Dynamics of Rural Transformation of Emerging Economies – the 2010 International Conference

Policy Dialogue

Sustainable rural development: creating agency amongst the rural poor

South Africa
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Presentation

- Why the International Conference?
- Some highlights on rural transformation from Brazil, China and India
- Key emerging messages from the Conference
- Key areas for future shared learning

Overall objective - to help to set the backcloth for the Policy Dialogue
Conference – aims and inputs

- The Conference sought to:
  - stimulate the emergence of new frameworks, approaches and strategies for dealing with the major challenges posed by the dynamics of rural transformation in emerging economies driven by national and international trends
  - share lessons from experience in the differing contexts

- Presentations and debates
  - strategic vision and overview papers from the four key countries
  - 75 papers on human development and social inclusion; jobs and economic diversification; agriculture and food; environmental services and energy; urbanization and rural – urban linkages; and, governance, policy and institutions

- Some 200 participants represented the four emerging economies of India, China, Brazil and South Africa, and other emerging economy countries
The Context

- Rural societies of Brazil, China, India and South Africa comprise 25 per cent of the world’s population
- They are undergoing a process of change unparalleled in history, whether in scale, speed or potential consequences for humanity as a whole
- Such transformation is taking place in a context that is full of fundamental uncertainties: climate change, the impacts of growing scarcity of land and fresh water, the triple impact of the food, energy, and financial crises
- This rapid change is creating conditions of enormous risk and vulnerability for rural people ……..
- yet new opportunities are emerging linked for example to renewable energy, provision of environmental services and food production
The Context

- The process of change is made ever more complex for the current generation by the fact that it needs to deal with the heavy weight of many historical inheritances:
  - poverty
  - inequality and injustice
  - dual agrarian structures
  - lack of rights and social marginalization of large groups in the rural population, including women and tribal and indigenous peoples
  - lack of access to health, education and other basic services
  - insufficient private and public investment

- Despite this heavy inheritance, the conference delegates’ felt that ultimate success can be based on the evidence of the impressive achievements in these emerging economies
Whilst outcomes are not uniform between and within countries - much has been achieved

- Hundreds of millions have been lifted out of poverty
- Food production has increased many times over since the famines of the late 1950s and early 1960s
- Natural resources and ecosystems can no longer be destroyed in obscurity and with impunity
- Hundreds of thousands of small and medium firms have been created and are contributing to the global economy
- Cell phones have reached almost every village
- Many more young women and men are going to school when compared with their parents’ generation
- Governments are more accountable to citizens and civil societies are more active and vibrant than ever
China - headlines

- Rural population 713 million - 53.4% of the national total (2009) and expected to decrease to 30–35% in 20yrs
- 220 million farmer-households operate on less than 0.6 hectares per household, yet largely ensure food security for some one billion people
- Rural economic diversification through Township and Village Enterprises (TVEs) created 119 million new jobs (1978 to 2006)
- Rural social safety nets include:
  - exempting tuition fees for rural students
  - new rural cooperative medical system (94% of rural pop. covered)
  - establishment of a minimum living subsistence guarantee system in rural areas
- New pilot programme for rural social security insurance for the aged in place (20% of rural pop. covered in 2010)
China - yet there remain many challenges

- China’s per capita arable land is only 40 per cent of the world’s average and its water resources are low
- Urban–rural income gap is widening, and there remains a wide gap between social welfare levels in urban and rural areas
- Rural areas suffer from outmoded infrastructure and insufficient public services
- Population ageing is more severe in rural than in urban areas
- Market and environmental concerns - a decline in cultivated land areas, chemical fertilizer overuse, water quality and quantity constraints, climate change and energy
China - future priority policies

These include:

- Ensure national food security relying on domestic production to guarantee food supply
- Stabilize and improve rural land tenure
- Change agricultural growth patterns - improve science and technology for increased productivity
- Promote innovation in rural finance including farmer cooperative credit organizations
- Create job opportunities in rural areas
- Promote further rural–urban migration including the reform of public policies for migrants
- Secure equalisation of basic public services provision between urban and rural areas
India - headlines

- Rural population is about 830 million - 70% of total population. About 60% of holdings are below one hectare and some 80% are two hectares or less. Agriculture (farming, fishery and forest) accounts for 52% of employment but Agric GDP only some 18% (2004)
- Rural economy became less agricultural during the period 1999/2000 to 2004/05
- Since 1960s many approaches have been tried and not all have done well. In the process, many ‘silos’ have been created and few have been scrapped thus increasing inefficiencies
- Rural migration to urban areas has not been as rapid as that seen in other countries
- Rural–urban disparities across all indicators exist
India - recent programmes and initiatives

- India’s Eleventh five year Plan (2007–2012) include:
  - Backward Regions Grant Fund
  - Integrated Watershed Development
  - Horticulture and Food Security Mission
  - National Agriculture Development Programme
  - Education for All Programme

- the Panchayati Raj has supported implementation of many programmes e.g., the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) – a job guarantee scheme; the Right to Information Act; the Right to Education; and the Tribal and Forest Dweller’s Act

- Rural development is challenged by widening gap between R and U incomes, continued social inequalities, relative decline in agriculture, climate change, environmental problems including groundwater depletion

- There are calls to ensure full access to entitled goods and services and to strengthen voice at all levels
Brazil - headlines

- Rural population 30.8 million or 16% of the national total (2008) – some 4.4 million family farms
- the Zero Hunger programme launched emergency actions in 2003: Family Grant Program (*Bolsa Família*) and Brazilian Social Assistance Pension as well as structural actions, including land reform, support to family farming, and job and income generation
- First generation agrarian reform (2003–2009) has achieved success in terms of rural poverty reduction, land (re)distribution, strengthening family farms and increasing the number of family farm units, increasing access to rural credit and technical assistance, and increasing the minimum wage
Some key ongoing interventions:

- National Programme for the Strengthening of Family Farming (PRONAF), which includes a rural credit programme with associated climate and price insurance, technical assistance and extension.

- Marketing Food Acquisition Programme (PAA) including the purchasing of family farm production destined for people under conditions of food insecurity (contributes 30% of the procurement for the School Meal programme).

- Access to rights agenda including the Rural Women Workers Documentation Programme, rural credit provision specifically for women.

- National Programme for Sustainable Development of Traditional People and Communities.

- National Plan to Fight Rural Violence.

- Territories of Citizenship Programme (new 2008) to secure the productive inclusion of poor people, universal access to basic citizenship programmes, to expansion of social participation and increasing efficiency and effectiveness of public policies.
Brazil – some challenges ahead

- Although the last 10 years has seen a major reduction in poverty and inequality - levels of inequality remain high
- Recent policies have had their challenges e.g. credit repayment; high cost of land acquisition
- Large national and international agribusiness lobby remains powerful e.g. resulting in rising land acquisitions by foreign investors for biofuels, etc. Driven by the large-scale use of GMO technology - Brazil has become the world’s largest pesticide consumer
- Whilst a reduction of the pace of deforestation - agribusiness remains a threat to the biomass
- Multi-stakeholder and multi-sector approaches remain difficult to implement
Key points from the Conference Declaration
The rural transformation envisioned is about human development, as opposed to simply the development of assets.

For this type of transformation to occur, the Conference identified an agenda based on three pillars:

A. Heavy investments are needed for inclusive, sustainable and diversified rural development to occur.

B. Need for the right governance systems, institutions and policy processes.

C. Need to improve the efficiency and effectiveness of public policy and programmes.
A. The imperatives for rural transformation (and their associated investments)

1. Reducing poverty and inequalities, not only those inherited from past policy decisions and social structures, but also the new poverties, gaps and inequalities being created each day by the process of rapid change itself

2. Ensuring food security, accelerating agricultural development, and securing a relevant role of and opportunities for small-scale producers and family farmers in national and global value chains

3. Creating more and better jobs and economic self-sufficiency in rural areas, including in small towns and intermediate cities
4. Stimulating the growth of rural towns and intermediate cities and strengthening the links between them and their rural hinterlands

5. Managing the complex and sensitive issue of rural–urban migration

6. Meeting the climate change and environmental challenge, enhancing environmental services, making much more efficient use of scarce natural resources such as land and water, promoting renewable sources of energy that can only be created in rural areas, and leveraging a green agenda for new jobs and sources of income for the poor
7. Securing universal access by rural populations to basic public services including education, health, housing, fresh water, electricity, transport and communications, with improving quality standards

8. Developing land reform and land tenure systems that balance objectives of social equity, economic growth and environmental sustainability, and that can evolve rapidly as many young and better-educated people join new non-farm rural jobs or out migrate

9. Securing widespread access to efficient and sustainable financial services and capital, without which the benefits of the rural transformation cannot be realized in full
10. Promoting innovation, research and development focused on the needs of rural people and rural producers and firms, and making much better use of the opportunities offered by the ICT revolution

11. Putting in place social support schemes including cash transfers, pensions, employment guarantees, and subsidies for the most vulnerable that secure the basic human dignity of every rural dweller
B. Need for the right governance systems, institutions and policy processes

The Conference learned – often through painful and costly failures – that this agenda is simply impossible to design and implement if such hard investments are not accompanied by much better governance, institutions, social participation and policy processes.

“Rural change would be easy if it was only a matter of ‘bricks and mortar’ projects and of spending more money, but we know that this is not the case”
Major governance, institutional and policy challenges include the following:

- The term ‘rural’ is no longer synonymous of agriculture or food production
- Rural includes small towns and intermediate cities
- Rural people include much more than male farmers
- The agro-sectoral rural lens of the past needs to be urgently replaced by a place-based lens that recognizes inter-connections between places at both national and global levels
- Rural development does not live in the shadow of urban development; instead rural development calls for a deliberate investment in rural social and economic infrastructure for the growth of rural economies
Major governance, institutional and policy challenges (cont.)

- The challenge of coordination across government levels (from central, to provincial, to local) and across sectors (agriculture, education, health, environment, infrastructure and so on), and across and between market, state and civil society actors

- The challenge of private–public partnerships, particularly when there is no private sector available or willing to partner with
Major governance, institutional and policy challenges (cont.)

- The huge challenge of the most disadvantaged regions and social groups, like the tribal areas, badly lagging regions and the rural destitute
- The continuing challenge of refashioning gender relations on the basis of equality
- The challenge of building the capacity of accountable local governments
- The challenge of strengthening civil society processes and structures so that they can better contribute to and be drivers of rural transformation
C. Improving efficiency and effectiveness of public policy and programmes

This third pillar seeks to close the gap between outlays and outcomes. Key questions are:

- How to sequence priorities in rapidly changing countries?
- How to allocate resources more effectively and transparently?
- How to improve approaches to targeting and to social control of investments?
- How to strengthen Monitoring and Evaluation (M and E), learning systems, research on rural development, and build up adaptive, evidence-based policymaking?
Moving Forward

Agreement comprised a two-level approach:

- at inter-ministerial level carried out through the appropriate official channels
- to continue with the open, multi-stakeholder and informal forum that emerged in New Delhi

It was also agreed that in the future these processes should be opened to other developing and emerging economy countries in addition to Brazil, China, India and South Africa, that are interested in South–South learning and collaboration to better meet the global and local challenges of rural transformation
Topics for comparative study

- Cash transfers
- Job creation in rural areas
- Skills development for rural employment – experiences of intervention to support skills, needs assessments and development for the changing rural labour markets
- Rural finance and financial intermediation models e.g. mutual guarantee groups in China
- IT and its role in service delivery – what have been the experiences/lessons learned and under what conditions?
Other studies or case material

- Role and impact of coalitions and social movements on rural change
- Funding mechanisms for ecosystems security and carbon credits
- Role of the private sector in rural transformation
- Policies that enable rural migration
- Setting up of marketing cooperatives
- Rural innovation including IPR and GMOs
- Innovation in institutional structures that break down sectoral barriers at all levels of public sector support and intervention
- Planning for land utilization i.e. food v biofuels; agriculture v urbanisation – models and experiences
Evidence, study and debate

- Managing duality in agriculture (small-scale producer and the agribusiness) – examples of effective regulation, and/or mechanisms for conflict mitigation and resolution that secure small farmers’ rights within the environment of dual systems
- Better understanding of impacts of agriculture policy of large emerging economies on local, regional and global socio-economic outcomes and on other agriculture outcomes (production, trade and nature of farming). A felt need to highlight and share views and work towards better understanding and consensus on the key issues and the implications
Evidence, study and debate

- Why development investment outlays are not having the desired outcomes? What are the best approaches to address the gap between (investment) outlays and outcomes including sharing experiences on the use of different indicators?
- Learn about what has worked through cross country study to generate ideas on Monitoring and Evaluation include:
  - use of Rapid Evidence Assessments (REAs) now being tested in South Africa
  - shared learning with China (and a South East Asia regional network) on Results Based Management
  - how does Monitoring and Evaluation feed into Government policy and link with planning including for continuous learning?
Sources of Information

Conference websites

www.ruraltransformation.in

www.rimisp.org/dtr/conferenciaindia