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FROM RURAL POVERTY TO RURAL PROSPERITY: REIMAGINING DEVELOPMENT THROUGH INCLUSIVE AND SUSTAINABLE TRANSFORMATION

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ABSTRACT

Poverty and rural development remain closely linked as central thematic areas in the current development agenda. The world has seen significant advancements in reducing poverty, yet the lives of many rural people remain burdened by disproportionate levels of economic deprivation, lack of alternative livelihood options, lack of infrastructure and facilities, lack of access to markets and finance, and greater susceptibility to the vagaries of climatic and financial shocks. This paper delves into the linkage between poverty and rural development and puts forward that to achieve the alleviation of rural poverty, a shift needs to be undertaken from the current compartmentalized welfare schemes to the creation of inclusive and sustainable rural transformation. The study seeks to address the linkage between poverty and rural development by analysing agriculture, rural infrastructure, diversification of employment sources, social protection, financial inclusion, digital connectivity, gender equity, human capital and climate resilience as inseparable spheres of rural development. It explores the issue using qualitative methods with the help of analysis of secondary literature and reports of development institutions as well as academic studies, and argues that, unless agricultural production is accompanied by market access, technology, access to education, health, financial services and social protection, and non-farm livelihood avenues, it alone cannot remove poverty from the rural economy. Smallholder farmers, women, rural youth, and poor households are focused on. It argues for a rural transformation wherein rural inhabitants are placed at the center of economic change and agricultural development are linked with broader non-farm growth in the rural economy.

KEYWORDS: *Rural poverty, rural development, inclusive growth, smallholder farmers, social protection, rural transformation, sustainable development, etc.*

INTRODUCTION: FROM POVERTY GEOGRAPHIES TO OPPORTUNITY GEOGRAPHIES:

The statistics behind poverty - that is to say, incomes, consumption, employment-paint an incomplete picture. Rural poverty is more complex, characterized by "employment insecurity, limited roads, lack of access to markets, poor health and education facilities, dependence on rainfall-fed agriculture, underdevelopment of financial services, gender inequality, environmental degradation, and susceptibility to economic and climate shocks." It is not only the problem of agriculture but, rather, one of rural development. Geographical factors make rural development even more crucial, with FAO stating that despite constituting a little under half of the global population, the rural dwellers of the world are 80 percent of the extremely poor; therefore, it highlights rural transformation and more inclusive, sustainable and resilient agri-food systems "as being at the center stage of poverty reduction."

This is all the more critical due to the role of agriculture in job creation and livelihood in many developing countries. Smallholder farmers contribute significantly in the food system yet possess inadequate access to land, funds, technologies, information, infrastructure and markets. IFAD asserts that, "beyond more agriculture production; a reduction of rural poverty should address increased access to market, finance, technologies and information by rural populations." These issues have become more compelling due to climate change, demographic transformation and transition, technological disruptions and recurrent crises: climate variability not only impacts agricultural production but also pushes marginalized households, within no time, back into poverty; rural young men are not only pushed by lack of employability in realities to migrant to the urban setting, but equally women; usually lack adequate access to land, credit, technology and decision-making authority. Rural development needs to solve problems of economic and socio structures which perpetuate poverty.

The chief concern of the study, is therefore that, eradication of poverty can only take place sustainably in rural areas, when a narrow agricultural-development paradigm to comprehensive inclusive rural development framework will evolve to include productive farming as the nucleus which encompasses diversified rural economy, infrastructure, human capabilities, financial inclusion, social safety networks, digital connectivity, gender equality and climate resilience for the eradication of rural poverty in developing countries. With this, the study addresses the question: How can inclusive rural development strategies bring sustained economic opportunity to rural dwellers and inclusive rural opportunities?

The research follows a qualitative and analytical, descriptive research method using entirely secondary data drawn from academic books, journal articles, and reports and publications of international institutions such as IFAD and FAO. A thematic approach is adopted for the review of the literature under six dimensions of study: Agricultural Transformation, Rural Employment and Diversification, Infrastructure and Connectivity, Social Protection and financial inclusion, Gender and Youth, and Climate Resilience. Interrelationships of rural development with global process of structural transformation were also touched upon.

The study offers neither primary survey data nor claims original econometric results. It reviews and synthesizes already available evidence, establishing trends, debates, policy questions and strategies and focuses especially on smallholding agriculture, rural livelihood, social protection, food system and inclusive rural transformation issues. The choice of approach of research is justified by the complex nature of poverty and rural development as multifaceted phenomena requiring a cross disciplinary analytical approach and it cannot be adequately explained by simple one index like agricultural production or monetary indicator.

LITERATURE REVIEW:

An Approach to Poverty as a Multifaceted phenomenon:

Most conventional economic definitions identify poverty as a result of income/consumption deprivation. But by arguing that deprivation should be understood as lacking substantial freedoms and capabilities (Sen), an important paradigm shift was done from an income dimension view, to people centered and multidimensional perspective of poverty. The capacity-based approach states that the poverty consists of deprivation of opportunities. It proves to be especially relevant in the context of rural world: a household may own a small plot of land, but it can be very vulnerable if it does not possess irrigation facility, proper education, health facility, access to credit, market access, transport etc. So, the success of rural development must be analyzed in improvement of capacity. Chambers, also, underlines "the non-income and multi-dimensional character of rural poverty and argues for understanding the process from rural people's side" (Chambers)

Agriculture & Rural Poverty:

Agricultural development has been viewed as one of the most crucial avenues for rural poverty reduction though Timmer argues "for its role in structural transformation, by raising productivity, lowering food prices, creating jobs and releasing factor inputs to other sectors" (Timmer)). The connection between agriculture and poverty reduction heavily depends on the structure of rural economics. Small holder farms' may or may not improve from higher productivity without sufficient access to land, inputs, finance, infrastructure, technology, and market access. "As the IFAD's research points out these are precisely the constraints facing small-holder farms, who account for the bulk of food production" (IFAD, Rural Development Report 2011). As such the literature has been redefining rural development not as merely agricultural modernization, but as agricultural transformation plus diversification.

Inclusive Rural Transformation:

Central to achieving rural poverty reduction and sustainable development IFAD's Rural Development Report 2011 places "inclusive rural transformation-identifying varied patterns of transformation and pointing to the need for country-level adaptations of development strategies" (IFAD, Rural Development Report 2011). The relevance of this approach stems from the heterogeneity of rural areas. Land owners, landless laborers, tenant farmers, women, youth, indigenous peoples, migrants, and the rural entrepreneurs have different resource base and face differing constraints in access to these resources. Generic rural-development programs therefore could be targeting specific groups at the exclusion of others. Hence a differentiated development strategy that incorporates productive investment with social inclusion appears to be widely supported in the literature.

Social Protection & Poverty Reduction:

Social protection interventions have become an integral part of the rural development interventions. Food and Agriculture Organization of the UN argues that "social protection may be critical in overcoming the rural poverty trap in combination with agricultural/rural development interventions" (FAO). These interventions including cash transfers, labor employment, food aid, pensions and insurance scheme, livelihood support measures may offer a safety net and overcome temporary shocks preventing them from spiraling into prolonged poverty trap and in many cases may actually serve a productive role enabling poor to invest on productive assets, seeds/inputs, education, small businesses etc. Recent analysis from FAO also suggests that "social protection could support productive assets, improved farming practices, off-farm income opportunities and rural enterprises, and could complement agricultural/rural development strategy" (Correa et al. 2010). Social protection must not simply be seen as a welfare transfer, but an investment for the productive capacity of the rural areas.

ANALYSIS AND DISCUSSION:

Poverty's Structural Roots in the Countryside:

Rural poverty is underpinned by a nexus of economic, institutional, geographic and social factors. Most rural households rely on low productivity agriculture, informal employment and casual labour and often have seasonal cash income streams that are subject to the vagaries of climate and markets. Geographic remoteness perpetuates poverty by driving up the cost of transporting produce (and food for consumption), reducing rural people's bargaining power, and limiting their access to markets, healthcare and education. Lack of electricity and connectivity reinforces these problems and limits opportunities for information, financial access, education and enterprise. Hence, ending rural poverty requires tackling the entire system of deprivation, rather than just one aspect of it.

Higher Agricultural Productivity is Necessary but not Sufficient:

Agriculture is central to rural livelihoods and increased productivity has the potential to raise income and food security. Productivity could be boosted with access to better seeds, irrigation, mechanization, agricultural extension services, storage facilities, agricultural finance and climate-resilient technologies. Yet, raising productivity alone is not a sure way to reduce poverty. Farmers also need profitable markets and remunerative prices. Without infrastructure for storage and transport, facilities for processing, and the capacity to bargain for prices, increased production could translate into only marginal increases in income. "IFAD's research on rural transformation stresses how vital it is to connect smallholders to markets, finance, technology and information. Rural development must transition from being solely inputs-driven to one based on value-chains. Smallholders not only need support to 'produce more,' but to produce, process, store, market and sell more effectively."

Rural Non-Farm Economy and Employment Diversification:

Diversification away from agriculture is perhaps one of the most powerful paths out of rural poverty. The rural non-farm economy is growing and includes small manufacturing, construction, transport, retail, tourism, food processing, repair services and digital services. Such diversification makes households less dependent on a single livelihood. As such, rural non-farm income acts as a cushion during periods of decline in farm income caused by a drought or market shock. This is particularly true for rural youth. In developing countries rural youth represent a large portion of the young population and offer an opportunity for job creation, food security, and rural transformation (IFAD, Rural Development Report 2019). As a consequence, policies must encourage rural entrepreneurship, vocational education, digital skills, local businesses, agro-processing and market-linked training.

Infrastructure: The Platform for Rural Development:

Infrastructure is one of the strongest enablers of rural economic opportunities. Roads, electricity, irrigation, schools, healthcare centres, telecommunications, storage and markets all form the basic physical condition for economic activity. Farmers who cannot take their produce to market cannot benefit from improved production technology. Rural enterprises cannot become competitive if they cannot rely on stable electricity supply and communication networks. Thus, infrastructure has direct and indirect poverty reduction effects, generating employment during construction, lowering transaction costs and providing access to services and to the rest of the country and region. It is crucial, then, to tie concepts of rural development and rural connectivity: whether physical, economic, institutional or digital.

Financial Inclusion and Rural Entrepreneurship:

Financial inclusion – access to affordable savings, credit, insurance and payment systems – is crucial for rural development. Farmers and rural entrepreneurs often find it difficult to secure loans due to their lack of collateral. Savings and insurance options are also limited, increasing vulnerability. But financial inclusion can enable households to invest in better seeds, livestock, irrigation and small enterprises, to send children to school, and to access healthcare. Digital finance can also overcome geographical isolation. However, financial inclusion alone is not enough. It must be paired with financial literacy and consumer protection. Credit without sufficient income opportunities may simply lead to debt traps. Similarly, digital finance carries risks associated with fraud and exclusion. The goal, therefore, must be for productive financial inclusion where rural people have access to adequate and well-suited savings, credit, insurance and payment mechanisms that enhance livelihood security, rather than undermining it.

Investing in Rural Resilience via Social Protection:

Livelihoods among poor rural households are extremely precarious; a bad harvest, death or illness of a worker or increasing food prices can force them deeper into destitution. Social protection is an important means of enabling poor rural households to cope with risk, with cash transfers or job-creation schemes serving to cushion impacts on consumption, and pensions or insurance providing coping options. But as FAO points out, “though social protection can reinforce participation in economic and social life for vulnerable rural groups-such as smallholders, women and landless labourers-it must be accompanied by infrastructural investment, agricultural and rural development programmes, appropriate micro-macro-economic policies and decentralized governance”’ (FAO).

In other words, social protection and productive development are complements, and substitutes for one another. Women's role and the gender dimensions of rural poverty. Rural poverty has a significant gender component because many women play the main role in agriculture and in household economy, but do not have same control over land, credit, technology, income and decisions. Policies therefore must not only focus on women, but see women as farmers, entrepreneurs, wage labour, community activists, transforming rural actors. The focus of policies must be on strengthening women's land rights and increasing their access to financial resources, skills, markets, appropriate technology (and the internet!), agricultural information (extension), and their participation in local governance.

Gender equality in rural areas should then not be treated as social target only but as an economic imperative, and a strategy to raise household productivity, human development and strengthen community resilience. Rural youth and their role in rural development, transformation and a new, more diverse economy. Young people represent both a major challenge, and a major opportunity in rural areas.

Limited employment options could drive rural-urban migration, leaving behind older populations, and threatening decline in the supply of labour, at the core of rural development. But rural youth can become powerful agents of development, provided that policies invest in their skills, new technologies, access to finances and entrepreneurial opportunities. IFAD stressed that “rural youth have enormous potential to contribute to poverty reduction, employment generation and food and nutrition security” (IFAD, Rural Development Report 2019).

Policies have to provide rural youth with skills enabling them to benefit from growth of modern agriculture, agribusiness, information communications technologies and tele-working, renewable energies, tourism, logistics, food processing and other services sectors. The goal is not to stop migration to the cities, but to turn rural areas into areas attractive for young people, where they see their future development in rural areas through alternative productive activities, rather than being ‘forced’ to move. Climate change and rural poverty. Climate change increases and accelerates threats to livelihoods of rural people, many of whom depend on natural resources for their subsistence and sustenance. Impacts will be diverse, but many will fall on soil degradation, scarce water resources, and droughts or floods will continue to challenge poor small farmers whose lands might become unproductive.

Many poor households do not have appropriate safety nets, irrigation, access to climate information, or insurance products and stable markets for diversified livelihoods, forcing them to adopt risky strategies. climate change adaptation must become a central element in the poverty reduction strategies of rural areas, with investments on drought-resistant crop varieties, on water conservation technologies, on sustainable land use management systems, on employment opportunities that reduce poverty and on instruments to diversify sources of income and access risk management services and products such as climate insurance.

IFAD’s work recently highlighted climate-resilient technology, inclusive value chains and investments in rural employment. The upcoming EF report will stress focus on smallholders, inclusive value chains and climate resilient solutions along the value chain (inclusivity and resilience are inter-related). A comprehensive package. The evidence reviewed here suggests that rural poverty can only be tackled with a truly comprehensive, integrated approach which links the dimensions of productive development to those of access and protection. Only a farmer with guaranteed access to inputs and to markets is unlikely to be able to overcome the challenges of weather variability with poor resilience, whereas just putting credit into poor farmers pockets will not make them succeed if they have access neither to services, or neither to markets, whereas a poor household receiving financial compensation will never overcome the problem if they lack income opportunities. Rural development is a comprehensive agenda: Productive agriculture +rural infrastructure + diversified rural employment + financial services + social protection + education, gender quality + ICT access/opportunities + climate resilience is one possible integrated program for poverty reduction. IFAD report stressed 'inclusive rural transformation' as 'central to ending poverty and hunger', whereas recent work more explicitly focused on resilience and employment generation.

KEY FINDINGS:

The key findings that emerged are as follows:

- Rural poverty is multidimensional. Income deficiency goes along with weak infrastructure, access to health and education, finance, gender and shocks. Agriculture as productive force and it's insufficient condition.
- It can’t be sustainable if it lacks market, finance, technology, information, storage, market, infrastructure and value chains with farmers as agents.

- Rural non-farm activities should be a diversification tool which could support households in time of need. It supports the productive transition.
- Road, electricity, irrigation, communication infrastructure, digital connection is enabling factors of the rural economic transformation.
- Social protection measures can complement the productive transition that has a key effect in boosting the capacities and welfare of the households through investment.
- The role of women as agents of development not as poor.
- The role of rural youth as asset, investment on youth training in terms of economy and on developing digital expertise and skills.
- Climate resistance should be the core. Ignoring it and focus on economic efficiency could replicate poverty.
- Digital opportunities bring a risk of further exclusion through widening the income gap-that should be mitigated by investing on the availability, the affordable prices and skills to use it.

In comparison with unintegrated and isolated programs-an integrated rural development approach proves to be far more efficient. Key area would include farming, infrastructure, rural finance, employment and access to market, education, social security, ICT and women capacities.

CONCLUSION:

Poverty is inextricably linked to rural development; growth is not automatically followed by broad social welfare; rural communities, even prosperous, may remain excluded due to the lack of capital assets, communication networks, services and employment opportunities on diverse economic activities. The report indicates that the only development worthy of smallholders is transformation instead of simple modernity. Moving the rural economy from pure agriculture to varied livelihood strategy that includes agribusinesses, rural entrepreneurships, digital technologies and other types of manufacturing that may bring benefits as well for other activities. It is also indicated that farmers need integration to the market and value chain instead of input recipient; women are agents not beneficiaries; youth have to work as agents of change, rather than simply migration agents; social protection cannot be seen only as a welfare tool, it need to be integrated into the productive measures. Evidence coming from IFAD shows that integration of rural livelihood could bring inclusive development with rural employment, climate resilient livelihood, ICT and so on. The key concept for achieving such rural development is turning the rural from risky and neglected space to a productive space that plays a significant role in both national and global economic structure.

And an integrated plan for the sector on the basis of farm activity and varied opportunities-with integrated support of IT technologies, gender equality, infrastructure facilities, financial support and social protections will turn rural communities into wealthy sector. In short, the goal of rural development cannot be seen merely on the reduction of poverty but a development for both capacity and the well-being. The success of it is to create sufficient conditions that will allow rural communities not only to gain access to better resources but be actively involved in market as producer, business owner, and investor through their innovation, productivity and skills.

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