KEY MESSAGES

MESSAGE 5

Rural development strategies for inclusive rural transformation are context-specific, but structured.

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- High-priority policy reforms, institutional innovations and investments are determined by the speed and inclusiveness of the transformation pathways to date.



Rural Development Report 2016

Fostering Inclusive Rural Transformation



Four Decades
Investing in Rural People
Fostering Rural Transformation

Thank you