Report on virtual Development Policy Seminar on World Social Report 2021: Reconsidering Rural Development

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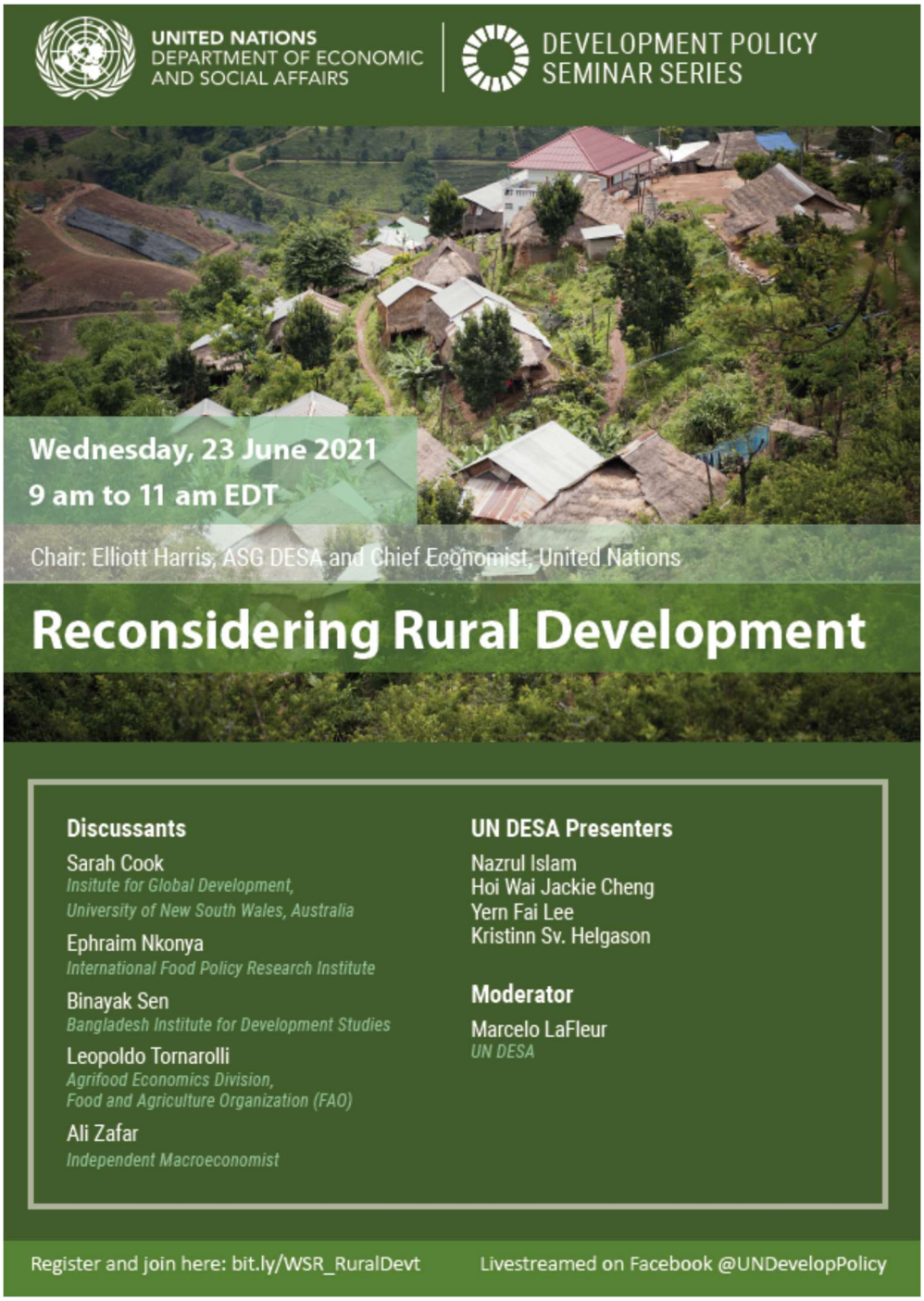
Background

On Wednesday, 23 June 2021, 9 am to 11 am EDT, the Development Research Branch of the Economic Analysis and Policy Division of UN DESA organized a virtual Development Policy Seminar on World Social Report 2021: Reconsidering Rural Development. The seminar was chaired by Elliott Harris, Assistant Secretary-General for Economic Development and Chief Economist, United Nations.



1. Opening remarks by Elliott Harris, Assistant Secretary-General for Economic Development and Chief Economist, United Nations

Welcome to this special webinar, organized to discuss the World Social Report (WSR) 2021, *Reconsidering Rural Development*. This report was officially launched through a press conference held on May 20. This webinar is organized to allow more detailed discussion on the report.

WSR is one of the flagship reports of UN DESA, and it is produced through inter-divisional cooperation. This year's report was led by Economic Analysis and Policy Division (EAPD) and produced jointly with Division for Inclusive Social Development (DISD). A team of researchers from these two divisions was led by Nazrul Islam, the OIC of the Development Research Branch of EAPD.

Today's webinar has three parts. The first comprises the presentation of the report. This will be done by Nazrul Islam, together with the leaders or representatives of the teams that drafted the three substantive chapters of the report. They are Hoi Wai Jackie Cheng of EAPD, Mr. Yern Fai Lee of DISD, and Mr. Kristinn Helgason of EAPD.

The second part is devoted to designated discussants. We are pleased to have very distinguished scholars assembled here to discuss the report. They are Sarah Cook, Ephraim Nkonya, Binayak Sen, Leopoldo Tornarolli, and Ali Zafar. You have seen their affiliations in the seminar notice, and so I will not waste your time by going through that again. More detailed information on them is provided in the Bio-page available at the webinar event webpage, and those who are interested can visit that page.

Though the issues of sustainable development are interrelated, the three substantive chapters of the WSR 2021 focus on the economic, social, and environmental dimensions of rural development. The discussants will therefore focus on one or the other chapter of the report.

The third part of the webinar is devoted to Q&A and open discussion. Marcelo LaFleur, the moderator of this webinar, has already explained how you can submit questions. You may please follow his instructions to submit your questions.

Given the number of presenters and discussants, I have to run a tight ship here. Since the report has already been out for more than a month, I hope you already had a chance to be familiar with its contents. So, we will not give too much time for its presentation. Our plan is to have the entire presentation done in 20 minutes.

Our main intention is to have discussion on the report. That is why we will give more time to the designated discussants, each of whom will get ten minutes for their discussion.

That will leave us about 40 minutes for Q&A and follow-up discussion. I hope that will be enough and you will make efficient use of that time.

Dear friends and colleagues:

WSR deals with a very important topic: rural development. Rural population comprises about 67 percent of the total population in low-income countries and about 60 percent in lower-middle-income countries. For these countries, rural development is the paramount task.

About one-fifth of the rural population live in extreme poverty. Every four out of five people who are below the poverty line live in rural areas. It is simply impossible to achieve SDGs without success in rural development.

It will not be wrong to say that in recent decades, less attention has been given to the issues of rural developed than they deserve. The topic chosen by WSR 2021 is therefore a very timely one. It urges all to reconsider rural development. This call for reconsideration however has two sides. One is the call to give more attention to rural development. The other is to reconsider the paradigm within which rural development has been viewed so far. Indeed, WSR 2021 has called for a paradigm shift regarding thinking of rural development. It has put forward new ideas about treating the issues of rural development. I don't want to preempt the presentations and discussion by dwelling more on what these new ideas are. However, I hope that by the end of this webinar you will have a clear view of what is the proposed paradigm shift and what the new ideas are.

With that anticipation, I now hand over the presentation part to Nazrul Islam, the team leader.

Thank you!

2. Introduction by S. Nazrul Islam, OIC, DESA/EAPD/DRB and team leader

Thank you, Elliott, for this opportunity to present the World Social Report 2021, devoted to theme, Reconsidering Rural Development. As you have rightly noted, many countries of the world are still rural, and hence development for them is predominantly a question of rural development. Also, the remaining poverty in the world is mainly a rural phenomenon. Again, as you have mentioned, four out of five persons below the extreme poverty line live in rural areas. Hence, the 2030 Agenda for Sustainable Development cannot be achieved without success in rural development.

Yet, the issue of rural development has received less attention in recent years than it deserves. One possible reason for this is a misinterpretation of the Lewis Model of growth. Many seem to have misunderstood this model as suggesting that the role of rural areas lies primarily in supplying cheap labor for the development of the urban economy. This misinterpretation made rural development a residual issue, an appendage of urban development.

Yet, the history of both the early and the newly industrializing countries shows that increase in the productivity agriculture and rural development had a preceding role in successful industrialization. One of the main messages of WSR 2021 is therefore that rural development has to be accorded a preceding role in the overall development efforts of countries in which bulk of the population resides in rural areas. In other words, rural development needs to be pushed to the forefront of attention.

The second main message of WSR 2021 is that time has come to think of not only narrowing the rural-urban disparity but of ending the rural-urban divide. The root of this divide lay in technology. Some economic activities – agriculture being the most prominent example – requires more space or land. By contrast, some economic activities, such as manufacturing, requires physical congregation of people. Accordingly, areas focusing on the latter became urban, with high density of population. Whereas areas focusing on the former, remained rural, with low density of population. However, new technologies are altering this calculus fundamentally. With adequate broad-band Internet, it is now possible to engage in a whole range of economic activities that were previously thought to be urban. The experience of COVID-19 has forced this reality on to the thinking of many people than before. The possibility of virtual congregation has undercut the necessity of physical congregation. Meanwhile, the development of 3D printing technology is converting manufacturing into boutique operations that can be dispersed in rural areas in a way the handicraft-based manufacturing was before the Industrial Revolution. In other words, the technological underpinning of the rural-urban divide is slipping away, and we need to wake up to this new brave world. The paradigm for thinking of the place, role, and future of rural areas has shifted. Making use of this paradigm shift, it is now possible to think of a much broader role for rural areas in the economy of a country than was previously possible. In this connection, it offers an analysis of the concept of in-situ urbanization and presents a review of several prominent examples of translating this concept into reality. Whereas these examples can be seen as an effort at narrowing the rural-urban divide on the basis of pre-digital technologies, the goal of ending the rural-urban divide that WSR 2021 puts forward is based on digital technologies, technologies that are heralding the Fourth Industrial Revolution. The feasibility of ending the rural-urban divide on the basis of the new technologies is probably the most important message of WSR 2021 from a long-term perspective.

The third most important message of WSR 2021 is that the issue of rural development is important not only for low and lower-middle income countries with the majority of the population living in rural areas. Instead, it is an important issue even for countries which have industrialized agriculture and where the share of the total population living in rural areas is small. This is because most of the natural capital of a country is located in the rural areas, and misdirected rural development can cause serious damage to the ecology and natural capital. In fact, unrestrained clearing of forests and wilderness for expansion of agriculture; dangerous levels of extraction of river water for irrigation; unrestrained increase in the use of chemical inputs for agriculture, etc. have led to an alarming level of degradation of the natural capital on which human life and civilization depends. The COVID-19 pandemic is serving as an additional signal of the critical stage that the degradation of the natural capital has reached. Scientists have generally pointed at the continuous decline in the areas under forests and wilderness as a reason for the recurrence of zoonotic epidemics in recent years. The necessity for reconsidering and reorienting rural development strategies is more urgent than ever.

In putting forward the goal of ending rural-urban divide, WSR 2021 however does not lose sight of the fact that this goal can only be of a very long-run nature for many developing countries, where bulk of the rural population are still stuck with pre-industrial technologies. In other words, they are yet to graduate to the First Industrial Revolution, depending mostly on muscle power, lacking electricity, hygienic sanitation, basic utilities, adequate education and healthcare opportunities, and necessary physical and social infrastructure. Policymakers of these countries therefore face the daunting task of overcoming these basic hurdles before they can take on the task of switching to the technologies of the Fourth Industrial Revolution. They also face the challenge of accomplishing rural development in the context of globalization, when export and import and Global Value Chains are becoming more important for agriculture too. The task of rural development is therefore more complex than before.

However, alongside challenges, new technologies and globalization present opportunities too. Export can lead to dramatic increase in the value added in agriculture. Application of new technologies can reduce the input requirements of agriculture, saving land, water, and other parts of natural capital. They can help to promote organic and mixed farming, incorporating many benefits of circular economy.

While the gap between pre-industrial technologies and the technologies of the Fourth Industrial Revolution is large, developing countries have shown remarkable capabilities of leapfrogging, as illustrated by the speed with which people of these countries bypassed the era of land phones and jumped directly to mobile phones and are now putting them to such creative uses as are comparable to or in some cases even surpass those seen in developed countries. What is therefore important for policymakers in developing countries is to provide the necessary physical and social infrastructure, and the people themselves can then produce miracles. A Big-Push type of effort may be the desired route for creating the necessary physical and social infrastructure, however, in situations of resource constraints, it is also possible to turn to Hirschman's idea of unbalanced growth and undertake critical investment in particular areas, which can then trigger processes with wider impact. This however requires in-depth analyses of a country's specific circumstances, creative thinking, and bold initiatives.

In addition to technologies, institutions have a large role in ensuring sustainable rural development. WSR 2021 offers a classification of institutional models of agriculture and shows their connections with outcomes regarding resource utilization and income distribution. It highlights the ways in which the smallholder

agriculture can be conducive to achieving various objectives of social and environmental sustainability. It also emphasizes the role of local government institutions in promoting rural development.

WSR 2021 is organized into five chapters. Chapter 1, the introductory chapter that shows the distribution of the rural population across the world; it offers an innovative way to measure the depth of rural-urban gap and shows how it varies across countries. It offers a conceptual discussion of rural-urban distinction and of different types of rural-urban spatial combination, including in-situ urbanization. It devotes three substantive chapters, one each to the discussion of economic, social, and environmental dimensions of rural development, without losing sight of the interconnections among them. It devotes a separate chapter to present the policy recommendations.

The report has been designed to make it more accessible by readers. Thus, it offers three levels of details at which a reader can engage with the report. First is the Executive Summary that runs 5 pages. Second is the Overview of about 15 pages. The third is the full report of 172 pages. Similarly, it presents the policy recommendations, by distinguishing three levels, namely strategic principles, cross-cutting programs, and sectoral policies. This is done in order to better reflect the interactions among the three dimensions of sustainable development.

All in all, WSR 2021 contains a lot that is useful and a lot that is new. We had to prepare this report with minimal resources and under the difficult conditions of COVID-19. However, we hope that policymakers and researchers alike will find it useful in thinking about rural development in their respective countries. It will be our greatest satisfaction if this report helps to better the lives of rural people, no matter where they live.

3. Summary of discussion on chapter 2: The economic dimension of rural development

The discussion on the economic dimension of rural development in the seminar was oriented around the World Social Report 2021 chapter 2, entitled "Rural development for inclusive growth and balanced settlement of population".

The chapter noted that historical data shows richer countries derive a greater share of their income from non-agricultural activities in rural areas. This fact explains why achieving higher incomes per capita require countries to invest in high-value agriculture, in agricultural value chains, and in higher value-added industry and service sectors. However, the path that each country must take as it transforms and develops is not obvious. The general observed relationship between income and economic structures is complex and the causal links are multidirectional. Sustainability and social challenges add to this complexity and call for tailor-made interventions. It is no accident then that there are nearly as many experiences of rural and national development as there are countries.

The chapter stressed that escaping poverty is possible not only through migration to large urban centers where higher paying jobs are available, but more importantly through engaging with the rural non-farm economy. In-situ urbanization of the rural areas is a location-based structural transformation that helps not only eradicate poverty, but also alleviate the urban development issues by reducing incentives for rural dwellers to migrate to the urban area. A decisive change in the direction of national development planning and in-situ urbanization in rural areas would need to happen to accelerate and actualize rural and nation-wide transformation.

Two key processes central to the achievement of rural transformation are the improvement of agricultural productivity and the spill over of agricultural productivity growth to the expansion of local rural-based non-farm economy. For many countries, neither process gathers sufficient pace for generating sustained growth and decent work in rural areas.

Chronic underinvestment in the agricultural sector and underfunded agricultural research across developing economies are key factors behind the subpar agricultural productivity growth. Tepid investment in agriculture reflects low expected return, which is in turn driven by volatile agricultural prices that have been on a decade-long decline, insufficient and uneven access to agricultural knowledge and technology, inadequate infrastructure, insecure land access, gender gap in access to productive resources, climate change and environmental degradation. Coupled with these factors are the de-prioritization of the agricultural sector by urban-minded governments and the ongoing COVID-19-induced disruptions to the agricultural global value chain.

The chapter stressed that improvement in agricultural productivity does not always lead to broad-based and immediate poverty reduction, given that – in some cases – a lion share of the benefits would be captured by small-scale, commercial farmers who live above the poverty line. In countries where poverty is more prevalent among landless rural households that mainly engage in non-farm activities, keeping a vibrant non-farm economy in rural areas is crucial for lifting, and keeping, many rural residents out of poverty. A viable rural non-farm economy also presents a significant potential for generating jobs for the growing young labour force found in many developing countries.

Continuous improvement in human capital, infrastructure and governance would be essential in enabling both the reallocation of resources to rural non-farm sectors and productivity growth in these sectors. Also, some frontier technologies hold promises in mitigating some of the disadvantages that rural firms face, which could pave way for a more vibrant rural non-farm economy. Inclusive rural financing is crucial and pressing given the persistent rural-urban gap in access to finance, but governments must also keep a watchful eye on the rising risk posed by rural debt that can be observed across countries of different development levels.

Technologies can also help overcome some of the disadvantages that workers and businesses face in rural communities. Agglomeration in cities means the network effects work against rural communities and smaller cities, but with the spread of digital technologies, it may finally be possible to end the rural-urban divide. Greater connectivity can facilitate in-situ urbanization by making remote work more accessible. New business ventures and start-ups based on digital and e-commerce technologies make it possible for goods and services to be sourced and provided directly in rural communities and are helping many to find non-farm employment opportunities. This is a big step forward in removing the economic underpinnings of the rural-urban divide.

Panel discussion

During the panel discussion, the discussants of the chapter affirmed a key message of the report which is that rural development needs to be placed in the center of sustainable development, given the former has been neglected for too long. It was noted that recent development successes in developing countries in East Asia and other regions have much to do with their rural development.

It was also noted that the agricultural sector plays two important roles.

First, it helps to reduce vulnerability, as the COVID pandemic has shown the importance of the agricultural sector and more broadly speaking rural development as an effective form of social protection in terms of employment creation, generation of food security and provision of a sense of stability. It is clear from data that rural areas still account for a significant share of employment in developing Asian countries, such as Bangladesh and China. It supports the point made by the report that eradicating rural poverty is key to the achievement of SDG 1.

Second, agriculture plays a role in expanding opportunities. A discussant noted that – already prior to the COVID pandemic – there has been an enhanced access to mechanized service markets, and it provides a better economic prospect for the rural poor. It was highlighted that previous literature highlighted the rural poor's lack of working capital and draft power for cultivation as a hindrance to their participation in the agriculture tenancy market. The first obstacle has been mitigated to a certain extent, including through the introduction of micro finance mechanism and income derived from internal and external migration. As for the lack of draft power, the mechanized service markets provide a solution to that. These developments – against the backdrop of rapid urbanization and out-migration from rural areas – have led to an increasing participation of rural households in the agriculture tenancy market and "feminization" of agriculture, i.e., the increased participation of women in the sector.

It was also noted that in some Asian countries there has been an increase in households where workers in the family are working in both the farm and non-farm sectors, coupled with an increase in salaried workers

in the non-farm sector. The latter can be partly attributed to investment in human capital that enables workers to carry out non-farm jobs.

The discussion also underlined the importance of technology in advancing rural development. Three technology-related areas were highlighted, which include ag tech, such as drones and sensors, Fintech, and e-commerce that allow economic actors to overcome asymmetric information, among other challenges. A discussant stressed the need to consider political economy factors that could help to explain the rural development successes and failures. While there are many potential solutions, including technological ones, to rural development challenges, policymakers must understand the incentives of all stakeholders and what have been driving the urban bias that hamper rural development.

4. Summary of discussion on chapter 3: Poverty, inequality and rural development

Poverty remains a largely rural challenge, despite progress over the past decades. 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.

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.

Panel discussion

Sarah Cook noted that the social aspects of rural poverty and inequality, including its multidimensional nature and the circumstances of various social groups, were well addressed in the chapter.

Despite ongoing reductions in rural poverty over the years, supporting those furthest behind continues to be a challenge, and there is a need to continue thinking about how policies relating to productivity, non-farm employment, environment sustainability and new technologies can really help reduce rural poverty. As the world progresses, rural people – especially youth – will require up-to-date knowledge, skills and training to take advantage of future opportunities, whether in farm or non-farm sectors. Citing the examples of Japan and the Republic of Korea, which had invested heavily in secondary education and vocational training in previous decades, Ms. Cook suggested that beyond universal primary education, more emphasis on secondary education and skills training may be needed in the development discourse. One participant noted that meeting the changing aspirations of rural youth will be increasingly important, as today they may enter agriculture as agri-business persons, for example, rather than as agri-workers.

Poverty programmes, on their own, will not automatically lead to reduced inequality. There needs to be serious, deliberate policy action and reform aimed at asset redistribution, and land and capital ownership. Social protection is a priority, and should aim to integrate rural workers and those in informal employment, while enhancing productivity and benefitting recipients' local economies.

The geographic dimension and its limitations must also be taken into consideration when designing policies. Expansion of infrastructure and public services typically still result in the creation of rural/peri-urban "centres", meaning that distance continues to be a challenge for residents in remote locations.

Ultimately, inequality is as much a political economy issue as it is developmental. The wider political environment, structural issues, fiscal considerations and urban vs rural biases can all impact the effectiveness of policies targeted at lowering inequality.

Leopoldo Tornarolli highlighted that more, better quality data is needed to inform us about the situation of rural persons, including their experience of COVID-19. Many of the sources commonly used, including poverty and Gini figures, have a more general focus – especially on the broader, aggregate levels – rather than a focus on rural individuals. Rural poverty is defined by many intersecting issues, including livelihood challenges, exclusion, and exposures to shocks, animal diseases and natural disasters. Better data will enable us to better understand what constitutes rural wellbeing. In this respect, OPHI's multidimensional measures can be useful.

Mr. Tornarolli echoed the chapter's view that reducing poverty and reducing inequality should be complementary goals. Access to health, education and political participation should be expanded in rural areas, along with a narrowing of gaps between rural and urban areas. However, policymakers should be wary of inequality-worsening impacts of interventions, such as in cases where certain, less worse-off participants benefit ahead of others (who may be worse off). Sharing FAO's experience, Mr. Tornarolli noted that beyond programme redesign, there is a need to better identify those furthest behind and help them – such as through training in basic skills – to be able to participate in the programmes in the first place.

5. Summary of discussion on chapter 4: The environmental dimension of rural development

The current patterns of rural development are not sustainable. It is negatively affecting the global progress on water and land-related SDGs, with those goals not being on track to be achieved by 2030.

Over the last century, the global use of freshwater resources has increased more than six-fold. Of this demand, approximately 70 per cent comes from agriculture (higher in some regions, such as South Asia, reaching around 90 per cent), primarily for irrigation purposes. The overuse of freshwater resources is also affecting biodiversity in the oceans, as some rivers no longer reach the sea. Improving water-use efficiency, particularly in the agricultural sector, is thus a global strategic priority in the near-term. Agricultural practices are also driving freshwater pollution, as the use of pesticides and fertilizers has expanded dramatically over the past half-century. Water pollution is a major contributing factor limiting progress on SDG 6.1 on safe drinking water. Currently only 43 per cent of rural residents have access to safe drinking water. In addition, water pollution is negatively affecting the quality of crops and livestock, which amplifies the human health risks of agricultural products.

Land is similarly being overused. Some 50 per cent of Earth's habitable land is currently used for agriculture, with another 37 per cent covered by forests. Agriculture-driven deforestation has claimed about 30 per cent of the global forest cover over the past century and 20 per cent of the standing forest has been degraded between 1990 and 2015. During the SDG period, the annual rate of deforestation globally has been about 10 million hectares. This loss of forest cover has had major environmental impact such as loss of biodiversity and measurably reduced the global carbon sink. In addition to using too much land, agricultural inputs are harming land-use. The high use of fertilizers and heavy tillage practices, for example, are resulting in high soil degradation – a problem with an estimated global cost of $400 billion annually. The inefficiencies of agriculture have also led to massive carbon emissions and without reform to this sector, it is unlikely that the world can meet its climate-related targets by 2050.

Many solutions are available with much potential to improve the current situation of land and water resources. Countries can do more by implementing systems to recycle water and harvest rainwater. Reforms at the farm-level, like innovations in irrigation techniques, must also be complemented by special measures at the basin-level, like physical controls and incentives for water use, i.e., rationing, quotas, and the introduction of tradable rights. To preserve land, the focus needs to shift to greater emphasis on achieving sustainable agricultural intensification, e.g. by developing crops with higher yields relative to the level of fertilizers and pesticides used. Lastly, work must be done to improve local institutions so they can contribute more effectively to the sustainable management of natural resources in rural areas. Local institutions, like water user associations, farmers groups, tenure systems along with market mechanisms such as water rights, as well as better land-use planning, the scaling-up of organic farming, and further investment in land restoration, can all play a critical role in improving water and land-use management in rural areas.

Panel discussion

The importance of involving local communities in managing water and land resources was particularly stressed during the discussions in the seminar. It was felt that the World Social Report 2021 has been effective in highlighting successful practices at the local level such as resource-efficient methods of

municipal and agricultural wastewater treatment. This can be particularly helpful if the example comes from a low-income country with replication potential in other countries at similar levels of development, while incentivizing higher-income countries to pursue such solutions as well.

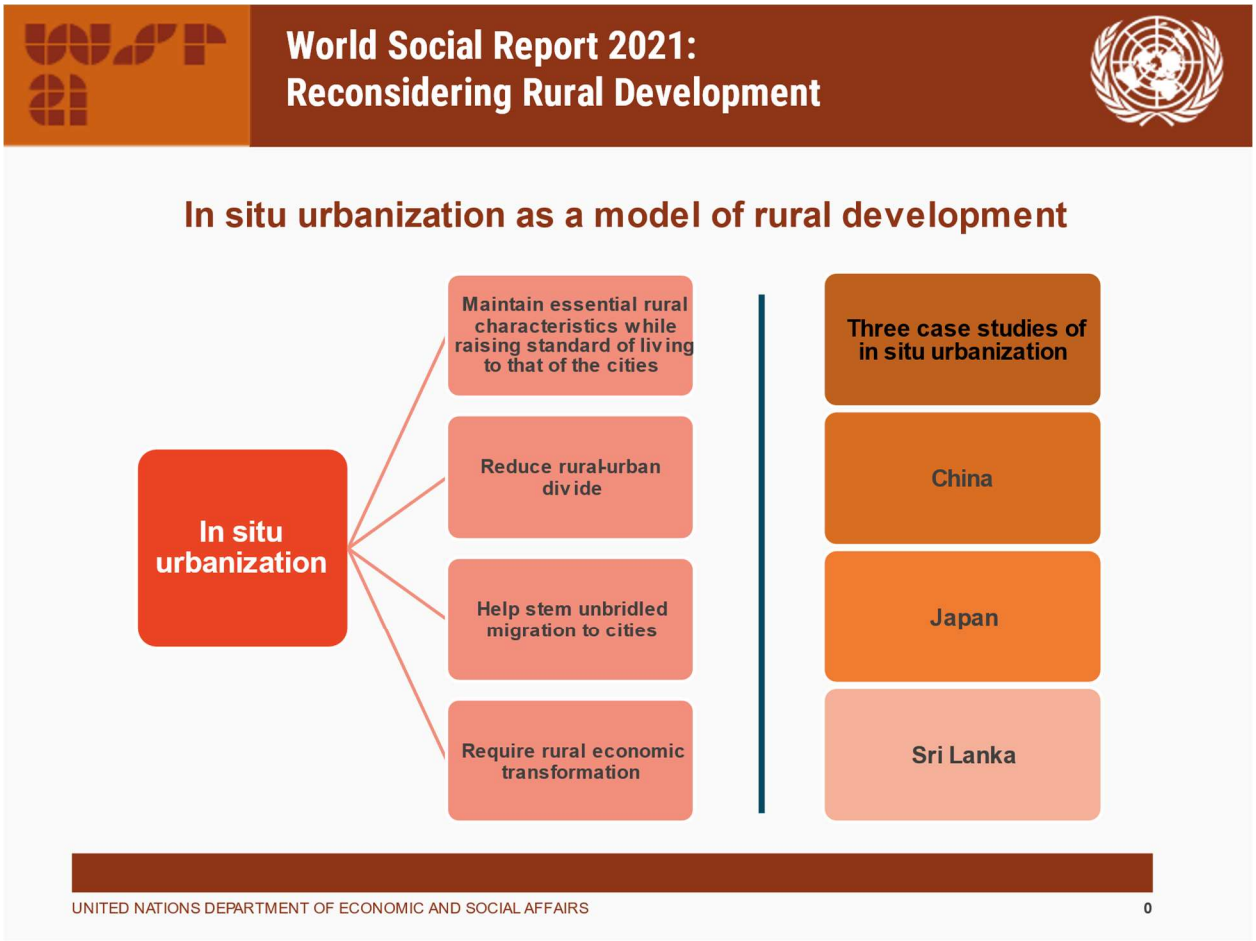
Participants in the seminar were also reminded of the law of unintended consequences. While ensuring access to water is an important development goal, in some countries, where water is free, the result has often been significant overuse of this resource. It was also pointed out that the pursuit of improved agricultural productivity has come at high cost to land in some countries. South Africa was mentioned as an example where the increased use of agricultural inputs has raised yields but led to growing soil degradation, indicating that the situation is not sustainable. The role of local institutions and mechanisms to regulate the agricultural systems and their geographical expansion was thus strongly highlighted as critical to improved land-use management.

This prompted an important discussion about how agricultural productivity can be improved without the overuse of agricultural inputs so that the current patterns of rural development can be made more sustainable. Improved management of water and land resources was particularly highlighted as critical in this regard. For example, scenario analysis presented in the World Social Report 2021 indicates that there is a high probability that the world will experience a major global water deficit by 2030, with water demand estimated at 6 trillion cubic metres, but the supply at 4.4 trillion cubic metres only, leaving a deficit of 1.6 trillion cubic metres, or 27 per cent. It was also highlighted that alternative agricultural practices, like circular and organic agriculture, are facing significant opposition from vested interests that stand to lose from increased adoption of less resource-intensive methods. International cooperation and norm-setting may become increasingly important to foster greater consensus across countries on the need for reforming food systems and consumption patterns. Furthermore, while technological innovation is essential and has already helped improve productivity dramatically, efforts have so far been focused on large-scale agricultural operations, not smallholder farmers. It is critical to develop irrigation technologies that promote greater water-use efficiency of smallholder farmers in developing countries. Practices such as drip irrigation can significantly increase yields while reducing water use, and recycled water has the potential to irrigate 40 million hectares of cultivated land (1/7 of the global demand).

It was also pointed out that developing countries can practice sustainable agriculture despite having in place relatively weak public institutions. Two contrasting examples in Malawi and Niger were presented to highlight this point. In Malawi, it was found that more sustainable and profitable cultivation processes were available to farmers but not applied by them due to ineffective messaging by the public authorities as well as the existence of government subsidies for current practices. A new pilot subsidy was tested, and it was found that farmers were willing to shift to organic agricultural practices, yet the government continued subsidizing fertilizer-use. In contrast, Niger was able to use its own institutions to produce good outcomes. Under the former colonial government, laws were in place that allowed the government to expropriate under-utilized land, which led to excessive deforestation. The current government essentially turned that policy on its head, by conferring land ownership to residents who planted or protected trees on the land. This policy was successful and was an important contributing factor to the regreening of the Sahel.

Annex:

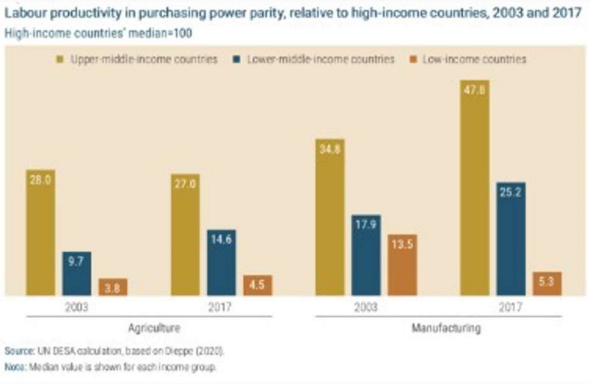
Presentation on chapter 2:



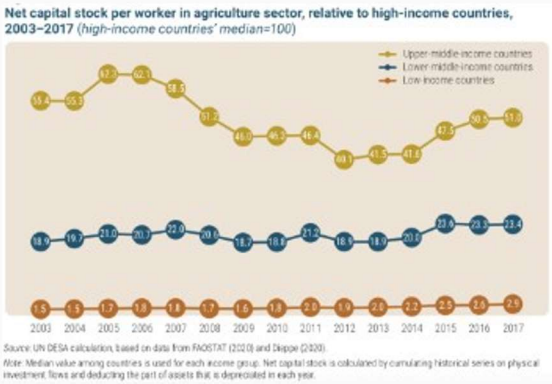
World Social Report 2021: Reconsidering Rural Development

Improve agricultural productivity and expand non -farm economy key to rural economic transformation, but progress have been inadequate

There has been little catching up of lowagricultural-productivity countries with those at the productivity frontier



Extremely low capital stock per worker in the agricultural sector in lowincome countries

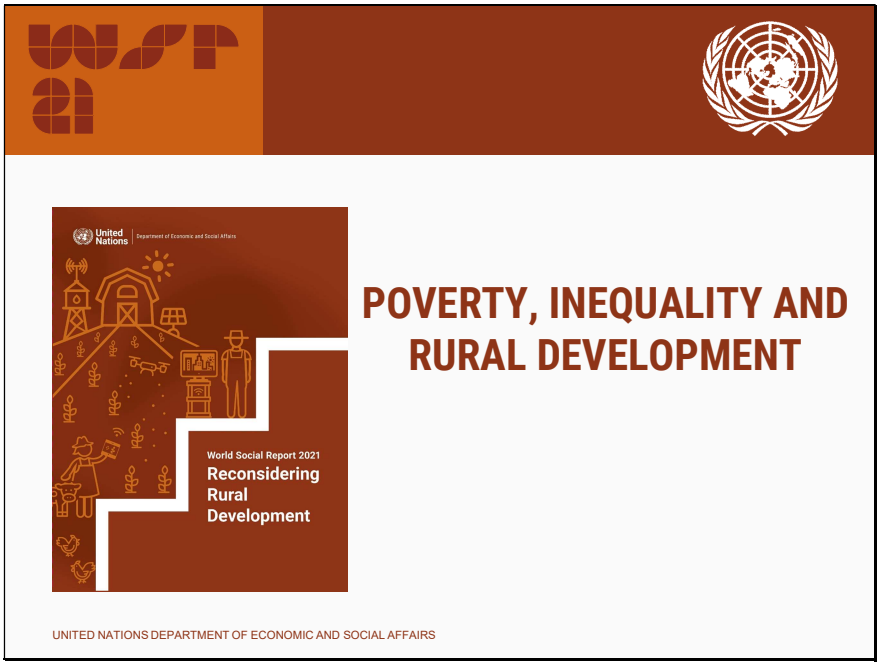


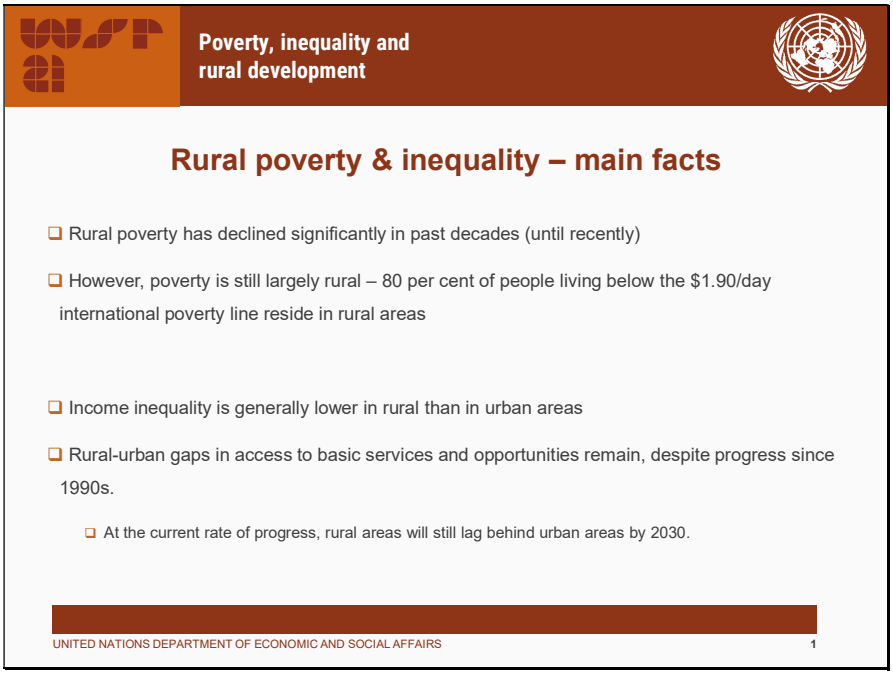
Policies to support rural economic transformation

Policy priorities

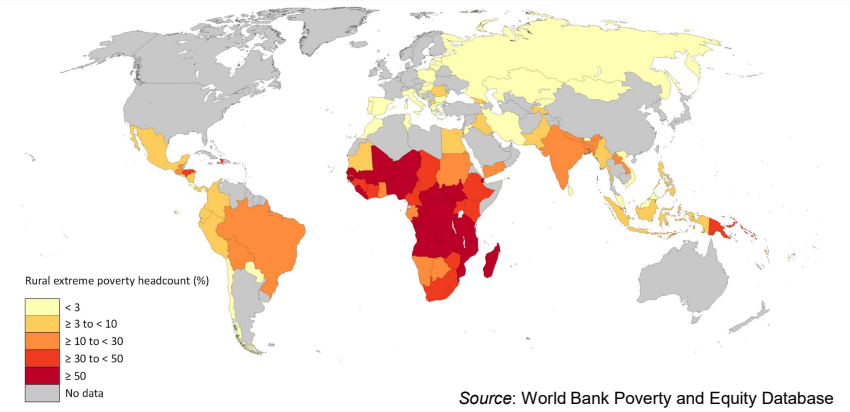
- Improve basic infrastructure and develop human capital
- Provide adequate public services, provide a conducive environment for the growth of private entrepreneurship
- Improve gender inequality, including in terms of access to productive resources
- Invest in broad -band Internet and other ICT infrastructures
- Remove barriers to investment in agrifood and non-food rural sectors, e.g. address the issue of land access, improve inclusiveness of rural financing
- Stabilize agricultural prices
- Support rural economic actors in calibrating their GVC participation based on domestic and external conditions
- Expand the reach of newtechnologies into more remote rural areas

Presentation on chapter 3:





Rural extreme poverty headcount ($1.90/day) for available countries, most recent year



Source: World Bank Poverty and Equity Database

Poverty reduction & inequality reduction – complementary goals?

- Reductions in rural poverty have not always led to reductions in rural inequalities or in inequalities between rural and urban areas
- The same economic forces that drive falling poverty can cause a rise in inequality within rural areas and between urban and rural areas
- Not necessarily cause for concern:
  - Provided rise is temporary and stems from economic development and an expansion of broad-based opportunities
  - Rural income inequality can rise despite progress in reducing rural-urban gaps in opportunity/services
- Long-term, and where possible, inclusive development preferred

Policies for tackling rural poverty & inequality

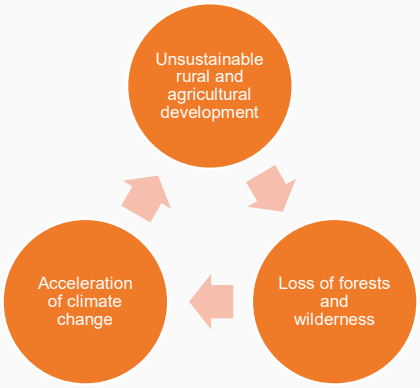
- Invest in infrastructure and public services, including bridging digital divide
  - Ensure that no area or group of people is left behind
- Promote inclusive agricultural development
- Ensure a fair distribution of and secure access to land, particularly rural women's equal access
- Improve social protection coverage in rural areas – address design, financial, administrative barriers
- End all forms of discrimination
  - Often, intersecting layers of inequality and discrimination: double, triple burden

Presentation on chapter 4:

World Social Report 2021: Reconsidering Rural Development

Redirect rural development to protect the planet

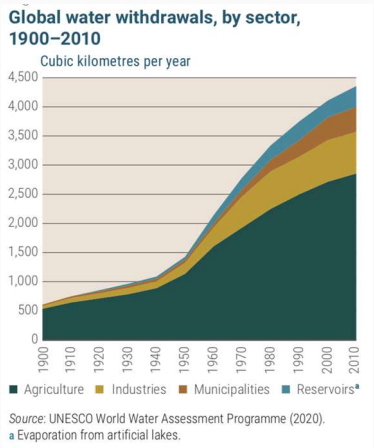
- A primary aspect of rural development strategies that needs to improve is the extent to which they are environment-friendly and compatible with the planet-related SDGs
- The continued loss of forests and wilderness resulting from unsustainable rural and agricultural development has been a contributing factor to climate change
- Climate change in turn is having adverse effects on agriculture and rural economies, creating a vicious cycle
- Deforestation and wilderness loss also contribute to increased frequency of zoonotic diseases, such as COVID



World Social Report 2021: Reconsidering Rural Development

Driven by agriculture, the current trajectories of freshwater withdrawal and use are unsustainable

- With current patterns of rural development persisting, the world is likely to experience a water deficit of about 30 percent of projected water demand by 2030
- It is urgent to reduce water use by agriculture, which already accounts for 70 percent of water withdrawals. Possible measures include:
  - Direct crop research toward less water-intensive varieties;
  - Discourage cultivation of water-intensive crops in arid areas;
  - Replace flood irrigation with drip irrigation;
  - Augment and harness local water supplies, etc.



Current rural development strategies on land resources is highly damaging

- Agriculture and rural development have to be made more land-conserving by developing reduced-land intensive crop varieties, practicing mixed farming, and switching to the circular economy
- It is urgent to curb use of chemical fertilizers, chemical pesticides and plastic inputs (e.g. plastic mulch)
- Urgent measures needed, including: invent crops requiring less chemical inputs, efficient use of the amounts used (e.g., through granular application of fertilizer), and promote mixed farming and organic agriculture