



BRUSSELS RURAL DEVELOPMENT BRIEFINGS

A SERIES OF MEETINGS ON ACP-EU DEVELOPMENT ISSUES



Major drivers for rural transformation in Africa

Resources on Rural transformation in Africa¹

Prepared by Isolina Boto, (Head of CTA Brussels Office),
Estherine Fotabong (Director of Programme Implementation
and Coordination at NEPAD Planning and Coordinating Agency),
Felicity Proctor (consultant), Isaura Lopes and Hawa Kebe
(Young researchers at the CTA Brussels Office)



Briefing no. 24

Resources on Rural transformation in Africa¹

Brussels, 14th September 2011

Prepared by Isolina Boto, (Head of CTA Brussels Office),
Estherine Fotabong (Director of Programme Implementation
and Coordination at NEPAD Planning
and Coordinating Agency),
Felicity Proctor (consultant), Isaura
Lopes and Hawa Kebe
(Young researchers at the CTA
Brussels Office)

Revised version September 2012

The information in this document
was compiled as background
reading material for the 16th
Brussels Development Briefing on
Rural transformation in Africa¹. The
Reader and most of the resources
are available at
<http://brusselsbriefings.net>

Index

Introduction	4
1. Challenges and opportunities in rural transformation	5
1.1. Making rural areas attractive.....	5
1.2. Overcoming old and new challenges affecting rural areas.....	6
1.3. A favorable context for Africa rural transformation.....	8
2. Some lessons on rural transformation around the world.....	11
2.1. OECD countries.....	11
2.2. Supporting rural development, selected experiences in OECD countries.....	13
2.3. The experience of emerging countries – an overview	14
2.4. Rural transformation: country reflections from selected emerging economies	17
2.5. The implications of liberalization and economic integration for agriculture and rural development in developing countries (RuralStruc Programme)	19
2.6. Best practices for promoting non-farm employment creation in Latin America.....	21
3. Creating rural employment for economic growth in ACP countries	26
3.1. Agriculture: a driving force for rural transformation in Africa.....	27
3.2. Gender dimensions of agricultural and rural employment	31
3.3. Rural Youth Employment	33
4. Rural non-farm employment.....	37
4.1. Composition of the rural non-farm economy	37
4.2. The success of ICTs.....	39
4.3. Future developments.....	41
5. The way forward.....	43
Glossary	45
Acronyms	48
Selected resources available online (English and French)	50
Websites (English and French)	54
Footnotes.....	56



Introduction

About 75 % of the world's poor reside in rural areas, and in most developing countries rural areas suffer higher levels of poverty than urban areas. Rural areas frequently suffer from inadequate enterprise creation, poor infrastructure, inadequate financial services and insufficient provision of social protection. Public policy generally fails to correct the urban bias. Rural areas face many challenges, ranging from climate change and energy insecurity to population growth, unemployment and migration, water scarcity to competition between food and fuel production.

Rural economies are generally mixed, with the farming and non-farming populations earning their living from interdependent agricultural and non-agricultural activities. During peak periods of the farming season rural areas frequently suffer from labour shortages. In some parts of the world, modern commercial agriculture and industries co-exist alongside small-scale farming and small-sized, traditional non-farm rural enterprises.

Globalization and urbanization have transformed economies and social systems in countries around the world in the past decades. The costs and benefits have been unequally

distributed.² For some countries, abundant capital, high skills levels and technological excellence have led to unprecedented economic opportunities. However, the 50 least developed countries have received little benefit from globalization³. World poverty has declined in the past two decades, but most of the change has been seen in a few dynamic economies, mostly in Asia.

The current **world population** of close to 7 billion is projected to reach 10.1 billion in the next ninety years, and 9.3 billion by the middle of this century and poses new challenges to rural and urban areas.⁴ Much of this increase will occur in areas of high fertility: 39 countries in Africa, nine in Asia, six in Oceania and four in Latin America. Between 2011 and 2100, the population of these countries is projected to increase from 1.2 billion to 4.2 billion.

More than half of the world's population now live in urban areas. By 2030, over 80 % will live in the towns and cities of the developing world.⁵ This will be particularly notable in Africa and Asia where the urban population will double between 2000 and 2030. Despite this, the absolute number of people living in rural areas will continue to increase in some parts of Asia and

sub-Saharan Africa. In most of sub-Saharan Africa, two-thirds or more of the population is under the age of 30.

People under the age of 24 will continue to constitute a large part of the total population (around 20 % in Eastern, Middle and Western Africa between now and 2030). Rural youth aged 15-24 represent between 8.2% to 21% of the total population in Sub-Saharan Africa.⁶ This very large youth arrives at working age with a right to expect gainful employment, adequate health care, education and social services and the ability to raise a family with an appropriate living standard.

Feeding the projected global population of over 9 billion in 2050 will require a 70 % increase in **global food production**. The required increase in food production can be achieved if the necessary investment is undertaken and policies conducive to agricultural production are put in place and favourable to small-scale farmers. But increasing production is not sufficient to achieve food security. It must be complemented by policies to enhance access by fighting poverty, especially in rural areas, as well as effective safety net programmes.⁷

1. Challenges and opportunities in rural transformation

The rural transformation agenda is about improving the overall quality of life in rural areas. This entails promoting investments in health, education, and rural infrastructure; having in place efficient rural financial markets; designing policies that promote greater gender equity and the empowerment of rural people, especially the most vulnerable through designing and implementing effective safety-net programs; improving market access of small-scale farmers in innovative markets and strengthen their involvement in the whole value chain.

For all this to happen, it is necessary to ensure effective institutions for rural development and public and private investments in agricultural research and extension to provide a continuous stream of yield-enhancing technologies that can be profitably adopted by farmers.

The core of the rural transformation agenda is defined by the following major imperatives⁸:

- 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.
- 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.
- Creating more and better jobs and economic self-sufficiency in rural areas, including in small towns and intermediate cities. Rural economic diversification is a major driver of job creation. At the same time, rural labour markets are notoriously imperfect and they represent a huge challenge that needs to be urgently addressed.
- 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.
- Stimulating the growth of rural towns and intermediate cities and strengthening the links between them and their rural hinterlands.
- Managing the complex and sensitive issue of rural-urban migration.
- Securing universal access by rural populations to basic public services including education, health, housing, fresh water, electricity, transport and communications, with improving quality standards.
- 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 emigrate out of rural areas.
- Securing widespread access to efficient and sustainable financial services and capital, without which the benefits of the rural transformation cannot be realized in full. This requires a significant expansion of financial resources and budgets, as well as major improvements in the efficiency and institutional sustainability of rural financial systems.
- 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 ICTs.
- 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. It is important to reaffirm that poverty eradication and social inclusion will lead to better long-term outcomes and will be more sustainable if they rest on localized, inclusive economic growth, complemented and not replaced by social support schemes.

1.1. Making rural areas attractive

Unless urban areas can create a significant number of jobs, which implies some level of transition to industrialization, in the short term



only rural activities, farm or non-farm, can effectively create jobs. Making well balanced choices for employment - intensive investments in agriculture and other rural non-farm activities- can create immediate short term employment opportunities which can be more easily seized by young people. However, this requires strategies to make agriculture an attractive enough option for youth to engage in, including moving away from subsistence agriculture, and introducing commercialization and productivity improvements through technological changes and infrastructure support. Changes in the global food market, in science and technology, and in a range of institutions that affect competitiveness are creating new challenges to the competitiveness of smallholders, but are creating also income opportunities. In order to create jobs, accelerated progress will be needed to increase agricultural productivity and to connect poor people to markets. Sustained growth that reduces rural poverty will require significant growth in agricultural value-added and multi-sector approaches that solve gaps as well as support agribusiness, and rural diversification. To create jobs that will increase rural income and welfare and, thereby, retain young people, it is necessary to increase investments in irrigation, water resources management, and research and extension; increase rural public services; and increase use of improved seeds, fertilizers and better agricultural practices. It is also necessary to address vulnerability to weather-related shocks and limited farmer capacity, distorted incentives, poorly functioning input/ output markets, and weak institutional

capacity to manage the risk of food insecurity. Increased investment in rural roads, rural electricity, and communications will permit rural areas to become better connected to market opportunities.

Because young people are the most mobile, they are the most likely to switch sectors to take advantage of new opportunities. Then, for example, the promotion of small and medium rural enterprises that use new technologies could have a differential impact on youth, given their advantage in using them.

By creating jobs and educational opportunities, rural areas can increase their attractiveness to young workers, thus eventually reverting the rural-urban migration. This is a very critical issue that governments should attempt to mitigate in order to prevent the growth of urban youth unemployment and underemployment, and the worsening of well being in already congested African cities. Youth migration can significantly change the composition of the rural population, which poses its own challenges for rural development because migration is often selective. Those who leave are generally younger, better educated, and more skilled. Youth migration can thus diminish entrepreneurship and education level among the remaining population. In addition, migration can change the gender composition of rural populations. But migration has several benefits too, as it diversifies risks, contributes to rural income through remittances, and increases knowledge and opportunities. The challenge, then, is to find the appropriate set of incentives that

makes youth migration contribute to lift the rural and urban livelihoods.

The question is how to adapt current rural strategies, which are often sector-based, to take into account the different development needs and specific comparative advantages of rural regions. The other challenge will be to have adequate resources reallocated to integrated rural policy.

1.2. Overcoming old and new challenges affecting rural areas

Increased pressure on natural resources

A significant impact of **climate change** is the increase in the frequency and severity of certain hazards. More frequent and intense storms and floods and long-lasting droughts can erode existing community coping capacity to prepare, respond and rebuild after successive hazard events. The other adverse impacts of climate change, for example on public health, ecosystems, food security, migration will increase the vulnerability of communities to natural hazards of all types. This in turn may also exacerbate the struggle for access to, or control of, scarce resources and increase the likelihood of migration or even conflict. Any increase in disasters, whether large or small, will threaten development gains and hinder the implementation of the MDGs. Some climate change related drivers may affect the agriculture sector by reducing crop

Major drivers for rural transformation in Africa

yields and agriculture productivity; increase incidence of pest attacks; limit the availability of water; reduce fish stocks; see recurrent droughts; reduction in soil fertility; health and disease patterns.

Access to water is difficult for millions of poor women and men for reasons that go beyond the physical resource base. In some places water is abundant, but getting it to people is difficult because of lack of infrastructure and restricted access. In other places, people's demands go beyond what the natural resource base can handle, and not everyone is assured access to water. A growing population is a major factor, but the main reasons for water problems lie elsewhere—lack of commitment to water and poverty, inadequate and inadequately targeted investment, insufficient human capacity, ineffective institutions, and poor governance.

The pressure on land to meet projected demand for biofuels and food: In effect 80% of the world's reserve agricultural land is in Africa and South America. Increasing demand for land for biofuels will result in changes to land access for poor people through two main routes: direct linkages that involve direct land use change to biofuels crop production from other uses, and indirect linkages that involve changes in land use triggered by biofuels expansion elsewhere.

International land acquisitions for outsourcing food production:

As land increasingly become an economic asset, and the market for it has become increasingly globalised, poorer land users have

increasingly become vulnerable to losing their land to those with greater economic, political or social ability than themselves to lay claim to, or acquire, the same tracts of land. These factors have contributed to an increasing concentration of landholdings in many countries of Asia, Africa and Latin America in particular. The globalization of land markets, combined with increasing opportunities for profit from agricultural production, is provoking increased speculation in agricultural and by multinational companies, including investments banks. Within the wider context of gradual attrition of land used by the poor, a new set of global trends is currently emerging that vastly increases commercial demand for land.

Insufficient social services

The low levels of education in Sub-Saharan Africa can seriously hamper the necessary transition to a more productive environment with high quality work opportunities for the youth, both in agriculture and in the non-farm sector. And again, the more educated rural youth are more likely to migrate.

The rural world is changing rapidly, and young people need to be prepared to rise to the new opportunities. Agriculture is also changing, with new technologies, products, markets, and business environments. Many rural people will need to become engaged in nonfarm activities or migrate to urban areas. To seize these opportunities, all will need skills that differ from those of their parents.

Mobile school programmes in rural areas have the potential to benefit

the most vulnerable girls within groups that have been displaced by armed conflict, or are forced by other disasters to lead a nomadic life.

Lack of basic infrastructure in rural areas hinder economic development efforts that could bring new jobs to these communities; rural poor often rely on inadequate public transportation and long commuting. Access to education and health services are challenges for rural families.

Limited access to financial resources:

Many people in rural areas of Africa lack access to financial services, and most commercial banks are not interested in moving into these areas due to their low income levels, lack of scale economies, and poor infrastructure. Consequently, the absence of financial institutions in rural Africa has often enticed governments to step in, particularly with state-dominated banks focused on agriculture. Many of these initiatives have failed, however, because they were too bureaucratic, too policy oriented, too concentrated on risk to only one segment of the population, or too weak in customer focus. In addition, clients considered these government-sponsored institutions to be instruments that provided grants; hence, the banks suffered from poor loan-recovery rates. While microfinance institutions have made some inroads into rural Africa with the financial backing of international nongovernmental organizations and other sponsors, their sustainability is often a challenge. They tend to lack banking licenses and therefore



have a very limited product range, and they cannot afford modern technology-based distribution systems.⁹

Insufficient Government and donor support

Investment in markets, provision of related physical infrastructure and investment in agricultural research and extension programmes requires important levels of funding. The global investment needs for agriculture are also significant: the International Food Policy Research Institute (IFPRI) estimated the global incremental agricultural public investment required—the additional amount necessary to meet the MDG goal of halving poverty by 2015—to be US\$14 billion annually for all developing countries. The estimated incremental annual investment needed in Sub-Saharan Africa ranged from US\$3.8 to US\$4.8 billion (the former using a unit cost approach, the latter being the additional investment needed to meet the Maputo Declaration of spending 10% of Government budgets on agriculture).

1.3. A favorable context for Africa rural transformation

The new Africa strategy of the World Bank titled “Africa’s Future and the World Bank’s Support to It”¹⁰ recognizes that to regain momentum on its effort to achieve the MDGs, Africa’s needs higher, broader, inclusive, pro-poor growth in order to renew investments in infrastructure and human capital, and boost employment, for a continent in which 200 million young people are without jobs, and an average 7 to 10 million more join the jobless ranks each year. It also stresses the importance of safety net programs for the poor and the need to pursue the reforms needed to prevent the continent taking a hit from exogenous and indigenous shocks, but also those of man-made, health or climate-related nature. Improvements in institutions, public sector capacity and governance, can be possible by the right kind of partnerships, a sharing of knowledge on development solutions that work and the

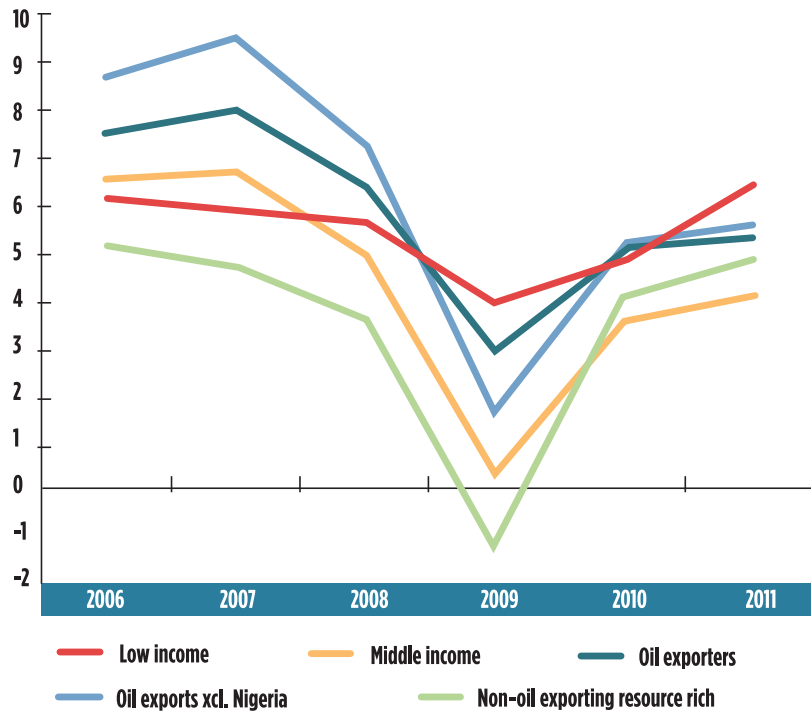
leveraging of significantly higher aid and capital flows, are needed to reduce poverty and help Africa realize its development promise.

Sub-Saharan Africa in 2011 has an unprecedented opportunity for transformation and sustained growth. Until the outset of the global economic crisis, economic growth had averaged 5% for a decade. Even though growth declined as a consequence of the global financial crisis, it has rebounded in 2010 thanks to prudent macroeconomic policies and financial support from multilateral agencies. Progress on the MDGs has been sufficiently rapid that several countries (such as Ethiopia, Ghana, and Malawi) are likely to reach most of the goals, if not by 2015 then soon thereafter.

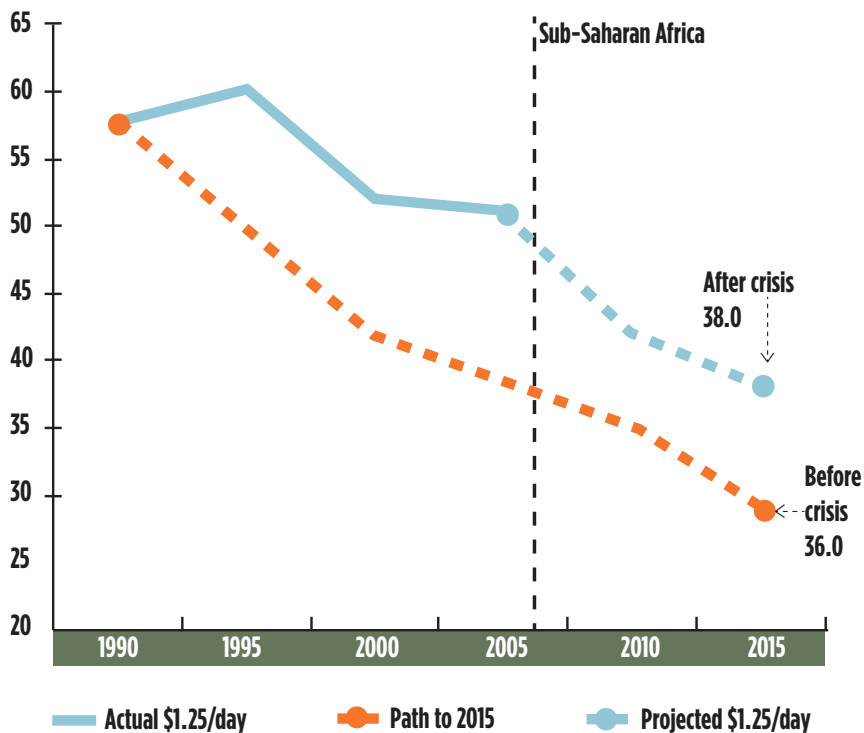
Africa’s private sector is increasingly attracting investment, with much of the funding coming from domestic banks and investors and the rest from the United States and Europe. The sector is also creating an emerging African middle class of hundreds of millions of consumers.

Major drivers for rural transformation in Africa

GDP growth in Sub-Saharan Africa by country groups

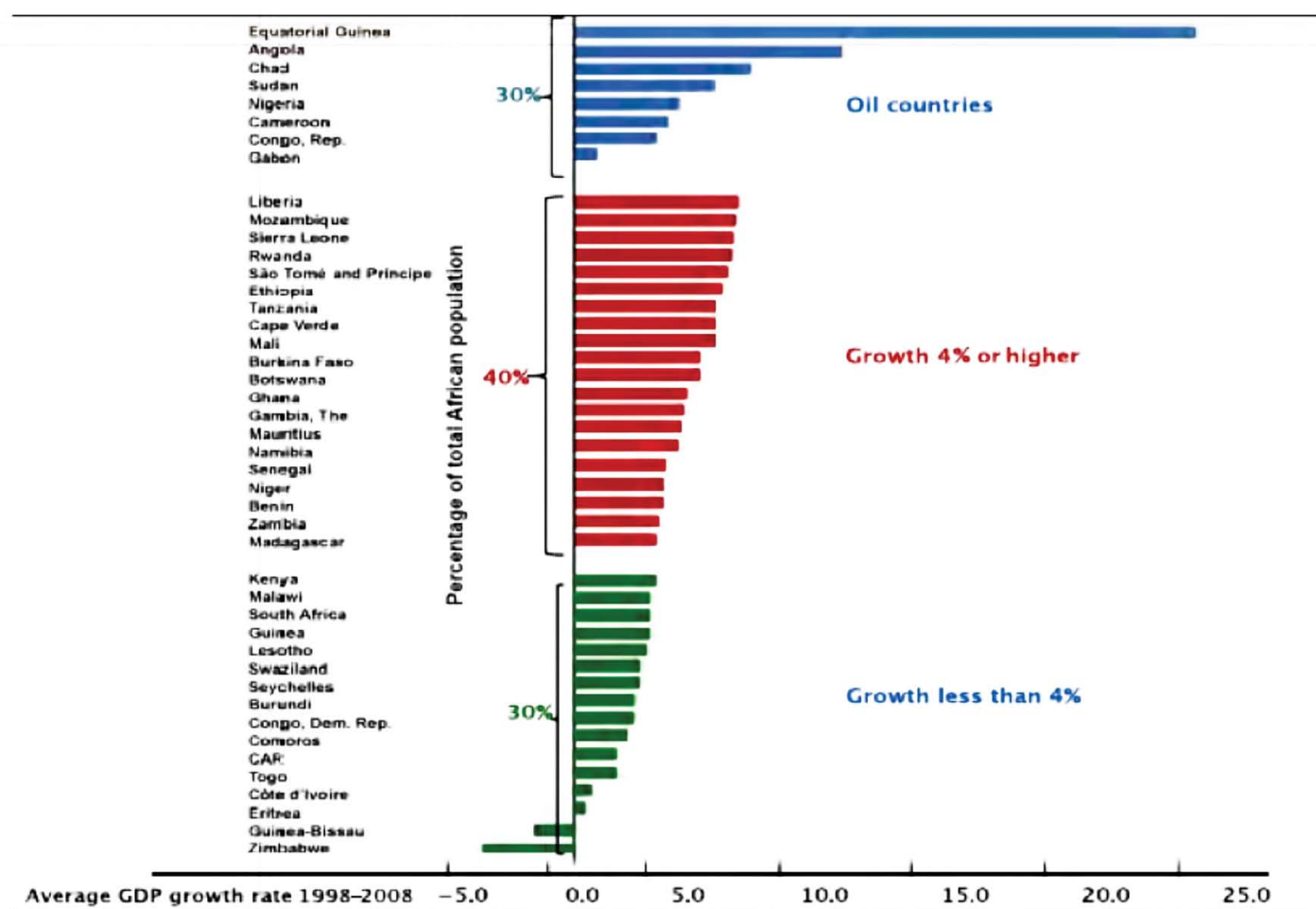


Poverty rate in Sub-Saharan Africa, 1990-2006





Average GDP growth rates in Sub-saharan Africa 1998-2008



Source: World Development Indicators, World Bank.

2. Some lessons on rural transformation around the world

2.1. OECD countries

The OECD Rural Development Programme: lessons learnt over the past decade¹¹

In the last decade OECD countries began to adopt a new approach to rural policy due to several factors. First, there is a growing recognition that while agriculture remains important to most OECD countries and is the major land use in all countries, it has become a minor source of rural income and employment in almost all parts of the OECD. Agriculture continues to increase the value of production but does so with fewer people and more capital. Second, there has been a major transformation of manufacturing in OECD countries that has improved opportunities for some rural manufacturing firms but damaged others. More open trade, including the expansion of regional trade blocks such as the European Union and the North American Free Trade Agreement (NAFTA), have increased the competition facing those rural manufacturers that relied on routine production, low-wage labour and captive markets. Third, there has been a growing integration between rural and urban society, brought about by mass media that allows residents of even the smallest village to observe life in cities. The result has been a convergence of aspirations and growing demands by rural residents for an equivalent

quality of life. Fourth, governments have become increasingly concerned with the value of their actions. Competition for scarce public funds is increasing and voters are demanding evidence that government expenditures have clear value.

The response of OECD governments has been to broaden their vision of what constitutes rural policy to go beyond the traditional focus on sectoral support for the primary sector, particularly agriculture. The change has sparked controversy. Farmers, in particular, have feared that a broader approach to rural policy would lead to less support for agriculture, often failing to realise that lower agricultural support largely reflects trade agreements and not expanded rural policy. Moreover, a coherent rural policy offers farmers the possibility of off-farm income opportunities and an enhanced quality of life, if rural areas are able to provide new services and new markets. The OECD has been involved in this international debate by member countries, especially through a “meditative mode of regulation”¹², and illustrated this work in the New Rural Paradigm (NRP) in 2006.

The New Rural Paradigm

The New Rural Paradigm (NRP) shifts the focus of rural policy from supporting sectors to a holistic approach that tries to identify how

the various components of a local economy interact. The NRP can be characterised as an investment approach. It requires countries to assess the costs of implementing a policy and identify the expected outcomes to ensure that there is a positive return. While this is initially a prospective exercise the intent of the NRP is to show that providing policy support in rural areas can be seen as strengthening the entire country. As such, the NRP almost demands that evaluation take place at the project/community level. A second feature of the NRP is the emphasis on economic opportunity. Rural economies are evolving in the same way that national economies evolve in the OECD countries. While traditional industries, such as agriculture, may continue to play a role in rural places they will do so in different ways than in the past. Farmers will have to: adopt new production methods, find new ways to market their products, and identify new risk management tools. Perhaps more importantly rural areas will have to identify new economic functions if they are to prosper. While some traditional activities may continue to provide income and employment, the future prosperity of most rural areas will depend upon identifying new activities that can form a major part of the regional economic base.

Major drivers for rural transformation in Africa



Within this new paradigm, a policy to promote development in rural areas aims at: *i)* guaranteeing an adequate attention to rural issues; *ii)* building on local assets and promoting their integration within a

diversified and sustainable economic base; and *iii)* empowering local communities and governments. This is a mix of economic, social, and environmental goals that cannot be achieved through sectoral

policies. The policy also needs to be flexible and adapt to internal and external changes (or shocks) to take advantage of new opportunities, or properly react in case of crisis.

The new rural paradigm

	Old approach	New approach
Objectives	Equalisation, farm income, farm competitiveness	Competitiveness of rural areas, valorisation of local assets, exploitation of unused resources
Key target sector	Agriculture	Various sectors of rural economies (ex. rural tourism, manufacturing, ICT industry, etc.)
Main tools	Subsidies	Investments
Key actors	National governments, farmers	All levels of government (supra-national, national, regional and local), various local stakeholders (public, private, NGOs)

Source: OECD, Reinventing Rural Policy, Policy Brief October 2006

Rural issues across OECD countries

- Despite the considerable differences among countries, the reviews show that there are common issues and opportunities in rural areas. In all countries agriculture formed the basis for rural policy in the past. While the agricultural labour force is still large in some countries it is declining in numbers in all countries, and agriculture plays a shrinking role both nationally and in the rural economy. For instance, in OECD countries less than 10% of people working in rural regions are employed in agriculture.
- While the urban population is far larger than the rural population in most OECD countries, the rural population remains a significant minority. In the majority of OECD countries that have participated in a review it is about 20% of the total population. And, unlike the case in urban areas, the ratio of native born to total population is considerably higher. Immigrants are less common in rural areas than in urban areas and where there are immigrants they have a greater tendency to be seasonal or temporary workers who are employed in less desirable occupations.
- In all the countries reviewed there is a gap in the availability and quality of public services between rural and urban areas. The challenges both make services more expensive to deliver, and more vital, if the full potential of rural areas is to be achieved. With the prevalence of mass media and greater mobility, rural residents are aware of the life style of their urban counterparts and aspire to similar opportunities – including access to services.
- The historical economic function of rural areas was the production and processing of natural resources. In modern times as natural resources began to play a smaller role in OECD economies and household wealth increased, a new perspective on the role of natural resources has developed. Instead of being valued for use

in production processes natural resources are now seen as having simple existence value. Urban households, in particular, are increasingly opposed to the extraction of resources because this damages nature. Since urban voters are the majority in all OECD countries, they are often able to influence policy to restrict or block resource extraction. The result is a growing conflict between preservation of rural areas and traditional forms of rural economic development.

- In recent years the impact of climate change has become an important rural issue. Three major concerns affect rural areas. The first is emissions associated with the production of natural resources. A second concern is with the impacts of internal combustion engines. A last concern is related to the fact that the availability and cost of energy in remote rural regions may be impacted by nation-wide policies aiming at optimising the production and the distribution of energy .
- There is an increasing interdependence between urban and rural territories which generates economic, social and environmental linkages between the two areas. Generally perceived as a positive phenomenon which promotes economic efficiency, evidence demonstrates that rural-urban integration may, in fact, increase spatial inequalities. In this situation, rural communities risk to lose their identity, as well as the opportunity of becoming potential sites for the decentralisation of particular activities, administrative functions or niche markets.

2.2. Supporting rural development, selected experiences in OECD countries

The LEADER Initiative¹³

The LEADER Community Initiative is one of the better known European rural development programmes and was conceived as an integrated and endogenous approach to rural development. It was designed to aid the development of sustainable rural communities following the reforms of the Common Agricultural Policy (CAP). The programme has been widely recognised as a success due to its innovative character and because of the results obtained in many rural areas despite the relatively limited budget. This EU development programme is a hybrid rural/regional policy approach involving the national Ministries of Agriculture in implementation, but based on local private and public partnerships.

The LEADER Community Initiative is an EU development programme with a hybrid rural/regional policy approach involving the national Ministries of Agriculture in implementation, but based on local private and public partnerships. These partnerships design a development project for a target area whose size is generally limited by administrative boundaries. The main features of the LEADER approach are: *i)* a bottom-up approach to decision making and management responsibilities; *ii)* integrated actions; *iii)* a multi-sectoral vision; *iv)* co-operation (local and transnational); and *v)* networking. There are three main elements characterising the implementation of the LEADER method: *i)* a territory or LEADER area; *ii)* an integrated strategy relying on an endogenous approach and

innovative actions; and *iii)* a local action group (LAG) characterised by decentralised financing, co-operation and partnerships between public and private stakeholders. These elements operate within two alternative approaches. The first approach is redistributive and perceives the programmes as a partial compensation to different rural territories for their structural disadvantages. The second approach is more proactive and insists on the most innovative aspects of the LEADER method, aiming to facilitate the mobilisation of certain actors who elaborate and apply a development strategy in each territory. Since 1991, the LEADER Initiative has had three different editions. The initiative was launched with LEADER I which had a four year application period from 1991 to 1994. Due to the successes of the first edition, LEADER II was developed 1994-99. Finally, LEADER+ continued for the period coinciding with the EU's CAP period lasting from 2000-06:

For the period 2007-2013, LEADER is no longer a separate programme but is now integrated ("mainstreamed") into the national/regional rural development programmes. Specifically, LEADER has passed from being an EU initiative to being part of the second pillar of the CAP, represented as a development methodology under Axis 4 that could integrate any other rural development measures from the policy's other Axes.

There are also innovative ways to define the scope of rural policy. For instance, in **Finland rural policy** is an extensive and comprehensive activity that cuts across all Governmental policies¹⁴. Policy interventions range from agricultural, forest and natural resources policy to education, culture and know-how policies, transport and communications, tax and budget

policies, social, health and labour policies. This “broad” rural policy has no specific geographic focus, but seeks to maintain an adequate level of attention to the impact sectoral, nation-wide policies can have on rural development.

Examples of place-based policy practices in successful rural economies

OECD rural reviews also detected some specific place-based policies that have promoted job creation, regional competitiveness, foreign direct investment, and entrepreneurship. The (rural) regions listed below experienced gains in employment rates which exceeded the OECD average from 1995 to 2005. These regions also attained growth in per capita GDP at rates higher than the OECD average and their respective national averages over the same term. The examples summarise key policy initiatives that have contributed to improve the economic performance of these regions and facilitate job creation.

Trøndelag (Norway). *The policy target was to provide financial access to business in remote areas and promote innovation.* In 2006, Innovation Norway (a state owned company) provided this area with specific seed capital funds, to stimulate implementation of new business ideas. These funds aim to increase the supply of seed capital and enhance economic development in areas where private financing is difficult. These funds are financed with 70% subordinated loan capital from Innovation Norway and 30% private equity capital. Trøndelag benefited also from the *Skattefunn* tax credit scheme introduced in

2002. Through this scheme, SMEs can deduct from payable tax 20% of their expenses on internal R&D projects not exceeding NOK 4 million each, or NOK 8 million if the R&D project involves collaboration with an approved R&D institution. The Research Council of Norway must approve the project as falling within the definition of an R&D activity. Qualifying projects must generate new knowledge, information or experience that is useful for the enterprise in development of new products, services or processes. Enterprises that have insufficient, taxable income to use the full credit receive the remaining amount as a cash refund (74% of total tax expenditure was distributed in this way in 2005). The 2005 tax expenditure of *Skattefunn* was NOK 1.2 billion, about 0.06% of GDP¹⁵.

Extremadura (Spain). *The regional government aimed at promoting entrepreneurship and ICT to SMEs.* One of the most remote and impoverished regions of Spain, Extremadura has invested to create jobs opportunities by stimulating entrepreneurship. Extremadura has become the leading region in Spain in terms of entrepreneurial activity. The regional policy has targeted sectors with a relatively high added value and invested in the development of human capital. As a result, Extremadura's business community is more resilient than in the rest of the country. Whereas the 5% growth in new businesses from 2006-07 set Extremadura at the average with the rest of Spain, the share of manufacturing firms is much higher than in the country: 5% as compared to the Spanish average of 0.8%. Conversely, construction sector

businesses are less numerous than in Spain. This allowed Extremadura's business sector to better withstand the downfall in the construction industry that has hit Spain in 2008¹⁶.

2.3. The experience of emerging countries – an overview

Rapid transformation of rural areas¹⁷ in the world's major emerging economies of Brazil, China, India and South Africa poses both challenges and opportunities to the sustainability of society. The 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 loaded with fundamental uncertainties: climate change, the impacts of growing scarcity of land and fresh water, the triple impact of the food, energy, and financial crises, and whether the human race will have the wisdom, will and capacity to engage in national and international collective action to avert disaster. Rural transformation is about human development and is not limited to the development of things.

This rapid change in this context is creating conditions of enormous risk and vulnerability for rural people. At the same time whole new opportunities are emerging, linked for example to renewable energy, provision of environmental services or food production.



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, and insufficient private and public investment.

But despite this heavy inheritance, there is evidence of the impressive achievements in the emerging economies. While outcomes have not been uniform between and within countries, 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 economy of our planet, 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 than ever before, and civil societies are more active and vibrant than ever. What the rural societies of the emerging countries have done in the last generation is an achievement that has not been registered by any other nation in a similar period of time or on such a scale. New and innovative approaches are being put in place by emerging economy countries to address the challenges.

While each approach is tailored to specific contexts, together and through shared learning a new paradigm for rural development can be realized. At the same time, although innovation is taking place in each of these countries and elsewhere, this has not to date been widely shared between practitioners and policymakers of the emerging economies and developing countries themselves. By bringing together senior level policymakers and public sector administrators, academia, business and civil society representatives, an International Conference held in New Delhi, India, in 2010¹⁸ provided a space for sharing positive models, experiences and innovations drawn from emerging economies, including new and flexible approaches that leverage the forces of globalization for the benefit of rural populations. It strengthened understanding between countries facing similar challenges and built new networks between common interest groups to take forward continued shared learning.

Based on the experiences of China, India and South Africa, a set of major imperatives which are at the core of rural transformation were defined. These include

- 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.
- 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.

- Creating more and better jobs and economic self-sufficiency in rural areas, including in small towns and intermediate cities. Rural economic diversification is a major driver of job creation. At the same time, rural labour markets are notoriously imperfect and they represent a huge challenge that needs to be addressed urgently.
- 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.
- Stimulating the growth of rural towns and intermediate cities and strengthening the links between them and their rural hinterlands.
- Managing the complex and sensitive issue of rural-urban migration.
- Securing universal access by rural populations to basic public services including education, health, housing, fresh water, electricity, transport and communications, with improving quality standards.

Major drivers for rural transformation in Africa

- 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 emigrate out of rural areas.
- Securing widespread access to efficient and sustainable financial services and capital, without which the benefits of the rural transformation cannot be realized in full. This requires a significant expansion of financial resources and budgets, as well as major improvements in the efficiency and institutional sustainability of rural financial systems.
- 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.
- 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. At the same time, it is important to reaffirm that poverty eradication and social inclusion will lead to better long-term outcomes and be more sustainable if they rest on localized, inclusive economic growth, complemented and not replaced by social support schemes.

Further it was considered that the agenda is simply impossible to design and implement if hard investments are not accompanied by much better governance, institutions, social participation and policy processes. Major governance, institutional and policy challenges include the following:

- The social construction of a new meaning of the concept 'rural' in the 21st century in these rapidly changing countries. Policies and programmes cannot be successful if they are rooted in notions that reflect the reality of 20 or 30 years ago, but that have very little to do with the essential characteristics of contemporary rural societies in these four countries. To begin with, the term 'rural' is no longer synonymous of agriculture or food production. Rural includes many small towns and intermediate cities, rural people include much more than male farmers, and so on. 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 should 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.
- 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.
- 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.

This group of major emerging economy countries place significant emphasis on the need to close the gap between the high level of investment outlays and the outcomes. They call for better answers to questions such as: 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; and how to strengthen monitoring and evaluation, learning systems, research on rural development, and build adaptive and evidence-based policymaking?

Continued South-South learning



and collaboration is seen as essential to address the formidable and remaining challenges of rural transformation.

2.4. Rural transformation: country reflections from selected emerging economies

Brazil¹⁹ According to the Brazilian definition of 'rural', there were 30.8 million rural inhabitants in Brazil – or 16 per cent of the population in 2008. Brazil has achieved considerable progress in terms of poverty reduction, including strengthening family farms and increasing the number of family farm units, increasing the minimum wage and securing social inclusion of the rural poor through supportive public policies for rural development. In 2003, the Zero Hunger programme launched both emergency actions: Bolsa Família (Family Grant Programme) and Benefício de Prestação Continuada da Assistência Social (BPC-LOAS, Brazilian Social Assistance Pension – Article of the Social Assistance Act), as well as structural actions, including land reform, support to family farming, and job and income generation. The first generation agrarian reform (2003–2009) has therefore achieved success in terms of land distribution, access to rural credit and technical assistance.

These interventions were followed by the National Programme for the Strengthening of Family Farming

(PRONAF), which included a rural credit programme with associated climate and price insurance, technical assistance and extension; and the Marketing Food Acquisition Programme (PAA), linked to the Zero Hunger Strategy and including the purchasing of family farm production destined for people under conditions of food insecurity (contributing to at least 30 per cent of the procurement for the School Meal Budget programme). The access to rights agenda includes the Rural Women Workers Documentation Programme, rural credit provision specifically for women within PRONAF, a National Programme for Sustainable Development of Traditional People and Communities, and a National Plan to Fight Rural Violence.

This second generation of public policies are set within the context of high international food prices, the global financial crisis and the further elaboration of rural development public policies. They seek to develop further the PRONAF and the PAA programmes, providing Family Farming with the capacity to increase production and productivity. They are also looking to deepen land regularization and set up a new initiative – the Territories of Citizenship Programme. Launched in 2008 with an annual budget rising to US\$15.3 billion in 2010, this latter programme seeks to secure the productive inclusion of poor people, universal access to basic citizenship programmes, the expansion of social participation and to increasing efficiency and effectiveness of public policies.

China²⁰ The rural population was 713 million, representing 53.4 per

cent of the national total in 2009. This figure is expected to decrease to 30–35 per cent in the next two decades. Today, 220 million farmer-householders operate on less than 0.6 hectares (ha) per householder, yet China has basically ensured food security for more than a billion people using approximately 9 per cent of the world's total arable lands and 6.5 per cent of its water resources. According to World Bank definitions, poverty in China decreased from about 530 million in 1981 to 129 million in 2004. This progress is the result of sustained economic growth, a series of development policies for social equity and special government programmes aimed at poverty alleviation. China's emphasis on providing a social safety net and social rights has been a success.

Rural economic diversification in China has been achieved through support to Township and Village Enterprises (TVEs), which grew from 1.5 million in 1978 to 23 million in 2006, providing 119 million new jobs in that time. Rural enterprises participate in the export sector, producing 40 per cent of China's export products. There has been a significant opening up of agricultural markets, and China now has one of the lowest tariff levels for agriculture imports in the world. Since the beginning of the country's reforms, labour movement restrictions have gradually been shifted to recognize, accept and encourage such flow. Thus China has seen large-scale rural labour transfer, increasing rural emigration and some 223 million rural labour leaving the land and their villages for the non-agricultural sector. This figure represents nearly

Major drivers for rural transformation in Africa

half of China's total rural labour force. Rural social safety nets have been established, including exempting tuition fees and charges for rural students, a new rural cooperative medical system, which covers 94 per cent of the rural population, and the establishment of a minimum living subsistence guarantee system in rural areas. New pilot programmes to implement rural social security insurance for the aged are now in place, which cover some 20 per cent of China's rural population in 2010.

Yet there are many challenges to be faced: China's per capita arable land is only 40 per cent of the world's average and its water resources are low, with a per capita water resource at one quarter of the world's average. The urban-rural income gap is widening, and there remains a wide gap between social welfare levels in urban and rural areas. Rural areas also suffer from outmoded infrastructure and insufficient public services. Population ageing is more severe in rural areas than in urban areas. Future priority policies in China include the need to: ensure national food security relying on domestic production to guarantee food supply and basic self-support of important foods, including grain; stabilize and improve rural land tenure; change agricultural growth patterns, including the need to improve science and technology for increased productivity; promote innovation in rural finance, including the need to explore new types of farmer cooperative credit organizations; and create job opportunities in rural areas.

Further rural-urban migration will be promoted, including via the

reform of public policies in respect of housing, social security, and education and medical services. Rural new generation migrants will become permanent city residents, having secure social inclusion. Finally, comprehensive development and social equity in rural areas, including the equalisation of basic public services provision between urban and rural areas, will be promoted and secured. China's new leadership presents five objectives for the development of social undertakings, namely ensuring that all its people enjoy their rights to education, employment, medical care, old age care, and housing.

India²¹ The rural population presently stands at about 830 million, living in some 600,000 villages. Since the 1960s, many approaches to rural development have been tried and not all have done well. In the process, many 'silos' have been created, while few have been scrapped. This raises the question as to whether sequential interventions are merely adding to these multiple compartmentalized approaches, and thus increasing inefficiencies.

Notwithstanding the challenges of the rural-urban definition, including boundary changes and area re-classification, rural migration to urban areas has not been as rapid as that seen in other countries, such as China. The pace of urbanization is, however, still significant. Rural-urban disparities across all indicators exist, with urban incomes and living standards in the late 1990s twice as high as those of rural areas. Income and consumption data also show large and growing disparities. Nonetheless, these ratios have

stabilized in more recent years, when overall gross domestic product (GDP) growth increased.

Meanwhile, the rural economy became less agricultural during the period 1999–2000 to 2004–2005 reflecting strains on the resource base, the end of the Green Revolution, changes in world food prices, weather variability and a range of subsidies encouraging inefficiencies. Today the agriculture sector today faces serious problems. From the mid-1990s, the nature of the rural non-farm economy began to change. A shift was seen from urban investment to investment in rural or, more specifically, semi-urban space. However, such investments tend not to be equitable, as they require the necessary infrastructural support and thus do not reach remote regions. Mining, too, is creating rural tensions.

In 2004, after the United Progressive Alliance (UPA) came into power, a series of new programmes and initiatives were launched. India's Eleventh five year Plan (2007–2012) highlights these initiatives, which include: the Backward Regions Grant Fund; Integrated Watershed Development; the Horticulture and Food Security Mission; *Rashtriya Krishi Vikas Yojana* (the National Agriculture Development Programme); and *Sarva Shiksha Abhiyan* (Education for All). The Panchayati Raj, as an agency for enactment, has been successful in implementing many of these programmes through, for example, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) – the world's largest [job guarantee](#) scheme; the Right to Information Act; the Right to

Major drivers for rural transformation in Africa



Education; and the Tribal and Forest Dweller's Act.

A key lesson learned has been that although India's rural development strategy was visionary, it has been seriously challenged by recent environmental problems, including groundwater depletion in agricultural areas. Rural policy formulation needs to embed environmental changes.

South Africa²² The historical past of the 'apartheid system' created geographic differentiation each with its own political, social and economic systems. The rural economy is presently facing enormous challenges in terms of lack of socio-economic infrastructure, public amenities and government services, low literacy and skills, the poor status of agriculture, decay of social fabric and the underutilisation of resources. Although there are potential opportunities in the agriculture, tourism, mining and manufacturing sectors in South Africa, these remain underexploited. South Africa has learned lessons through earlier efforts to put in place a national rural strategy. These started with the Reconstruction and Development Programme 1994–1996, although this was more of a 'wish list' than a strategy document, and the Rural Development Strategy of the Government of National Unity (1995), which ended as a discussion document. The Rural Development Framework (1997) attempted to address the challenges from their earlier processes, and most importantly attempted to define rural areas. The Integrated Sustainable Rural Development Strategy (2001) later evolved into a programme, and was valued for

mainly targeting former homeland areas and attempting to introduce a spatial focus to deal with poverty and underdevelopment. Yet it too had a number of weaknesses.

In 2007, the ruling party through the National Policy Conference began work towards a comprehensive rural development programme. This led to the current Comprehensive Rural Development Programme (CRDP) whose vision is: 'to create vibrant, equitable and sustainable rural communities'. This CRDP seeks to: address poverty and food insecurity through maximizing the use and management of natural resources; rectify past injustices and improve the standard of living through rights-based interventions that address skewed patterns of distribution and ownership of wealth and assets; and facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society.

This will be achieved through a three-pronged strategy: a coordinated and integrated broad-based agrarian transformation, including market and cooperative development and addressing the needs of women and youth; investment in rural development infrastructure; and an improved land reform programme. An emphasis is placed on job creation and entrepreneurship in rural areas, with models that offer long-term employment and which also address the challenge of social grant dependency. Rural livelihoods and food security will continue to be fostered through an intensification of the Ilima/Letsema campaign, which seeks among others to enhance

household food security through household and backyard activities and by creating micro-enterprises through the use of communal land.

Improving government performance to deliver the outcomes that underpin government policy remains central in South Africa. One of these outcomes is vibrant, equitable and sustainable rural communities and food security for all. Other outcomes address social sectors, employment and so on, with all playing out in both rural and urban areas. Great importance is placed on establishing effective monitoring systems and ensuring the accountability of service provision. The key lesson learned in the country has been that rural development is everybody's business and participation of local communities and people is necessary to make such development successful.

2.5. The implications of liberalization and economic integration for agriculture and rural development in developing countries (RuralStruc Programme)

The RuralStruc Program²³ aimed at better understanding the implications of liberalization and economic integration for agriculture and rural development in developing countries. The Program adopts a broad

Major drivers for rural transformation in Africa

approach that focuses on the overall consequences of globalization in terms of increasing competition, market integration and governance. Further, it explores how changes in rural environments brought about by these dynamics in turn affect patterns of structural transformation. Specifically, the Program examines trajectories of structural change among developing countries and seeks to identify similarities or differences through comparative analyses.

The Program focuses on seven countries corresponding to different stages in the process of structural transformation and economic integration. **Mexico**, an upper-middle income country that has undergone significant structural transformation and a deep economic integration through the implementation of NAFTA was chosen as a reference point. The sub-Saharan African (SSA) countries of **Senegal, Mali, Kenya** and **Madagascar** illustrate cases of countries facing difficult structural challenges (in both economic and demographic transitions). **Morocco** and **Nicaragua** represent countries at an intermediate level of economic transition which are currently undergoing strong integration processes.

The work unfolds along **three lines of investigation**: (i) vertical and horizontal integration and their impact on differentiation among agricultural structures; (ii) how rural households adapt to this new context, specifically through engagement in non-farm activities and how these adaptation strategies reshape rural economies; and (iii) the risks of structural impasses in demographic and economic transitions that stem from the challenges of globalization.

Main Results of incomes household surveys:

- The overwhelming majority of rural households in the survey have access to land and are directly cultivating it (93% of the sample and 98% in sub-Saharan Africa), but among them the spread of **integration and contractualization** processes linked to the global restructuring of agro-food markets **remains limited** (less than 5% of farms in sub-Saharan Africa). These processes principally occur downstream in value chains and seldom at the producer level. Consequently, many farm households have not been able to take advantage of the opportunities offered by globalization and they remain poor.
- **In sub-Saharan Africa, the level of rural poverty is striking** (75% of the surveyed households in average earn less than \$2 PPP / person / day and near 90% in Mali) but the food security situation is nearly insured. Farm households are in general unable to profitably sell their produce, for reasons either of low surplus, low prices, or lack of market access. Consequently, they try to secure their incomes by diversification of incomes with in-farm or out farm work. This labor diversification however pays very poorly and household food security remains dependent on the family plot. The result is an agricultural economy that, at first glance, looks to be diversifying, but in fact is engaged in **coping strategies**. 86% of the surveyed households have some off farm work. Nevertheless, the large majority of them grow staples and self-consume, and on-farm **activities continue to provide the main share of household incomes**. The most profitable option stays migration to OECD countries but very few households are able to benefit from this alternative.
- In Morocco and Nicaragua, only 30% - 40% of the surveyed households earn less than \$2 PPP / person / day (10% in Mexico). The poorest households, however, struggle. Like households in sub-Saharan Africa, they have difficulty earning an income from farming and look to non-farm activities as a way of alleviating poverty. The difference however is that **outside of sub-Saharan Africa the returns to off-farm activities are higher** and, therefore, the level of risk faced by households is lower. This allows household more room for maneuver and facilitates innovative practices in terms of production, technical choices or progressive specialization in off-farm activities.
- There is **a strong relationship between income and diversification which determinates the pace and extent of rural transformation**. Very low income households have low diversification and rely directly on subsistence farming. When having more maneuver, household look for increasing earning with having their members working off-farm. Growing incomes help rural households, through increase investment capacities, to begin specialization in diverse economic activities, and this process fosters the transition from a



deep involvement in agriculture towards more diversified regional economies.

Policy Orientations for sub-Saharan Africa:

- In sub-Saharan Africa, sound public policies are needed to help this process and to compensate for the lack of investment capacity of most of rural households. These policies must facilitate farm income growth through productivity increases and improved market access. Access to international market is possible only to few production units but for the majority, **intermediate regional cities and rural towns** represent opportunities. But this is achievable only if market functioning is improved (incomplete market for inputs and imperfect markets with high trading cost due to formal and informal taxes, high transport cost...).
- This policy support is essential to face the challenges of an incipient economic transition and an unachieved demographic transition. In the next fifteen years, sub-Saharan Africa economies will have to absorb 330 million youth into the labor market, a market where today 65 to 75% of the labor force is still occupied in agriculture. The remaining labor force is mainly engaged in the informal urban sector and economic alternatives are limited in the near future.
- Consequently, **agriculture will continue to play a major role and public policies must**

select the right targets: the overwhelming majority of farm households produce staple crops and this sector can benefit from growing demand and from incentives provided by regional market integration. While it is true that staples often offer a low return, and therefore cannot be the only solution to poverty alleviation, they can clearly serve as a catalyst. Increasing staple production can significantly reduce a household's food-risk and unlock their economic potential.

- The road to success will imply a **major reinvestment in development strategies**, based on sound diagnoses that are capable of dealing with a very strong heterogeneity of regional situations (a final major finding of the Program). Responding to this challenge will necessitate supporting the improvement of policy making capacity at the local and national levels.

2.6. Best practices for promoting non-farm employment creation in Latin America

The case studies illustrated below²⁴ report of six field projects/programs exhibiting best practices and strategies for development projects in Latin America to incorporate the promotion of rural nonfarm employment (RNFE). The projects tend to focus on helping rural associations to supply to markets perceived as dynamic (clothing,

processed foods, tourism, light nonfood manufactures) somewhat in rural areas but especially to towns and foreign markets.

Brazil: Textile Manufactures Center in Ceará-Mirim, Rio Grande do Norte, Brazil

The "Northeast (NE) Brazil Project" is located in Rio Grande do Norte, and is undertaken by the regional and municipal governments with support from the national government and donors.

In 1985, 61% of the rural population in Ceará-Mirim was employed in sugar cane production and processing. The figure dropped to 31% by 1995. The sugar cane production that is left has become highly mechanized, creating substantial rural unemployment. The government of the State of Rio Grande do Norte thus decided to attract factories and investors to develop an industrial regional center to employ those expelled by the sugar sector. As a result, in 1999 sixty new companies initiated activities in the State, for an investment of US\$ 147 million and the creation of 8400 jobs.

The government of Rio Grande do Norte attracted these industrial investors with a favorable fiscal policy (a 90% tax exemption on goods and services), an attraction to investors added to the advantage of low labor costs of the Northeast in comparison to the populated Southeast of Brazil (where urban centers and consumer goods markets concentrate). The municipal governments have also put investor-attraction programs into place. For example, Ceará-Mirim municipality exempted new factories from municipal taxes for 15 years and is willing to subsidize

Major drivers for rural transformation in Africa

rent and equipment for dress-making enterprises as long as they demonstrate creation of local jobs. Most of these create permanent sewing jobs for rural women with limited training, who can work either in their homes, or in small or large sewing groups under piecework subcontracts.

In 1997, the Ceará-Mirim Project (C-MP) was formalized by an agreement signed by national government and agencies. In 1999, 20 women formerly devoted to sugar cane harvesting created the Sewing Producers of Mato Grande Cooperative (COOPERVELE). The group grew to 60 members and has initiated its own clothing product lines. Today only 30% of total production is contracted and the remaining is marketed as final products through its own Marketing Division. This dynamism has allowed it to become partially independent from C-MP, up to the point that COOPERVELE has undertaken leadership when the local Vice Prefect – who was the major actor in the project – was removed from his position last year. This is a case of true local ownership of a project. COOPERVELE has signed a new project protocol with the newly elected local and State governments, integrating 8 sewing associations that have been trained by the cooperative.

There are several issues that should be highlighted from C-MP experiences:

- The project used a market-demand driven approach that used public policy (mainly fiscal incentives) to attract major dressmaking firms to set up their factories or contracting centers in the State of Rio Grande do Norte.

- The project used social organization that evolved from simple associations toward a cooperative.
- Note that the major dressmaking firms contract work that requires low mechanization. Clothing parts that demand more intricate work aided by machinery are not contracted out so that the seamstress associations cannot access that technology.
- Direct and indirect public subsidies seem decisive factors for the implementation of this type of manufacturing development project.

Brazil: “Farmer Factories” in Southeast Brazil

The “Southeast (SE) Brazil Project” is located in Paraná, and undertaken by the regional government and municipal councils, and is partially funded by the World Bank. It focuses on vegetable and fruit processing for the local and regional urban markets. It was started in 2000. The objective of the project is adding value to agricultural products, and increasing rural family income through the creation, implementation, and improvement of small and sustainable agro-processing units that can sell in competitive markets. Although the rural population in Southern Brazil decreased during the 1990s, the share of income from nonfarm activity was increasing, particularly from services and agro-processing.

The agro-processing industry in Paraná employs 18% of those working in non-farm activities. The project target population is formed by 21 ethnic groups among whom agro-

processing is a common practice, particularly for home-consumption. In recent years these products have been sold in local, artisanal and informal markets, and most of the products have no formal quality certification or the firms, formal licensing. Production and marketing are individual activities and collective or organized enterprises are the exception.

There are circa 300,000 family enterprises that qualify as the target population. The project used the survey information to design its actions. It undertook to ease the steps to legalize/register the businesses and help existing firms to produce better their existing products and to market them to formal markets. The target population is defined as producers using family labor (no more than two permanent wage employees), with 80% of total income generated at the farm level, provided that such an income is less than US\$ 13,700/year.

The project does not have strict rules for participation thus individual assistance is provided to each agro-processing unit or organization, via four instruments:

1. Legalization Kit. This is a package designed to reduce time and steps to legalize products can be presently finalized in 15 days.
2. Technological component. An aggressive training program for technicians and producers has been designed as a means to introduce technology and assist production units in applying it. Both generic and specifically applied courses are organized where needed, and three training



sites were opened in the State of Paraná.

3. Marketing component. This component constitutes a bridge between producers and selected market segments (supermarkets, small retail stores, natural food stores, etc.) and final consumers. Several actions are performed by this component: dissemination campaigns to explain to consumers facts about available products, their origin and characteristics; design of logos, packing, bar coding, etc., in order to improve product presentation to final consumers. These services are paid by producers at reasonable prices; participation in fairs (Ferias de sabores) where buyers and final consumers are exposed to the production process and can taste final products. 'Business tables' are organized in these fairs in order to promote a direct producer-buyer interaction. These events are organized and paid by the State and the project.

4. Incentives component. These incentives refer to credit, tax breaks, and physical infrastructure. The State Fund provides small credits to small producers to be used in agroprocessing.

Chile: The Rural Tourism Program

The national rural tourism program (RTP) was created in 1995 as part of INDAP, the Chilean National Rural Development Institute. The program is INDAP's first initiative in rural tourism, and is part of a general initiative to promote income diversification among small farmers.

The RTP acts at three levels: (a) country-level studies and promotion; (b) region-level, providing coordination and technical assistance to tourism providers; (c) local-level projects to support local entrepreneurs. There are four categories of RTP services to support rural tourism: (a) studies evaluating specific investments (with the studies fully funded by INDAP); (b) technical assistance to entrepreneurs, through the use of private consultants paid by INDAP; (c) Short-term (up to a year) and longterm loans to finance investments (such as improvements in a driveway or house); (d) training tourism entrepreneurs (funded fully by INDAP).

The program is targeted to small farmers (hence there are land and capital restrictions to receiving support). That means that all beneficiaries also farm. Participants are mainly couples aged 40 to 70 whose children have left home. Women are the main actors in the provision of tourism services, cooking the meals, making the beds, checking in the guests, and so on. These households usually provide the service in their own home, and the activity is seasonal.

The workers are from the family itself. The tourism activities range from guest houses to rural camping to restaurants. In some cases, projects have a 'cultural content', linked to ethnic identity. In most locales, the RTP projects cover a mix of services, landscapes and specific tourist attractions. Projects can be individual, associative or communal. Associative projects include individuals providing the tourist services but those individuals are members

of an association that provides various services collectively, such as marketing, publicity, legal.

There are two final important aspects to note. (1) The RTP program focuses on the supply side, but could do more to identify and promote market demand, for example by working more with tourism agencies in urban areas. (2) The RTP works mainly through heavy subsidization and direct assistance. At present there is no clear plan to phase-out the assistance to make the program less dependent on subsidies. There also does not appear to be research on whether the tourism activities would survive in the event the subsidies were withdrawn.

Honduras: The case of South Lempira Project (FAO)

The South Lempira Project (SLP) started in 1988 as an institutional response to an extended drought that had a disastrous effect on smallholder agriculture in the Lempira Department of Honduras and is undertaken by FAO and the Honduras government.

SLP uses a decentralized and participatory approach through which rural communities develop strategic plans based on diagnoses. There exist Local Development Committees that negotiate these plans with the local governments, state agencies, and NGOs that operate in the zone. This mechanism has proven useful to identify problems and opportunities such as milk production in the dry season and processing of milk into cheese for the local market, or the need for grain storage silos to handle the greater maize output resulting from increased farm productivity. The project promotes the creation of small

Major drivers for rural transformation in Africa

firms or collective enterprises.

SLP contributes with feasibility studies and, in most cases, follow-up technical and marketing information assistance.

Strategically, SLP supports RNFE generating activities from both the supply and the demand sides within a LED approach. From the supply side, the SLP facilitates access to inputs through the promotion and backing of communal banks and revolving funds, which are handled by small producers and allow micro-entrepreneurs access to inputs and capital goods. From the demand side, the PSL has supported marketing studies of RNFE products, especially metalware, cheeses, mats, and processed vegetables. Additionally, PLS has facilitated buyers-sellers negotiation round-tables, trade promotion trips, and market identification for the micro-enterprises to focus their marketing strategies and adapt their RNFE product to the market.

SLP has been able to assist small producers to develop the following micro-enterprises:

- Milk processing (cheese production) to take advantage of technological change introduced by the project into milk production that resulted in higher productivity, particularly during the dry season. Currently there are small plants producing cream, fresh cheese and milk cream.
- Metalware and related products. Increments in basic grain production introduced by the PLS created demand for tin silos (to replace old storage systems in

the kitchen that resulted in losses of 40% and food contamination), sprinklers, buckets, broilers, funnels and other tools. There are 26 small producers in the region. PLS has contributed with technical and organizational assistance to the design of these micro-enterprises, access to imported inputs, training and market entry and strategic information.

- Construction material. As a consequence of income increases and international migration remittances, demand for new building and house improvement has increased rapidly. Utilizing the same strategies PLS has supported production of blocks and tiles for the local urban market.
- Handmade pottery and fabrics have been also promoted by PLS. La Campa cooperative (created prior to the project) has been strengthened, and a new organization has been promoted in Santo Domingo (a large village) with the cooperation of an NGO. Today, better quality products are going to the local and national market, with possibilities to produce for export.
- Sawmill and woodwork. The project is linking this activity to resin production in pine forests (as another way to use the pinewood in the managed forests, hence linking NRM and RNFE promotion). Moreover, the project is using national public services for training in vocations, and adapting the teaching to the local market needs.

Mexico: ISMAM Project in Chiapas

The “Mexico project” is in the Chiapas region, and was started by the Catholic Church and supported by them and the Mexican government.

The San Isidro Workers Society, ISMAM was founded by Mayan Indians in 1985, part of a process started in 1970 by the Catholic Church in the area to address socioeconomic problems of Indians in the region, starting with social assistance and eventually become a cooperativist movement. In 1986, ISMAM created its first board and approved a set of bylaws that specified that a member of the cooperative must use only organic inputs in his/her farming, and undertake community collective labor during six months of the year. ISMAM comprises 196 rural communities and groups, with over 1500 members, of which 98% are communal farmers (ejidatarios) and 2% are small landholders. In all, the members have 4500 ha devoted mainly to coffee, although maize, vegetables, honey, and cocoa are also produced in significant amounts. Organic coffee production and processing are the most important activities of ISMAM. Coffee is produced in individual farms although the cooperative operates a 300 ha coffeefarm that was partially subsidized by the Mexican Federal State.

Over the past 15 years, ISMAM has exported 450,000 hundredweight of coffee worth 50 million dollars. The average annual production is 80,000 hundredweight. ISMAM exports organic coffee to 14 countries. The product is certified by OCIA (www.ocia.org) in the US, Naturland in Germany (www.naturland-markt).



de/NL_Web_english/) and OIA in Argentina (www.oia.com.ar/info.htm).

The study estimates that family income has increased 30% due to production and marketing of organic coffee (over the life of the cooperative). The increase is due to higher producer prices (than for conventional coffee production sold outside the cooperative system). There are also environmental benefits, as about 30,000 tons of cast-offs are no longer going into local rivers each year, due to a recycling system to maintain organic production.

Lessons of Mexico Project

- Social organization plays an important role in the creation, diversification of activities, and functioning of ISMAM. The organization extends beyond the purely economic to address social issues of Indian communities.
- Government participation has been a key factor. The acquisition of the processing plant, the coffee farm, and various loans at subsidized interest rates are some of the government actions that helped ISMAM.
- Dried coffee export is the central activity that has produced enough profit to keep other ISMAM enterprises running in spite of some unwise decisions to make sizable investments.
- The identification of market

niches and the ability to obtain a preferred price has had a large influence in the cooperative consolidation.

- The constitution of a strong professional team to technically direct the cooperative's enterprises constitute a positive asset, even though there is instability in the group of producer representatives (they are all removed after each election).

Peru: The PRA-Huancayo Project for Trout Processing

The "Peru project" studied is one project under an umbrella project called "Poverty Alleviation Program" started in 1998 by the main private sector association in Peru (the National Confederation of Private Sector Managers) and USAID. The umbrella project has a LED (local economic development) strategy that covers then Economic Corridors (intermediate cities and their surrounding rural areas) in the mountain and jungle areas of the country. Economic Service Centers (essentially business development centers that provide technical and market information) are developed to promote private sector investment in the local areas in agriculture and non-agricultural activities. Moreover, the umbrella project lobbies the Peruvian government for policies and infrastructure that provide an enabling environment for private investment. The study focuses on the Huancayo Economic Corridor Project, and in particular on the component promoting trout production and processing and

marketing for national urban and export markets. That project involves business linkages between a private trout-processing firm and a farmer association. The project facilitated the strategic alliance, embodied in a contract, where the processing firm provides loans for investments to improve the farmer association's trout farm capital as well as technical and managerial assistance, and the association supplies the firm with trout. The project only helped by co-financing market and investment studies that were crucial to encourage the business relationship. The State is an important actor in this project. On the one hand, it operates an experiment station to improve trout production, which itself has become a major competitor in the national trout market. On the other hand, the Regional Administration Council is promoting a Consortium of Small Trout Producers, in which private producers, and the Ministry of Fisheries among others are participating in order to negotiate favorable prices.

The design of this project is market-demand driven. An additional characteristic is the promotion of clusters and linked enterprises in the so-called Economic Corridors through the creation of Economic Service Centers (ESC), which provides market contacts and information, and technical and marketing assistance. The project also works with policymakers to encourage policies that create enabling conditions for productive private investment.

3. Creating rural employment for economic growth in ACP countries

Labour markets in developing countries, particularly in Sub-Saharan Africa, differ from those in developed countries. The majority of people of working age are either self-employed, inactive or work in the informal sector.²⁵ Rural wage labour markets are very thin and almost all occupied youth are in small-scale agriculture, petty trading or non-remunerated home production activities. Often,

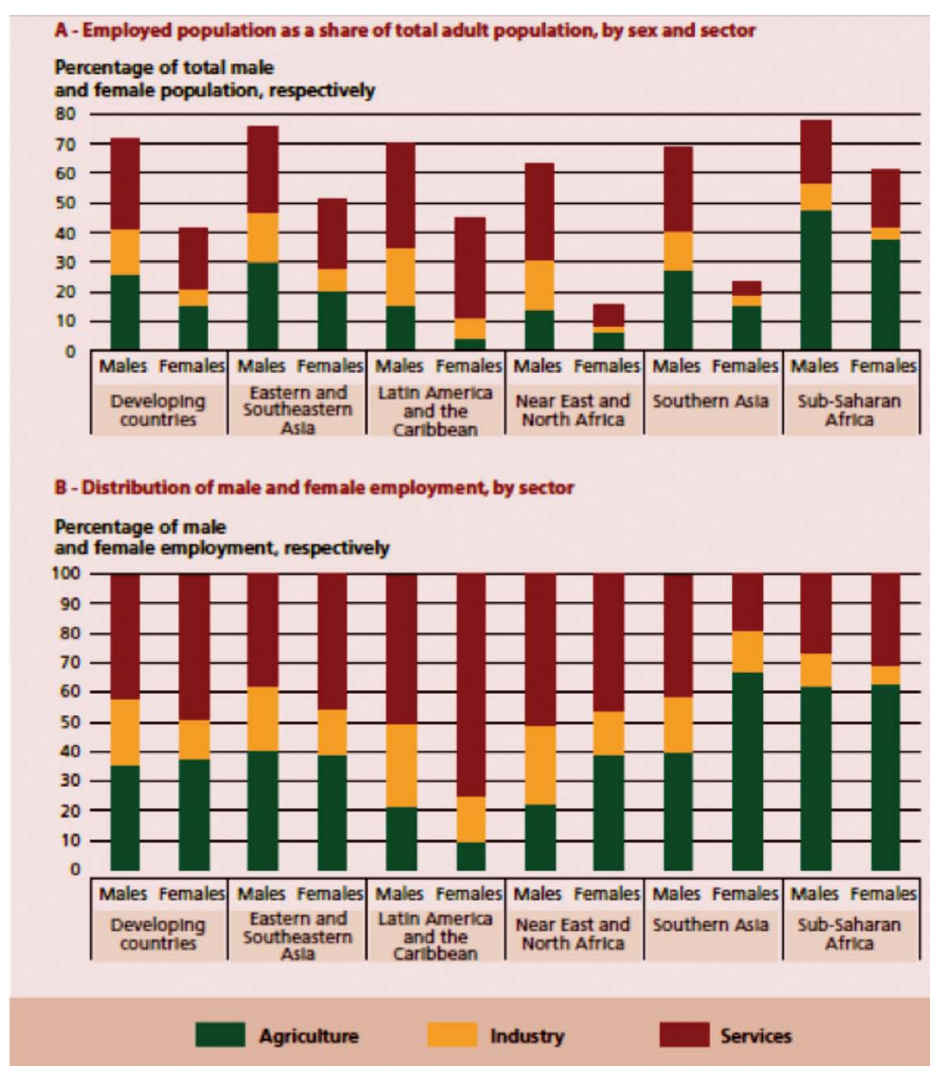
working conditions in agriculture are particularly unfavorable, hazardous and have little social recognition. This fact, along with low income and limited prospects of improving living standards and educational attainment, has led to a rural exodus. In many countries, especially in Sub-Saharan Africa, most jobs are taken by unskilled labourers who have little formal education or training. This contributes to low productivity,

weak organizational skills and low bargaining capacity.²⁶

Employment by sector

Over 1 billion people are employed in the agricultural sector, making it the second largest source of employment after service industries. The majority of the rural workforce is involved in agricultural activities. With over 700 million agricultural workers, Asia accounts for more than 70 % of the world total, and sub-Saharan Africa, with 192 million workers, for almost 20 %. With 510 million and 276 million people engaged in agriculture respectively, China and India account for almost 60 % of the world's total agricultural labour force. The proportion of the population depending on agriculture is decreasing in all sub-regions of the developing world, and at a similar pace. East Africa, Central Africa, West Africa and South and East Asia still have more than half of their population involved in agriculture. In Southern Africa, Latin America, the Middle East and Central Asia, only 20–30 % of the population is considered agricultural. North Africa takes an intermediary position.²⁷

In 2005, young people accounted for an estimated 65 % of agricultural employment. However, low and precarious incomes and the lack of useful work experience are driving many to look for work in cities, despite the disadvantages they face in urban labour markets. Most rural work is poorly rewarded. For example, farming in much of Africa and Asia rarely generates more than US\$750 per worker a year. From this must be deducted the cost of any purchased inputs. The remainder is shared between the workers and



Note: The data cover only a subset of the countries in each region. Definitions of adult labour force differ by country, but usually refer to the population aged 15 and above.
Source: ILO, 2009.



their dependents, leaving too little to escape dollar-a-day poverty²⁸.

3.1. Agriculture: a driving force for rural transformation in Africa

Agricultural population is composed by all persons depending for their livelihood on agriculture, hunting, fishing and forestry. It comprises all persons economically active in agriculture as well as their non-working dependents.²⁹

Who works in agriculture?

In agriculture, the great variety of land ownership patterns and methods of cultivation gives rise to numerous types of labour relations and various forms of labour force participation. Those who work in agriculture include:

Wage earners

- Permanently employed agricultural workers: usually employed for wages on medium-sized and large farms and plantations.
- Specialized workers: employed for specific tasks, such as the application of pesticides, ploughing...
- Seasonal, casual, temporary, and daily workers: may move

between agriculture and other rural activities according to the availability of work, often living and working in precarious conditions.

- Migrant workers: temporarily engaged during harvest periods, these workers are typically poorly housed, underpaid and often lack access to health services.

Self-employed

- Large landowners: run enterprises specialized in agricultural production. They use advanced technologies and benefit from access to credit, crop insurance, technical assistance, etc.
- Medium-sized and small landowners: operate farms with varying financial and technical means; may produce for the domestic and/or export market.
- Subsistence farmers: mainly found in developing countries, often own very small holding; lack technical know-how, supplies and access to credit and to markets; may work as temporary wage workers to supplement their income.
- Sharecroppers and tenants: cultivate communally owned, state-owned or private property, the former paying a share of the production as rent, the latter renting the land for a fixed annual rent.

Unpaid family members

- Their work contributes to household income and they share in the benefits of the family's production, though their contribution does not appear in labour statistics. Many women and child labourers figure among this category of worker.

Others

- Cooperative workers: participate in collective economic enterprises for agricultural production and marketing.
- Indigenous people: own land as collective property, are often engaged in subsistence agriculture; may work on a temporary basis in agricultural enterprises.
- Child labourers.

With a total of over 1 billion people employed in the sector, agriculture is the second greatest source of employment worldwide after services and occupies the greatest portion of the rural workforce. With over 700 million agricultural workers, Asia accounted for more than 70 % of the world total, and sub-Saharan Africa, with 192 million workers for almost 20 %. With 510 million and 276 million people engaged in agriculture respectively, China and India together represented almost 60 % of the world's total agricultural labour force.

Major drivers for rural transformation in Africa

Total employment in agriculture ('000)

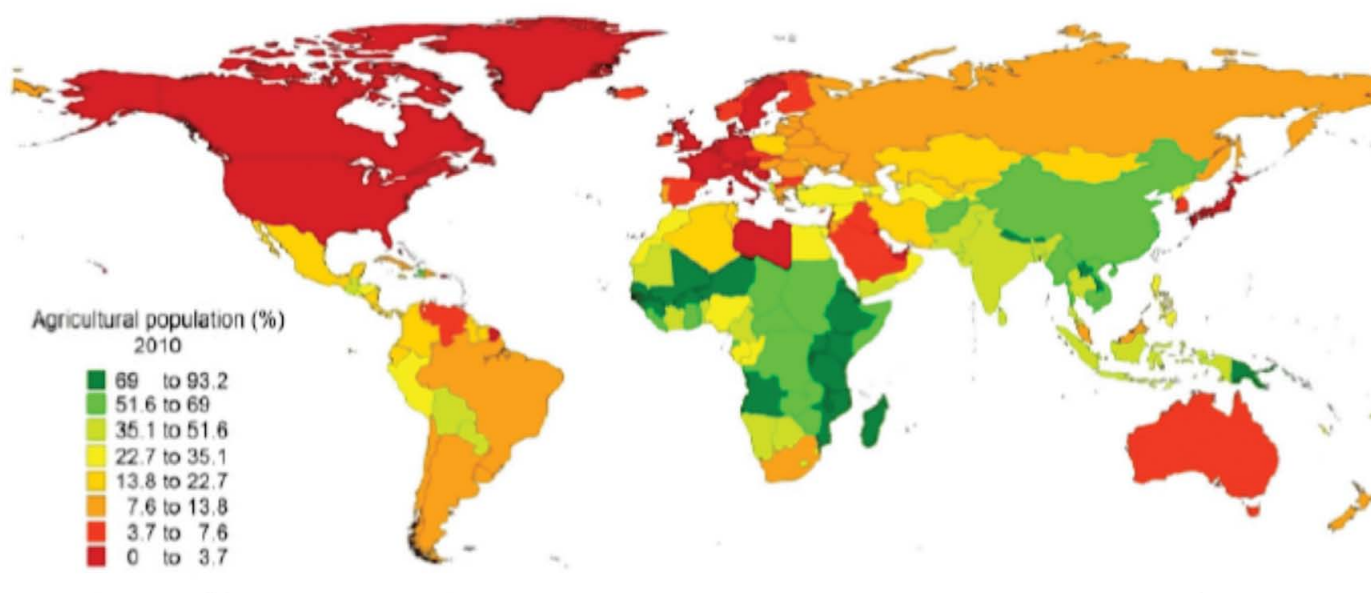
Total employment in agriculture ('000)

	1991	2001	2007*
World	1 036 584	1 086 886	1 036 330
Developed economies and European Union	30 126	24 090	18 468
Central and South-Eastern Europe (non-EU) and CIS	40 732	36 717	31 787 (3%)
East Asia	387 010	362 734	309 797 (30%)
South-East Asia and the Pacific	118 308	117 769	120 825 (12%)
South Asia	256 371	299 488	286 085 (28%)
Latin America and the Caribbean	45 321	42 734	46 383 (5%)
Middle East	7 697	10 502	11 282 (1%)
Sub-Saharan Africa	136 841	176 837	192 007 (19%)
North Africa	14 178	16 015	19 697 (2%)

* 2007 are preliminary estimates.

Source: ILO: *Global Employment Trends Model*, 2007; see also technical note in ILO: *Global Employment Trends* (Geneva, 2004) and for further technical information on the world and regional estimation processes, see <http://www.ilo.org/public/english/employment/strat/wrest.htm>.

Agricultural population as % of total population (2010). Source: FAO-STAT.



Agriculture is the most important sector for female employment in many countries, and especially in Africa and Asia. It has been estimated that rural women produce

more than half of the food grown worldwide. Women are typically more likely than men to work in the agricultural sector. In rural Africa women produce, process and store

up to 80 % of foodstuffs while in South Asia and South-East Asia they produce and process 60 % of food production.

Major drivers for rural transformation in Africa



The trends in agricultural population do not show a clear sub-regional picture. Although the trend is negative in almost all countries, the extent to which populations become less involved in agriculture differs greatly between countries within all sub-regions. Three types of countries can be distinguished: (1) countries that already had a low proportion of the population engaged in agriculture in 1950 (e.g. US, Australia, NW Europe); (2) countries that experienced a rapid de-agrarianisation in the past decades (e.g. North Africa, Brazil, Nigeria); and (3) countries that remain essentially agricultural (East Africa, parts of West Africa, some countries in Southeast Asia). From an economic perspective, it is usually a good sign when the proportion of

the population involved in agriculture decreases (World Bank 2007).

Historically, agricultural development has preceded a more general economic take-off. When returns to agricultural labour increase and less agricultural workers are needed to produce the same output, more people can be employed in non-farm activities that usually generate a higher income. The transition is not always smooth, however, especially when the agricultural population lacks the education and skills that are required for industrial and service jobs. Moreover, when demand for agricultural labour decreases, it does not automatically mean that demand for non-agricultural labour increases at the same time. When agriculture becomes more capital-intensive

and requires less labour, it typically causes higher levels of unemployment before more non-farm employment opportunities become available.

The share of agriculture in total employment is declining, as illustrated in table 3.2. In 1991, 45.2 % of total employment was in agriculture. By 2007, this share had fallen to 34.9 %, with women making up 41.3 % of the total. In all regions, the portion of agriculture in total employment declined during that period, sometimes sharply as in East Asia, South-East Asia and the Pacific and Central and Latin America and the Caribbean. This reflects the shift towards industry and services, growing urbanization and demographic changes in the rural labour force.

World and regional estimates of female/male employment in agriculture as a percentage of all female/male employment

	1997		2007*	
	Female	Male	Female	Male
World	43.5	40.0	36.1	34.0
Developed economies and European Union	5.3	6.7	3.2	4.6
Central and South-Eastern Europe (non-EU) and CIS	26.9	27.0	19.2	19.8
East Asia	51.9	44.6	41.0	36.3
South-East Asia and the Pacific	50.3	47.7	43.4	44.3
South Asia	74.0	53.5	60.5	42.9
Latin America and the Caribbean	14.6	28.6	10.7	24.7
Middle East	28.4	19.6	31.0	12.5
Sub-Saharan Africa	74.8	70.0	67.9	62.4
North Africa	31.2	36.6	32.6	32.9

* 2007 are preliminary estimates.

Source: ILO: *Global Employment Trends Model*, 2007; see also technical note in ILO: *Global Employment Trends* (Geneva, 2004) and for further technical information on the world and regional estimation processes, see <http://www.ilo.org/public/english/employment/strat/wrest.htm>.

Major drivers for rural transformation in Africa

Share of agricultural employment in total employment and female share of employment in agriculture

	Employment in agriculture (%)			Female share of employment in agriculture
	1991	2001	2007*	2007*
World	45.2	40.3	34.9	41.3
Developed economies and European Union	7.2	5.4	3.9	36.2
Central and South-Eastern Europe (non-EU) and CIS	26.6	24.0	19.5	44.0
East Asia	57.3	47.9	38.4	47.4
South-East Asia and the Pacific	60.2	48.3	43.9	41.4
South Asia	60.5	57.1	48.0	36.6
Latin America and the Caribbean	27.5	19.9	19.1	22.7
Middle East	22.5	20.9	17.5	47.7
Sub-Saharan Africa	72.1	70.1	64.7	44.4
North Africa	37.5	32.9	32.8	23.9

* 2007 are preliminary estimates.

Source: ILO: *Global Employment Trends Model*, 2007; see also technical note in ILO: *Global Employment Trends* (Geneva, 2004) and for further technical information on the world and regional estimation processes, see <http://www.ilo.org/public/english/employment/strat/wrest.htm>.

Despite agriculture's declining share in employment in all regions, the number of people working in the sector in 2007 was almost the same as in 1991. However, in North Africa, sub-Saharan Africa, the Middle East, Latin America and the Caribbean and South-East Asia and the Pacific the number of people employed in agriculture actually grew, as shown in table 3.1. In fact, East Asia was the only developing region which saw a decline in agricultural employment in the same period from 387 to 309 million. Since 2001, South Asia has also witnessed a small decline in total numbers. Two-thirds of the ministries of agriculture that responded to the Office questionnaire – most of which were in developing countries – expected the number of persons engaged in agriculture to remain stable or grow over the next ten years, with a strong majority expecting

growth. The forestry and fishing sectors, which in many countries are also under the responsibility of ministries of agriculture, are both expected to require a growing workforce in the coming decade.

The highest rates of employment in agriculture are found in sub-Saharan Africa (64.7 %), South Asia (48 %) and South-East Asia and the Pacific (43.9 %), which together with East Asia, account for some 60 % of the world's working-age population. Hence, the preponderance of employment in agriculture in total employment. In contrast, agriculture only accounted for 19.1 % of employment in Latin America and the Caribbean, 17.5 % in the Middle East and just 3.9 % in the developed economies and the European Union. Women's share of total agricultural employment varied from 47.7 % in

the Middle East to 22.7 % in Latin America and the Caribbean.

Historically, agriculture has been the largest employer of youth in sub-Saharan Africa. In 2005, young people accounted for an estimated 65 % of agricultural employment. However, low and precarious incomes and the lack of useful work experience are driving many to look for work in cities, despite the great disadvantages they face in urban labour markets. Nonetheless, the number of unemployed youth in Africa grew by almost 30 % between 1995 and 2005, 4 underscoring the need for labour market policies that provide young people with the skills they need to earn a living, whether in rural or urban areas.

The challenge of providing decent employment for young persons is

Major drivers for rural transformation in Africa



immense. In developing countries as a group, the number of 15–24 year-olds is expected to rise by 10 % between now and 2050, but in the LDCs where poverty is most widespread and the vast majority of the population resides in rural areas, the number is expected to double. During the same period, as this age cohort advances through life, the overall working-age population comprised of 15–64 year-olds will rise from approximately 450 million today to 1.1 billion, or 65 % of the total population of the LDCs. In 2030, almost 60 % of them are expected to be in rural areas. 5 Addressing the challenge of rural youth employment today will set the stage for decent work for generations to come.

Regional averages offer an overview of the general structure of the economy over wide areas, yet they conceal the great diversity in the nations comprised in the grouping.

In sub-Saharan Africa, in 2007 employment shares in agriculture ranged from 82 % in the United Republic of Tanzania to 10 % in Mauritius. In South-East Asia and the Pacific, 72 % of employment was in agriculture in Papua New Guinea compared to 0 % in Singapore. In Latin America and the Caribbean, Haiti and Puerto Rico represented the two ends of the spectrum with 51 and 2.1 %, respectively.

Globally, the male and female shares of employment in agriculture, compared to their employment rates in other sectors, are quite similar, with only a slightly higher portion of females working in agriculture (36.1 %) than males (34 %) as illustrated in table 3.4. In the Middle East and

North Africa, the share of women working in agriculture rose between 1997 and 2007, the only regions showing such a trend. This trend was accompanied by an overall rise in waged employment for women in those two regions along with a drop in female own-account workers and contributing family workers, suggesting that women in those regions are engaging increasingly in paid employment in the sector. In Latin America and the Caribbean, agricultural employment accounts for only 10.7 % of female employment, a far lower portion than the 24.7 % of male workers in the sector. In contrast, in the Middle East and South Asia employment in agriculture comprises a much greater portion of female employment than male (31 versus 12.5 % and 60.5 versus 42.9 %). In both East Asia and sub-Saharan Africa, female employment rates in agriculture are also higher than male although the difference between them is smaller (41 versus 36.3 % and 67.9 versus 62.4 %). It is noteworthy that the two regions with the highest shares of female employment in agriculture – sub-Saharan Africa and South Asia – are also the regions with the lowest shares of female waged and salaried workers, with 15.5 % in each region.

Research on the micro level has shown that there is a strong correlation between the status category “unpaid contributing family members” and the share in agricultural employment: the higher the share in agricultural employment, the higher the share of “contributing family workers” in most countries. In other words, unpaid contributing family workers, who are usually

women and children, are typically found in the agricultural sector, especially in developing countries.

No country has been able to sustain a rapid transition out of poverty without raising productivity in its agricultural sector³⁰. Agriculture continues to be the predominant source of employment in many regions, accounting for 63 % of rural household income in Africa, 62 % in Asia, 50 % in Europe and 56 % in Latin America³¹. Historically, agricultural growth was the precursor to industrial growth in Europe and, more recently, in parts of Asia. However, agricultural growth also has much broader linkages or multipliers and allows poor countries to diversify their economies to sectors where growth may be faster and where labour productivity and wages are typically higher. Where agricultural productivity has grown slowly, as in many parts of sub-Saharan Africa, non-farm activities have also tended to grow slowly.

Decent work

Decent work, as defined by the International Labour Organization (ILO), is employment that takes place under conditions of freedom, equity, security and dignity, in which rights are protected and adequate remuneration and social coverage are provided (ILO, 2000). Decent work is about opportunities for women and men to obtain productive employment in conditions of freedom, equity, security and human dignity. Decent work deficits are evident when labour is forced, rather than freely chosen, when opportunities for remunerative work are limited to certain groups at the expense of others, when social and

labour conditions increase workers' exposure to risk rather than protect them from it, and when lack of productive work keeps workers and their families in a cycle of poverty and powerlessness.

Dysfunctional labour markets contribute to decent work deficits in rural areas. The Decent Work Agenda, with its focus on rights, employment, social protection and social dialogue, provides a framework for addressing these deficits through policies and programmes that integrate economic and social objectives. Because most poverty is found in rural areas, improving rural livelihoods and raising living standards by promoting the key attributes of decent work – most notably opportunities for productive, remunerative employment – would be a major contribution to worldwide efforts to halve poverty by 2015.

Rural producer and workers' organizations can play a vital role in negotiating fairer and safer conditions of employment, including more remunerative and fair product prices and wages, and promoting gender equity and decent employment for men and women. Yet the prevailing vertical and horizontal institutional arrangements (i.e. producer organizations, cooperatives, workers'

unions, out growers' schemes) are generally controlled and managed by men. Analysing differences in women's and men's position in sub-contracting and supermarket chains is also critical in identifying opportunities to increase their bargaining power and improve labour standards within value chains for specific agricultural products.

3.2. Gender dimensions of agricultural and rural employment

The importance of women for rural economic growth and poverty reduction is well recognised. Women fill many crucial roles, as farmers, wage labourers and small-scale entrepreneurs, as well as caretakers of children and the elderly. Rural women have the potential to lift their households and communities out of poverty but they are hampered by persistent gender inequities that limit their access to decent work, which they need as a vehicle for economic empowerment, social advancement and political participation.

Women comprise an average of 43 % of the agricultural labour force in developing countries. The female share of the agricultural labour force ranges from about 20 % in

Latin America to almost 50 % in Eastern and Southeastern Asia and sub-Saharan Africa. Almost 70 % of employed women in Southern Asia and more than 60 % of employed women in sub-Saharan Africa work in agriculture. Women in agriculture and rural areas have less access than men to productive resources and opportunities. If women had the same access to productive resources as men, they could increase yields on their farms by 20–30 %. This could raise total agricultural output in developing countries by 2.5–4.0 %. This, in turn, could reduce the number of hungry people in the world by 12–17 %.³²

In rural contexts, the domestic sphere and market production appear to be more intertwined than in urban areas (and pressures on households to provide goods and services both for sale and for the home are stronger). Reproduction activities (such as caring for families), which are mostly on women's shoulders, constitute a heavier time burden because of poor infrastructure and lack of facilities and of institutional support. Necessity and survival are more prevalent driving factors than 'choice' in rural women's diversification strategies, as opposed to rural men's.

Major drivers for rural transformation in Africa



Rural employment by gender and employment status, 2000 (percent of adult population)

Employment Status	Sub-Saharan Africa		South Asia		East Asia and the Pacific (excl China)		Middle East and North Africa		Europe and Central Asia		Latin America and the Caribbean	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Agriculture	54.9	60.6	24.1	54.9	44.1	56.2	39.6	34.0	12.3	18.6	25.1	59.3
Self-employed	53.5	56.6	12.7	33.1	38.4	46.8	38.6	24.6	6.9	8.5	22.8	38.4
Wage earner	1.4	4.0	11.4	21.8	5.7	9.4	1.0	9.4	5.4	10.1	2.3	20.9
Non-agriculture	9.6	15.5	5.6	27.2	19.7	28.9	6.7	39.7	19.7	38.7	23.2	26.4
Self-employed	6.8	6.9	2.9	11.8	11.3	11.5	2.8	8.8	1.6	7.4	11.7	9.2
Wage earner	2.8	8.6	2.7	15.4	8.4	17.4	3.9	30.9	18.1	31.3	11.5	17.2
Non-active or not reported	32.7	21.7	64.3	14.6	35.5	14.4	53.3	26.0	46.9	27.5	51.2	13.4
Total	97.2	97.8	94.0	96.7	99.3	99.5	99.6	99.7	78.9	84.8	99.5	99.1
Residual	2.8	2.2	6.0	3.3	0.7	0.5	0.4	0.3	21.1	15.2	0.5	0.9

Source: World Bank, 2007, World Development Report. Last two rows added by the authors

Note: Data are for 2000 or the nearest year. Based on representative household surveys for 66 countries which accounts for 55 percent of the population in Sub-Saharan Africa, 97 percent in South Asia, 66 percent in East Asia and the Pacific (excl China), 47 percent in Middle East and North Africa, 74 percent in Europe and Central Asia, 85 percent in Latin America and the Caribbean. The omitted group includes individuals out of the labour force and individuals whose economic activity is not defined. Activity refers to the individual's reported principal activity.

In sub-Saharan Africa, where countries are still mostly agriculture-based, own-account farming is, not surprisingly, the most common form of employment for both sexes (about

56% and 54% of male and female adults, respectively, are agricultural self-employed). African women are more likely than African men to be self-employed and to be working in the agricultural sector.

Non-agricultural employment appears to be less relevant for women than for men in the rural areas of most regions, and particularly in the MENA region, where only 7% of rural women work in non-farm activities compared with 40% of rural men. The only exception is Latin America, where the ratio of rural women's non-agricultural employment to agricultural employment is higher than the corresponding rural men's ratio. In sum, overall, rural men appear to be more evenly distributed across sectors and forms of employment. The relationship between the distribution of rural female and male employment and a country's economic structure seems to be one in which a larger share of women tend to work in

agriculture, even when agriculture is no longer a dominant sector (such as in transforming countries). Land availability and the structure of land rights in agricultural-based countries influence the form of employment to which rural women have access: a prevalence of wage labour and unpaid family contributions exist in South Asia – a land-scarce region – and (mostly smallholder) self-employment exists in sub-Saharan Africa – a land-abundant region. Latin America, which is the most urbanized of all developing regions (and has the most equal educational levels by gender), is the only region where the ratio of rural women's non-agricultural employment to agricultural employment is higher than the corresponding rural men's ratio.

Some of the factors that may push women into a disadvantaged economic position relative to men in terms of the returns to their labour are: (a) employment (occupation

Major drivers for rural transformation in Africa

and task) segmentation (women are disproportionately employed in low-quality jobs, including jobs in which their rights are not adequately respected and social protection is limited); (b) the gender gap in earnings (partly as a consequence of high segmentation; women earn less for a given type of work than do men – usually for both wage employment and self-employment); and (c) fewer hours of paid work but overall larger work burdens (due to competing demands of care responsibilities and non-market work, women spend less time on average in remunerated work, which lowers their total labour income and is likely to increase stress and fatigue).

Employment segmentation and working conditions

There is evidence of gender-based labour market segmentation in both agricultural and non-agricultural sectors in most rural areas. Women tend to be clustered in fewer sectors than men and, in agriculture, tend to be mostly involved in subsistence production. This segmentation suggests that it may be more difficult for women than men to switch to better jobs in new sectors with new economic opportunities.

As for the agricultural sectors, there seems to be a common pattern across regions in that women tend to be the main producers of food while men appear to be managing most of the commercial crops, although not without women's (often unpaid) contributions. Women also participate in commercial farming but within a rather rigid division of tasks. This rigidity in the

gender division of tasks appears to be stronger in South Asia than in parts of Africa or Southeast Asia. It is important to note some sort of asymmetry in the dynamics regarding the gender division of crops: men may take over crops traditionally cultivated by women when these became more profitable (for example, in Zambia and the Gambia), but there seems to be no evidence of women taking over the management of crops previously controlled by men, except possibly in rare cases when the men in the household migrate (such as in Southeast Asia and China).

In non-agricultural employment there is a similar pattern of marked concentration of the rural female labour force in only very few sectors relative to the male labour force, for example in all regions, and particularly in Latin America, in domestic services.

Considering gender division of labour and working conditions in crop production, women in Sub-Saharan Africa tend to be the main producers of food crops, such as maize, rice, cassava and other tubers, while men are more engaged in commercial farming and produce cocoa, cotton and coffee for export. However, there are several cases (e.g. Burkina Faso, Tanzania, Zambia) where male and female farmers jointly grow food and commercial crops. Men may move into activities that are considered female if these have become more productive or profitable (e.g. Gambia, Tanzania, Uganda, Zambia). Women are

also involved in non-traditional agricultural exports (NTAEs) in Kenya, South Africa, Uganda, Zimbabwe. Most NTAEs production is female-dominated.

Women also tend to manage smaller plots than men (e.g. Mozambique). In NTAEs, women tend to work in more precarious positions than men, with no social protection and only seasonal contracts (e.g. in South Africa women are 69% of temporary workers; in Tanzania casual workers planting, harvesting and grading in flower farms are mostly women, while men occupy a small number of managerial positions). Women are exposed to sexual and verbal abuses (e.g. Kenya, South Africa).

When it comes to non-agricultural activities, Sub-Saharan African women are still involved in small-scale low-returns marketing and they trade only particular commodities (e.g. perishable fresh produce for domestic markets), whereas men are more likely involved in trading for international markets (e.g. Burkina Faso, Eastern Guinea, Ghana, Tanzania, Uganda). Large shares of women work as domestic workers (e.g. Mozambique, South Africa). In Ghana and Uganda, women are clustered into wholesale/retail trade and manufacturing, while men's activities range across public administration, trade, construction, transport and mining. Moreover, women traders are exposed to violence and harassment (e.g. Burkina Faso and Ghana). Women street vendors are unorganized and isolated, and lack health, disability, unemployment and life insurance.



3.3. Rural Youth Employment³³

Population in developing countries still young

Currently the population of the less developed regions is still young, with children under age 15 accounting with 30 % of the population and young persons aged 15 to 24 accounting for a further 19 %. In fact, the numbers of children and young people in the less developed regions are at an all time high (1.6 billion children and 1.0 billion young people), posing a major challenge for their countries, which are faced with the necessity of providing education or employment to large cohorts of children and youth even as the current economic and financial crisis unfolds. The situation in the least developed countries is even more pressing because children under 15 constitute 40 % of their population and young people account for a further 20 %. In the more developed regions, children and youth account for just 17 % and 13 % of the population, respectively, and whereas the number of children is expected to change little in the future, remaining close to 200 million, the number of young people is projected to decrease from 163 million currently to 134 million in 2050. In both the more and the less developed regions, the number of people in the main working ages, 25 to 59, is at an all time high: 603 million and 2.4 billion, respectively. Yet, whereas in the more developed regions that number is expected to peak over the next decade and decline thereafter reaching 528 millions in 2050, in the less developed regions it will continue rising, reaching 3.6 billion in 2050

and increasing by nearly half a billion over the next decade. These population trends justify the urgency of supporting employment creation in developing countries as part of any strategy to address the global economic crisis that the world is experiencing.

By 2050, the number of youth will have risen from just under a half billion in 1950 to 1.2 billion. At that point, about nine in 10 youths will be in developing countries. This very large group will arrive at working age with a right to expect gainful employment, adequate health care, and the ability to raise a family with an appropriate living standard if they so choose. Before those things can come about, they must have had access to sufficient education and training so that they can take part in building their country's society and economy. Most likely, tomorrow's youth will have moved to cities in larger numbers as opportunities in the rural areas diminish. But will the economic conditions of their country be able to meet their rising expectations? This will be one of the major social questions of the next few decades.

In the limited literature about rural youth employment it is often lamented that country-wide unemployment data are of little value because they are not disaggregated according to locality (rural/urban) and age group. Moreover, the limited data that exist for rural youth employment do not adequately reflect labour market conditions (World Bank 2009). Developing countries with high unemployment rates actually tend to be among the least poor, and

within developing countries, youth unemployment rates are higher (i) among the more educated; (ii) among members of wealthier households; and (iii) in urban areas (Fares et al 2006). The rural poor with low levels of education cannot afford to idle and are more likely to be employed under poor conditions. To better assess the work prospect of rural youth, we also need to look at various aspects of underemployment, quality of employment and barriers to decent work faced by young people in rural areas.

The importance of rural youth as a distinct demographic group varies widely across regions and is subject to substantial changes over time. Whereas rural youth constituted 16 percent of the population in East Africa in 2005, the figure for South America in the same year was just 3.4 percent. In all sub-regions, the proportion of rural youth has declined since 1950, and even sharper decreases are predicted for the future (see figure 1). In South America, for example, assuming an equal representation of youth in rural and urban areas, rural youth are predicted to constitute only one percent of the total population by the year 2050. In reality, the figures for rural youth are probably even a bit lower because this age group is more prone to migrate to urban centres than for example small children and elderly people.

Though the proportion of rural youth is decreasing in all sub-regions, the absolute number of rural youth has increased in most sub-regions and will continue to increase in most of Sub-Saharan

Major drivers for rural transformation in Africa

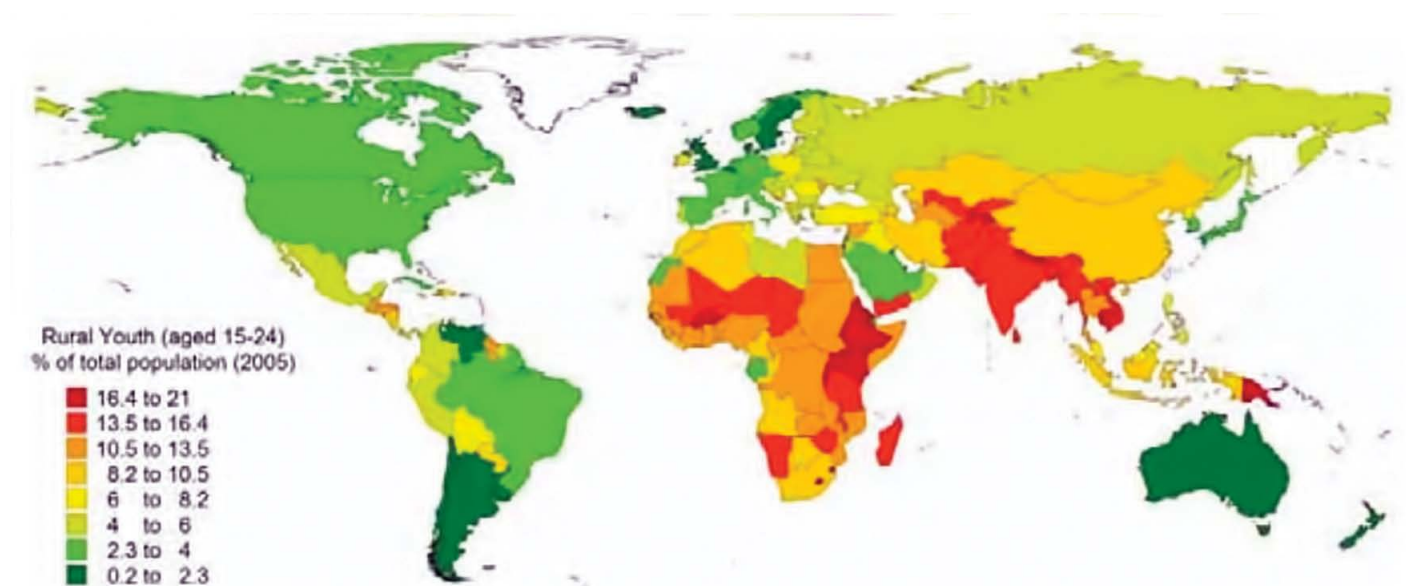
Africa until 2030 or 2040 (see figure 2). In Eastern Asia, South-Eastern Asia and Latin America, the absolute number of youth aged 15 to 24 living in rural areas has already started to decrease in the past ten to twenty-five years. The decreasing numeric importance of rural youth is due to urbanization and a demographic transition towards lower fertility rates and lower mortality rates. While in Latin

America and the Middle East the process of urbanization is very advanced, in Eastern Africa and Southern Asia the majority of people still live in rural areas.³⁴ In Sub-Saharan Africa it is expected that fertility rates will remain high for some time, and life expectancy will not increase as sharply as in other regions. Therefore youth aged 15-24 will continue to constitute a large part of the total population (around

twenty percent in Eastern, Middle and Western Africa between now and 2030).³⁵

The countries with the highest proportion of rural youth can be found in the Horn of Africa, the Sahel and in Southern Asia. Other countries with relatively high percentages of rural youth among their population are Burkina Faso, Papua New Guinea and Tajikistan.

Rural youth aged 15-24 as % of total population of 186 countries (2005).



Source: FAOSTAT and UNPD World Population Prospects, 2008 Revision.

Agricultural Youth

Young people in rural areas are not necessarily involved in agriculture. In the more developed countries of Europe and North America, for example, the vast majority of people living in rural areas earn an

income in non-agricultural sectors of the economy. In less developed countries, this process is much less advanced, but rural non-farm income generating activities are also on the increase in most countries of the Global South.

The proportion of the population depending on agriculture is decreasing in all sub-regions of the

Global South, and at a similar pace. East Africa, Central Africa, West Africa and South and East Asia still have more than half of their population involved in agriculture. In Southern Africa, Latin America, the Middle East and Central Asia, only twenty to thirty percent of the population is considered agricultural. North Africa takes an intermediary position.

Major drivers for rural transformation in Africa



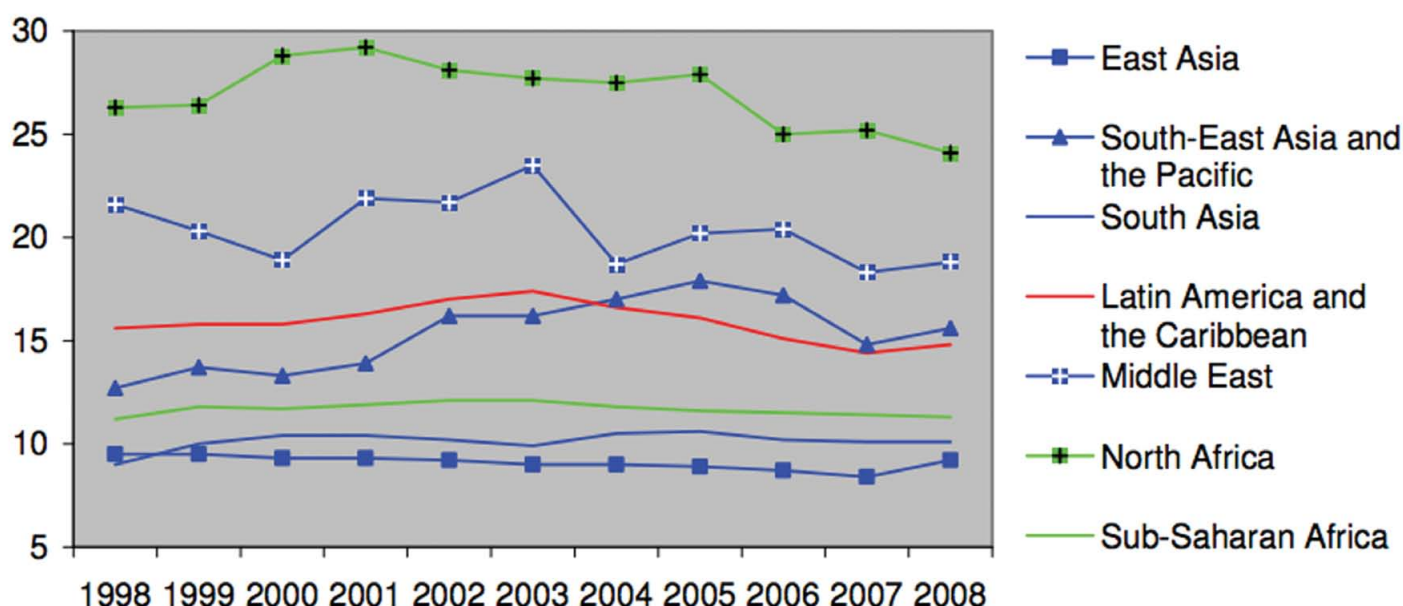
Unfortunately, the available global data on agricultural population are not disaggregated according to age groups so we cannot test the hypothesis that youth are abandoning agriculture more than adults. However, evidence from fifteen countries, based on Living Standard Measurement Surveys, confirms that young household heads in rural areas are more likely to be involved in non-farm activities than older household heads. Another interesting finding of this study is that the younger household heads who are engaged in farming tend to derive a higher income from their

agricultural activities than older household heads. This is probably because the younger generation is more open to new crops and technologies that produce a higher yield. Possibly, they are also more involved in postharvest value addition (storage, processing) or more profitable ways of marketing their produce (Davis et al 2007). These findings suggest that special agricultural extension services targeting rural youth can be highly effective in (1) improving the quality of rural youth employment; and (2) raising agricultural productivity in general. This would have an important impact

on poverty reduction as poverty in the Global South is mostly concentrated in rural areas and in the occupational group of farmers.

Other findings based on the data from ILO (2009) are that (1) youth unemployment rates are substantially higher than adult unemployment rates in all regions and (2) that women tend to be more often unemployed in Latin America, North Africa and the Middle East. In Asia and Sub-Saharan Africa unemployment rates of men and women are quite similar.

Youth unemployment by sub-region (%) (1998-2008). Source: ILO (2009).



4. Rural non-farm employment

Agriculture alone cannot alleviate rural poverty. In all rural communities, the promotion of sustainable off-farm enterprises is necessary to generate more and better jobs. The provision of infrastructure, including information and communications technologies (ICTs) and market information systems (MIS), credit facilities and the development of innovative economic alternatives such as processing, sustainable tourism and services will lead to sustained economic diversification.

Agricultural value chains can play a key role in generating employment and reducing poverty in rural areas, providing the benefits are not confined to large farms and exporters which are able to access global markets at the expenses of medium-sized and smaller producers. This requires policies that support smallholders and strengthen producer organisations so that farmers can achieve economies of scale in production and marketing and acquire new skills.

Non-farm activities³⁶ are increasingly important in rural areas: a growing share of households participate in them, while they provide increasing proportions of rural household income. Primary employment data, which offer the most widely available indicator of the scale of rural non-farm activity, suggest that the rural non-farm economy (RNFE) accounts for about 30% of full-time rural employment in Asia and Latin America, 20% in West Asia and North Africa (WANA), and 10% in Africa

In addition, rural households are ever more likely to have migrants who have moved within the country, to neighbouring countries or to a distant international destination. In sum, rural households are generally adopting an increasingly diverse range of activities.

Rural non-farm employment holds special importance for women. Women account for about one-quarter of the total full time RNFE workforce in most parts of the developing world. Given their frequently heavy household

obligations and more limited mobility, women also participate in part-time RNFE activity, particularly in household-based manufacturing and service activities.

4.1. Composition of the rural non-farm economy

The rural non-farm economy houses a highly heterogeneous collection of trading, agroprocessing, manufacturing, commercial and service activities. Even within the same country, strong differences emerge regionally, as a result of differing natural resource endowments, labour supply, location, infrastructural investments and culture.

Sectorally, despite a common policy emphasis on rural industries, manufacturing typically accounts for only 20-25% of rural non-farm employment, while trade, transport, construction and other services account for 75% to 80%.

Composition of rural non-farm employment, by region (percent)

	Nonfarm Share of Rural Workforce	Women's Share of Total RNFL	Rural Nonfarm Employment Shares			
			Manufacturing	Trade & Transport(1)	Financial and Personal Services(2)	Construction, Utilities, Mining and Other(3)
Percent						
Africa	10.9	25.3	23.1	21.9	24.5	30.4
Asia	24.8	20.1	27.7	26.3	31.5	14.4
Latin America	35.9	27.5	19.5	19.6	27.3	33.5
WANA	22.4	11.3	22.9	21.7	32	23.2

Major drivers for rural transformation in Africa



Notes:

1. Trade and transport includes wholesale and retail trade, transport and storage.
2. Other services includes finance, insurance and community and social services
3. Other includes mining and quarrying, utilities, construction and other non-classified activity.
4. Country data weighted by size of total primary work force.

Rural Nonfarm Employment Shares

Source: 31 population censuses as summarized by Hazell, Hagglblade and Reardon (forthcoming).

Regional

aggregates weight country data by size of total primary workforce. The composition of services differs as well. While rural areas house small retailers, basic farm equipment repair services and input supply firms, other services such as primary schooling, health clinics, barber shops, milling and transport facilities tend to locate in small towns. Larger settlements attract cinemas, restaurants, wholesale distributors and higher-level school, health and communication facilities.

Remittances account for a large share of rural income in some locations. They likewise form an important part of household income diversification and risk reduction strategies. In most rural settings, however, local business and wage

income account for a majority of non-farm earnings, while remittances and transfers — including those from international migrants — typically account for 15% to 20% of non-agricultural rural income and 5% to 10% of total rural income.

These conditions and the opportunities change during development. In an initial stage, rural economies are often remote from urban centres, isolated by transport costs. The wealth of the rural economy thus depends in part on the richness of local resources, and in part on the ability to find activities that can earn revenues beyond the local economy; revenues that can both pay for goods and services brought in and which when spent locally can stimulate manufacturing and services. Rural non-farm activity is thus likely to be closely linked to agriculture, but possibly also mining or tourism.

Increasingly productive modern agriculture requires inputs and services such as seeds, fertilizer, credit, pumps, farm machinery, marketing and processing of farm produce which, in turn, create a growing demand for non-farm firms that can provide these services. Farm households, as their incomes grow, increase their expenditure share on non-food items, thereby accelerating demand for non-farm goods and services such as housing, clothing, schooling, health, prepared foods, visits to town, to the cinema and to the tea shops, all of which dramatically increase demand for rural transport services. To meet this growing demand, rural households increasingly diversify into production

of rural non-farm goods and services.

In regions where agriculture has grown robustly, the RNFE has also typically enjoyed rapid growth. A large growth linkages literature suggests that each dollar of additional value added in agriculture generates US\$0.6 to US\$0.8 of additional RNFE income in Asia, and US\$0.3 to US\$0.5 in Africa and Latin America (Hagglblade *et al.*, 2007).

At a later stage, as cities grow and transport costs to urban areas fall, there is more scope for interaction with the rest of the national economy and indeed with the global economy. Rural areas may be able to provide services for the urban economy in leisure and recreation, environmental maintenance including water supply, and housing for commuters. Some rural residents may be able to commute into towns and cities and earn their living there. Although closer links may see rural craft industry wither in the face of competition from factory-made goods, some urban industries may seek green-field sites to save costs, or may contract with rural units to manufacture parts, thereby stimulating new manufacturing in rural areas. In the best cases, such diversification represents taking up opportunities to improve livelihoods and reduce poverty, or at least ways to reduce risks and vulnerabilities. At worst, it can reflect a desperate search for ways to make ends meet in the face of rising population and insufficient jobs in longstanding activities. Stark dichotomies of 'pull' and 'push' factors overstate the case: in most situations diversification responds to

Major drivers for rural transformation in Africa

a combination of these forces. Indeed, whether forces that tend to push households out of agriculture lead to poverty or prosperous diversification very much depends on the strength of 'pull' factors.

4.2. The success of ICTs

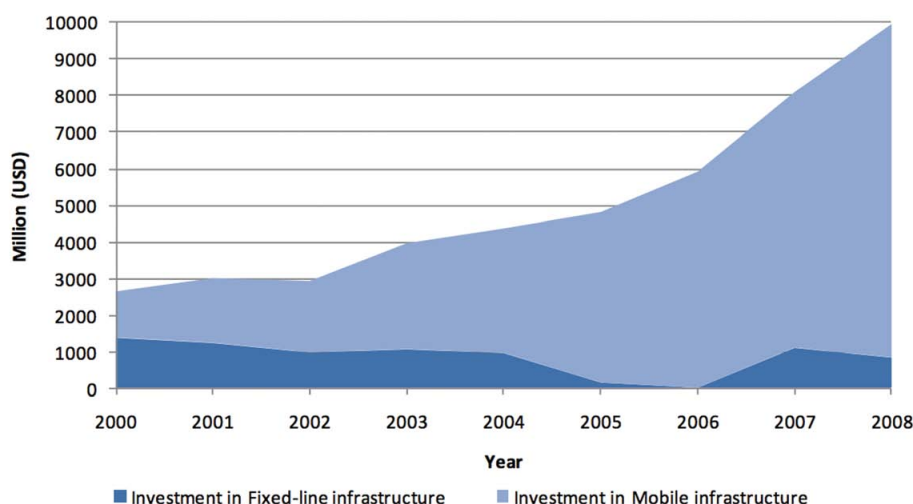
15 years ago, the telecommunications sector in Africa was stagnant. Very few people had access to a telephone and even fewer had access to computers. Over the last decade and half, this situation has changed out of all recognition. Sub-Saharan Africa (SSA) has experienced a

continent-wide revolution in the growth of the ICT sector. Networks have expanded, services have been made available on a mass-market basis and prices have fallen. ICT is now an everyday service for many Africans, affordable to the majority rather than the privileged few. This growth continues today and companies are innovating, bringing newer products and services to the market.³⁷

Between 1998 and 2008, the number of mobile cellular subscribers in SSA leaped from around 4 million to 259 million. This growth has been brought about by the expansion of network infrastructure across

large areas of the region. Call prices have fallen from around US\$30 per minute to around US\$10 per minute and the downward trend is continuing, bringing telecoms within the economic reach of most Africans.³⁸ Innovations in the way that ICT services are delivered have also made it more accessible to customers in Africa. Pre-pay has allowed customers to control their expenditures and avoid regular monthly subscription payments. African operators have also led the way in selling pre-pay credits in very small units, making it accessible to large numbers of people, even those on low incomes.

Telecommunications Investment in Sub-Saharan Africa, 2000-2008- Source: World Bank, PPI database



Success has been driven by private investment and competition in the context of a sound policy environment. A combination of new technologies and sound policy choices by governments has triggered private investment which has laid the foundations of the

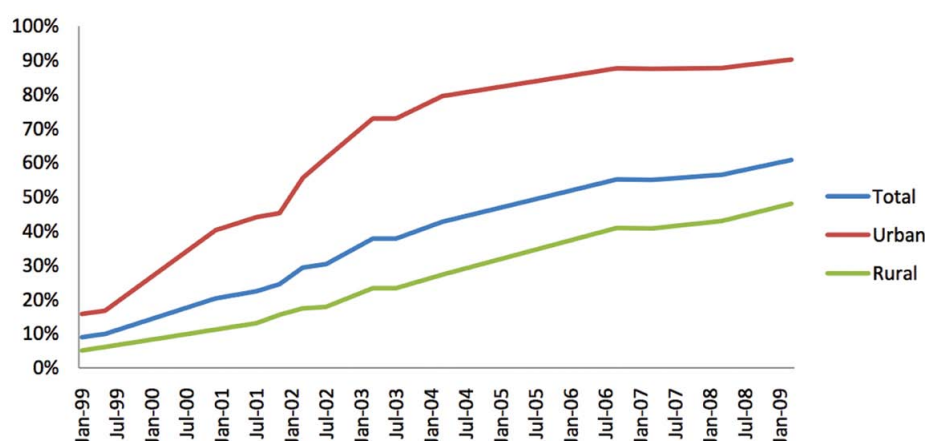
African ICT connectivity revolution. The global standardization of mobile telephone network technology has created international competition in both network equipment and customer equipment, pushing down costs and feeding through into lower prices. The liberalization

of markets and establishment of sound regulatory frameworks have allowed private investors into the market, driving the expansion of the telecommunications networks. Between 2000 and 2008, private sector investment in telecoms in SSA reached US\$45.6 billion², mainly in the mobile market. This investment has resulted in a rapid increase in the proportion of the population covered by the mobile networks which increased from around 10 percent in 1999 to 60 percent in 2009. More than 90 percent of SSA's urban population now lives within range of a mobile signal, a remarkable transformation in only 10 years. The success of mobile has been very scalable with both large and small countries experiencing rapid increases in coverage and access.

Source: GSM Association, World Bank analysis



Mobile coverage in Sub-Saharan Africa, (GSM network, 1999-2009)



The availability of broadband Internet is associated with increases in labor productivity and economic growth. The ability of broadband to substitute for physical transport of goods and people also means that it may be particularly important in rural areas. Countries that do not develop effective broadband infrastructure are therefore potentially missing out on some of their economic growth potential. A recent World Bank study found that every 10 percentage points increase in broadband Internet penetration results in 1.38 percentage points of additional GDP growth in developing countries.³⁹

The Bank concludes that Africa could be on the brink of an economic take-off, much like China was 30 years ago, and India 20 years ago. In this context, the Bank has put in place a strategy which has two pillars, (a) competitiveness and employment, and (b) vulnerability and resilience, and a foundation—governance and public sector capacity. The long-term challenges and emerging issues identified in the strategy are consistent with the

World Bank's Post-Crisis Directions and the International Development Association (IDA) policy framework.

Until recently, most countries in Africa relied on satellites or international bandwidth which are relatively low-capacity and high cost. The recent flurry of development of submarine fiber-optic cables connecting Africa to the global communications networks has changed this.

By 2010 Sub-Saharan Africa had twelve operational cables; another five were under construction.

Fostering innovation

The expansion of communications services creates new business opportunities and innovative ways of delivering services. The African telecommunications industry has also been a source of business innovation itself. African operators have had to work hard to find ways of rolling out networks in difficult physical environments and creating commercially viable business models based on a customer-base that

was once considered marginal. The introduction of pre-paid airtime in very small units is an example of how African operators were able to introduce innovations in their commercial practices to suit the African market. Zain's one-network, free regional roaming service, is another well-known innovative business model that originated in Africa.

The rapid spread of mobile services across Africa has created a mass-market platform which entrepreneurs and governments are using to create new products and services.

Mobile banking in Africa is one of the most significant developments in the recent history of the continent's financial sector. The success of some of the early pioneers of cell phone banking has been replicated in other countries through the launch of other types of financial service products delivered via cell-phone. Safaricom's M-PESA in Kenya (Box 3) was one of the first mobile banking applications to be launched on the continent and MAP Mobile banking in Uganda followed suit. WIZZIT, in South Africa, is another mobile-based 'virtual bank' whose services can be accessed through any national mobile phone operator. As well as providing a valuable service to customers, WIZZIT also has a positive economic effect by employing nearly 2,000 previously unemployed WIZZkids as its sales force. These companies offering financial services via mobile phones are revolutionizing the financial services sector in Africa, bringing

Major drivers for rural transformation in Africa

low-cost financial services to the majority of the population that are unable to access the traditional banking sector.

4.3. Future developments

Rising urbanization and national economic growth, together with improved transport and communication networks, provide important economic linkages between urban and rural areas, opening up new opportunities for rural households

Urbanisation, economic growth and migration are likely to see rural economies increasingly respond to urban fortunes and correspondingly are less reliant on agriculture and other natural-resource based activities. Globalisation and concentration of supply chains will create opportunities, but may mean stronger competition in local markets from goods manufactured in urban areas. Requirements to meet international standards for quality, safety and labour will increase.

Empirical evidence suggests that migrant remittances may serve to increase rural investment, finance schooling, house construction and agricultural inputs in some locations (Francis and Hoddinott, 1993; Marenja et al., 2003).¹⁶ In some cases, migrants contribute to common funds for local public investments $\frac{3}{4}$ as applies when migrants from the same locality form an association at the destination and encourage each other to contribute to collective funds. Remittances may stimulate the rural economy

through linkages, a prime example being when the monies received are invested in improved housing thus creating jobs for local masons and carpenters $\frac{3}{4}$ as seen, for example, in rural Egypt in the 1970s and through much of central Mexico in the 1990s.

The need to conserve the environment and mitigate climate change will be felt in primary production, create a demand for environmental services: conserving forests and biodiversity, assuring water supplies, and possibly the export of water from some humid areas to areas with water deficits.

Advances in information and communications technologies should allow remote areas to provide services to distant urban markets.

Higher energy prices may raise transport costs and put remote areas at a disadvantage, and depress tourism. On the other hand they may stimulate the development of **non-traditional energy production** — such as biofuels and solar capture — possibly liberating remote areas from dependence on imported energy.

The rapid growth of large emerging economies such as China and India may make it more difficult to develop **manufacturing** in smaller countries. On the other hand, it may create new markets for exports — including tourism; while some areas may benefit from capital and know-how as Asian companies invest in other parts of the developing world.

Key factors for success

Many factors can make for rural diversification that reduces poverty. They can be grouped in a hierarchy

extending from conditions in the national economy, to requirements at the regional level, to those applying at local level of village, household and individual.

Three things are important for the development of the non-farm economy:

- At national level, a growing economy with urbanisation that creates jobs for migrants from rural areas, a demand for rural goods and services, and a tax base that allows the state to invest in public goods and human capital;
- At regional level, drivers for the rural economy — activities that have sufficient comparative advantage to earn income beyond the regional rural economy; plus infrastructure and institutions that encourage other activities that respond, through linkages in either production chains or through consumption, to the driving activity, thereby creating additional jobs and incomes; and,
- At local level, investment in education, health and nutrition that allows the poor to take up options; accompanied by a social and legal framework that prevents discrimination against people who differ by gender, age, ethnicity, amongst other characteristics, and ideally gives them equal opportunities. A political system that allows their interests to be reflected in national policy-making and empowers them is highly desirable (although, as some countries show, this may not be necessary).

Major drivers for rural transformation in Africa

Policy options include creating an attractive climate for investment at national level; at regional level, facilitating the development of efficient and effective supply chains; and enabling factor markets to

work more effectively, especially financial markets; and, at the local level, developing services to support enterprises, providing appropriate post-school training, combating discrimination and breaking the

transmission of poverty across generations, providing social protection against loss of assets, and facilitating voluntary migration.



5. The way forward

Sustained growth to reduce rural poverty requires significant growth in agricultural value-added activities. It also requires multi-sectoral approaches that support agribusiness and rural diversification. Pro-poor growth policies should be designed to help the most vulnerable⁴⁰. This will include policies to support smallholders and strengthen producer organizations to achieve economies of scale in production and marketing and upgrade their technical capacities. In the same vein, special efforts should be made to design and implement policies that favour women and young people.

The creation of jobs that increase rural incomes and staunch the flow of young people into towns and cities requires significant increases in investment in water management, agriculture and research and extension. There is also a strong case to be made for increasing public services in rural areas. Policymakers should also address the vulnerability of farmers to weather-related shocks and limited farmer capacity, and the distorted incentives that keep farmers in subsistence farming. To be successful, labour market reforms need to be coordinated with other public policies, such as those in the fields of education, agriculture and public works. Strong political leadership and an inclusive integrated approach to rural development which embraces an inclusive multi-dimensional, multi-sectoral and territorial approach to socioeconomic transformation and encompasses micro-meso and macro-level policies and interventions are needed for rural transformation to happen⁴¹.

Governance in rural areas could be facilitated by decentralization processes which devolve resource allocation decisions to local leaders. We need to gain a better understanding of the links between towns and cities and rural economies. The economic interdependence between urban-based enterprises and rural consumers and between rural producers and urban markets, and the reliance of many households on both rural and urban-based resources, are often stronger in and around small and intermediate urban centres, underlining their important potential role in local economic development.⁴² The territorial approach⁴³ is an important way to promote rural development by building local competitive advantages in farm and non-farm activities; promoting inclusive processes with the local populations; strengthening local governance through local institutional building; making good economic use of the different territorial assets, and promoting economic coordination institutions in the territory⁴⁴.

A lack of training opportunities and low skill levels have contributed to high levels of unemployment in rural areas. This problem needs to be urgently addressed by policymakers.

The very nature of agriculture is changing, and farmers need to acquire new skills if they are to make the most of new technologies, products and markets. Vocational schooling to prepare students for entry into the labour market and training programmes in niche markets with good growth prospects can raise the productivity and income of enterprises by upgrading technology and managerial skills.

Farmers and entrepreneurs also need to acquire a better understanding of how to run their businesses efficiently. They need more and better market information and greater understanding of their costs and revenues, the required investments, and the value chains they operate in⁴⁵.

The “new rural paradigm” requires important changes in how policies are conceived and implemented. Designing rural development policy for different communities or territories involves pooling the knowledge held by a wide variety of public and private actors. Traditional hierarchical administrative structures are likely to be inadequate to administer these policies effectively and adjustments are thus needed both at the central and local government level, and between the different levels of government.

Co-ordination is also needed between the central government and sub-national authorities. Developing a true partnership with sub-national governments implies participation in decision making and also in implementing rural development policies that the regional or local government helps to design. These arrangements require a high level of commitment, effective knowledge sharing and competence on the part of local representatives. One of the key problems is how to ensure that the proper incentives are provided to make rural communities act in a way that is both dynamic and rewards initiative and experimentation, but that also promotes consistency in public policy across sectors and regions.

While there is growing interest among policy makers for place-

Major drivers for rural transformation in Africa

based rural development policies, there is very little research documenting their results and what determines success or failure. This is partly due to the objective difficulties of evaluating cross-sectoral policies, especially in quantitative terms. A key challenge for policy makers is to

identify indicators that fairly capture the impacts of policies when cause and effect are not always identifiable and where results may appear only in the medium to long term, especially since many integrated rural development programmes are in their early stages. The research

and intelligence gap around rural policy is also due to the difficulty of bringing together the variety of analytical approaches involved when considering integrated rural development policy.



Glossary⁴⁶

Age-dependency ratios

Age-dependency ratios are a measure of the age structure of the population. They relate the number of individuals that are likely to be dependent on the support of others for their daily living – youths and the elderly – to the number of those individuals who are capable of providing such support

Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Decent work

Decent work is productive work performed in conditions of freedom, equity, security and human dignity, to which women and men have access on equal terms. Decent work is the converging focus of all the ILO's four strategic objectives: the promotion of rights at work, employment, social protection, and social dialogue.

Empowerment

An attitudinal, structural, and cultural process whereby young people gain the ability, authority, and agency to make decisions and implement change in their own lives and the lives of other people, including youth and adults.

Employment

Persons in employment comprise all persons above a specified age who during a specified brief period, either one week or one day, were in the following categories: paid employment; self employment.

Employment-intensive

Projects or approaches where works are carried out through the employment of as great a proportion of labour as is technically feasible while remaining cost effective and cost competitive in achieving the quality of work.

Employment-intensive investment

Investment targeted at (infrastructure) works where the potential for employment has been optimised.

Farming system

A population of individual farm systems that have broadly similar resource bases, enterprise patterns, household livelihoods and constraints, and for which similar development strategies and interventions would be appropriate. Depending on the scale of analysis, a farming system can encompass a few dozen or many millions of households.

Foreign direct investment

Foreign investment establishes a lasting interest in or effective management control over an enterprise. Foreign direct investment can include buying shares of an enterprise in another country, reinvesting earnings of a foreign-owned enterprise in the country where it is located, and parent firms extending loans to their foreign affiliates. [International Monetary Fund \(IMF\)](#) guidelines consider an investment to be a foreign direct investment if it accounts for at least 10% of the foreign firm's voting stock of shares.

Gender division of labour

The gender division of labour depends on the socio-economic

and cultural context, and can be analyzed by differentiating between productive and reproductive tasks as well as community-based activities, including who does what, when, how, and for how long.

GNP per capita

A country's [gross national product \(GNP\)](#) divided by its population. Shows the income each person would have if GNP were divided equally. Also called [income per capita](#). GNP per capita is a useful measure of economic productivity, but by itself it does not measure people's well-being or a country's success in development. It does not show how equally or unequally a country's income is distributed among its citizens. It does not reflect damage made by production processes to natural resources and the environment. It does not take into account any unpaid work done within households or communities or production taking place in the [gray \(shadow\) economy](#). It attributes value to anything being produced whether it harms or contributes to general welfare (for example, medicines and chemical weapons). And it ignores the value of such elements of people's well-being as leisure or freedom.

Gross Domestic Product (GDP)

GDP is Gross domestic product. For a region, the GDP is "the market value of all the goods and services produced by labor and property located in" the region, usually a country. It equals [GNP](#) minus the net inflow of labor and property incomes from abroad.

Gross national product (GNP)

The value of all final goods and [services](#) produced in a country in one

Major drivers for rural transformation in Africa

year (gross domestic product) plus income that residents have received from abroad, minus income claimed by nonresidents. GNP may be much less than GDP if much of the income from a country's production flows to foreign persons or firms. But if the people or firms of a country hold large amounts of the stocks and bonds of firms or governments of other countries, and receive income from them, GNP may be greater than GDP.

Household (as a production unit)

Households as production units are households producing goods for their own final use (e.g. subsistence farmers and households engaged in do-it-yourself construction of their own dwellings), and those employing paid domestic workers (maids, laundresses, watchmen, gardeners, drivers, and others).

Human capital

Human capital. People's innate abilities and talents plus their knowledge, skills, and experience that make them economically **productive**. Human capital can be increased by **investing** in health care, education, and job training.

Household

All the persons, kin and non-kin, who live in the same dwelling and share income, expenses and daily subsistence tasks.

Immigration

The process of entering one country from another to take up permanent or semipermanent residence.

Immigration Rate

The number of immigrants arriving at a destination per 1,000 population at that destination in a given year.

Informal economy

The informal economy refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements.

Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or their activities are not covered in practice, which means that – although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance, because it is inappropriate, burdensome, or imposes excessive costs.

Labour market

The labour market is the arena in which jobs and workers are matched, or where labour is exchanged for wages or payment in kind, whereas the labour force comprises the supply of workers to that market. Strictly speaking, the labour market is the context in which the labour force is constituted – the sea in which the labour force swims, so to speak. But the labour force is necessarily shaped by trends in the labour market (such as globalization and the informalization of labour).

The labour market and its institutions are not neutral, but reflect power relations in the economy and society at large. Changes in the labour market are therefore gendered and produce changes in the gender structure of the labour force, for instance in occupational segregation, women and men's relative participation in employment, and so on.

Migrant worker

A migrant worker is a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a State of which he or she is not a national.

Migration

The movement of people across a specified boundary for the purpose of establishing a new or semipermanent residence. Divided into international migration (migration between countries) and internal migration (migration within a country).

Mobility

The geographic movement of people.

Rural population

Rural people usually live in a farmstead or in groups of houses containing 5 000–10 000 persons, separated by farmland, pasture, trees or scrubland. Most rural people spend the majority of their working time on farms.

Rural nonfarm economy (RNFE)

The rural non-farm economy may be defined as comprising all those activities associated with waged work or self-employment in income generating activities (including income in-kind) that are not agricultural but which generate income (including remittances etc.) in rural areas.

Underemployment

Underemployment reflects underutilization of the productive capacity of the employed population, including those which arise from a deficient national or local economic system. It relates to an alternative employment situation in which

Major drivers for rural transformation in Africa



persons are willing and available to engage.

Unemployed

A person who, during the specified short reference period, was (a) without work, (b) currently available for work, and (c) seeking work. A person is also considered unemployed if they are not currently working but have made arrangements to take up paid or self-employment at a date subsequent to the reference period.

Unemployment

A measure of the total number of unemployed persons.

Unemployment rate

Unemployment as a percentage of the total labour force (employment + unemployment). The indicator is widely used as a measure of unutilized labour supply.

Urban

Countries differ in the way they classify population as 'urban' or 'rural.' Typically, a community or settlement with a population of 2,000 or more is considered urban. A listing of country definitions is published annually in the United Nations Demographic Yearbook.

Urbanization

Growth in the proportion of a population living in urban areas.

Urban population

De facto population living in areas classified as urban according to the criteria used by each area or country. Data refer to 1 July of the year indicated and are presented in thousands.

Vocational training

Vocational training comprises activities intended to provide the skills, knowledge, competencies, and attitudes required for employment in a particular occupation, or a group of related occupations, in any field of economic activity. By equipping groups that are discriminated against with the skills needed to improve their employability, productivity, and income, vocational training can play an important role in promoting equality of opportunities for all workers to obtain decent work.

Vulnerable employment

The sum of own-account workers and contributing family workers.

Vulnerability

The characteristics of a person, group or an ecosystem that influence their capacity to anticipate, cope with, resist and recover from the impact of a hazard.

Youth

Youth overlaps with, but is distinct from adolescence, as it extends into adulthood. This guide follows the United Nations in defining youth as persons of 15 to 24 years. This is helpful in capturing many of those who have finished schooling, are sexually active and are facing livelihoods/unemployment issues.

Youth employment

The United Nations General Assembly defined youth as those persons falling between the ages of 15 and 24 years inclusive. This definition was made for International Youth Year, held around the world in 1985. In the framework of reporting progress towards the achievement of the Millennium Development Goals, the ILO takes the lead in reporting on trends concerning the youth employment rate.

Youth-led development

An approach to development driven and guided by young people that draws upon their energy, creativity and skills to create positive change. It can be on a small or large scale and implicitly values young people as an asset for society.

Acronyms

AfDB	African Development Bank
AU	African Union
CAADP	Comprehensive Africa Agriculture Development Programme
CEMAC	Commission de la Communauté Economique et Monétaire de l'Afrique Centrale
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil society organizations
ECA	United Nations Economic Commission for Africa
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFS	Farmers Field Schools
GDP	Gross Domestic Product
GIS	Geographic Information Systems
GNP	Gross National Product
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
IUF	International Union of Food workers
LAC	Latin America and the Caribbean
ITUC	International Trade Union Confederation
LDCs	Least-developed countries
LICs	Low Income Countries
MDGs	Millennium Development Goals
MICs	Middle Income Countries



MFI	Microfinance Institution
NEPAD	New Partnership for Africa's Development
NGOs	Non-governmental organizations
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PRS	Poverty reduction strategy
R&D	Research and Development
SADC	Southern African Development Community
SSA	Sub-Saharan Africa
UN	United Nations
UNECA	United Nations Economic Commission for Africa
UNYP	United Nations Programme on Youth
WB	World Bank
WFP	World Food Programme

Selected resources available online (English and French)

En italique les documents disponibles en français

Council of the European Union

EU Council. 2005. Council regulation on support for rural development by the European Agricultural Fund for Rural Development

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:277:0001:0040:EN:PDF>

Conseil de l'Union européenne. 2005. Règlement du Conseil concernant le soutien au développement rural par le Fonds européen agricole pour le développement rural (Feader)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:277:0001:0040:FR:PDF>

European and Economic Social Committee

European and Economic Social Committee. 2009. NAT, Section for Agriculture, Rural Development and the Environment

<http://www.eesc.europa.eu/resources/docs/eesc-2009-27-en.pdf>

Comité économique et social européen. 2009. NAT Section spécialisée «Agriculture, développement rural, environnement»

<http://www.eesc.europa.eu/resources/docs/eesc-2009-27-fr.pdf>

European Commission

European Commission. 2006. The EU rural development policy 2007-2008

http://ec.europa.eu/agriculture/publi/fact/rurdev2007/en_2007.pdf

Commission européenne. 2006.

De nouvelles perspectives pour le développement rural de l'UE

<http://ec.europa.eu/agriculture/publi/fact/rurdev2006/fr.pdf>

European Commission. Agriculture and rural development.

<http://www.un.org/esa/agenda21/natlinfo/countr/ec/agriculture.pdf>

European Commission. 2002. Fighting rural poverty, European Community policy and approach to rural development and sustainable natural resources management in developing countries

http://ec.europa.eu/development/icenter/repository/COM_2002_0429_F_EN_ACTE_en.pdf

Commission européenne. 2002. Lutter contre la pauvreté rurale, Politique et approche de la Communauté européenne à l'égard du développement rural et de la gestion durable des ressources naturelles dans les pays en développement-

<http://www.ruralforum.info/2007/papers/comm429fr.pdf>

ADE sur demande de la Commission européenne. 2007. Evaluation thématique, Développement rural et agricole.

http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2007/1088_vol1_fr.pdf

European Commission. 2006. The EU rural development policy 2007-2013.

http://ec.europa.eu/agriculture/publi/fact/rurdev2007/en_2007.pdf

Commission européenne. 2006. Politique de développement rural de L'Union européenne 2007-2013.

http://ec.europa.eu/agriculture/publi/fact/rurdev2007/fr_2007.pdf

Food and Agriculture Organization of the United Nations (FAO)

FAO. 2010. Rural youth employment in developing countries: a global view

http://www.fao-ilo.org/fileadmin/user_upload/fao_ilo/pdf/Vandergeest_2010_RurYouthEmpl_150_ppi.pdf

FAO. 2009. Women and Rural Employment. Fighting Poverty by Redefining Gender Roles

http://reliefweb.int/sites/reliefweb.int/files/reliefweb_pdf/node-25285.pdf

FAO. 2010. Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty Status, trends and gaps

<http://www.fao.org/docrep/013/i1638e/i1638e.pdf>

FAO. 2009. Les femmes et l'emploi rural. Lutter contre la pauvreté en redéfinissant les rôles propres à chaque genre

<ftp://ftp.fao.org/docrep/fao/012/ak485f/ak485f00.pdf>

FAO. 2007. Gender and law. Women's rights in agriculture

Major drivers for rural transformation in Africa



<ftp://ftp.fao.org/docrep/fao/005/y4311e/y4311e00.pdf>

FAO.2007. *Droit et genre. Le droit des femmes dans le secteur de l'agriculture.*

<ftp://ftp.fao.org/docrep/fao/011/y4311f/y4311f00.pdf>

Organization for Economic Co-operation and Development (OECD)
OECD. 2006. Reinventing rural policy

<http://www.oecd.org/dataoecd/18/9/37556607.pdf>

OCDE. 2006. *Réinventer la politique rurale.*

<http://www.oecd.org/dataoecd/59/48/37655328.pdf>

OECD. 2005. New Approaches to Rural Policy: Lessons from Around the World

<http://www.oecdbookshop.org/oecd/display.asp?CID=&LANG=EN&F1=DI&ST1=5LGXRK379ZZQ>

Overseas Development Institutes (ODI)

ODI.2007.Rural employment and migration: In search of decent work. New thinking on rural employment is needed to create more and better rural jobs

<http://www.odi.org.uk/resources/download/5.pdf>

ODI.2009.Extending labour inspections to the informal sector and agriculture

http://www.chronicpoverty.org/uploads/publication_files/WP154%20

Deshingkar.pdf

International Food Policy Research Institute (IFPRI)

Steven Hagglade, P. Hazell, T. Reardon.2009.Transforming the nonfarm rural economy: Opportunities and threats in the developing world. IFPRI with the support of CGIAR

<http://www.ifpri.org/sites/default/files/publications/ib58.pdf>

John Mellor, P.Dorosh.2010. Agriculture and the Economic Transformation of Ethiopia. Development Strategy and Governance Division, IFPRI

<http://www.ifpri.org/sites/default/files/publications/esspwp010.pdf>

James Garrett. 2005. Mobility, migration, and rural-urban changes

<http://www.ifpri.org/sites/default/files/publications/ib37brief2.pdf>

Omobowale Oni, E. Nkonya, J. Pender, D. Phillips, E. Kato.2009. Trends and Drivers of Agricultural Productivity in Nigeria, Nigeria Strategy Support Program,IFPRI

<http://www.ifpri.org/sites/default/files/publications/nssprep01.pdf>

David Kraybill, M. Kidoido.2009. Analysis of relative profitability of key Ugandan agricultural enterprises by agricultural production zone. Uganda Strategy Support Program,IFPRI

<http://www.ifpri.org/sites/default/files/publications/usspbp04.pdf>

Kenda Cunningham. 2009. Rural and Urban Linkages.Operation Flood's Role in India's Dairy Development. IFPRI discussion paper

<http://www.ifpri.org/sites/default/files/publications/ifpridp00924.pdf>

Gezahegn Ayele, J. Chamberlin, L. Moorman, K. Wamisho, X. Zhang. 2009. Infrastructure and Cluster Development: A Case Study of Handloom Weavers in Ethiopia. Ethiopia Strategy Support Program 2. IFPRI

<http://www.ifpri.org/sites/default/files/publications/essdp01.pdf>

Florence Kivunike, L. Ekenberg, M. Danielson, F. Tusubira.2011. Perceptions of the role of ICT on quality of life in rural communities in Uganda

http://ifpri.worldcat.org/title/perceptions-of-the-role-of-ict-on-quality-of-life-in-rural-communities-in-uganda/oclc/698186118&referer=brief_results

Mitch Renkow. 2011. Priorities for public investment in agriculture and rural development.

<http://www.ifpri.org/sites/default/files/publications/iabrief06.pdf>

Marc Cohen,L. Mamusha. 2011. Agricultural extension services and gender equality

An institutional analysis of four districts in Ethiopia.

<http://www.ifpri.org/sites/default/files/publications/ifpridp01094.pdf>

Major drivers for rural transformation in Africa

John Ulimwengu, P.Sanyal. 2011. Using a spatial growth model to provide evidence of agricultural spillovers between countries in the NEPAD CAADP Framework

<http://www.ifpri.org/sites/default/files/publications/ifpridp01069.pdf>

Kenda Cunningham. 2009. Rural and urban linkages. Operation flood's role in India's dairy development

<http://www.ifpri.org/sites/default/files/publications/ifpridp00924.pdf>

Anit Mukherjee, X. Zhang. 2005. Rural non-farm development in China and India: the role of policies and institutions.

<http://www.ifpri.org/sites/default/files/publications/dsgdp24.pdf>

International Labor Office (ILO)

ILO. 2010. Global employment trends for youth. Special issue on the impact of the global economic crisis on youth.

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/--trends/documents/publication/wcms_143349.pdf

ILO/FAO. 2010. Guidance on how to address rural employment and decent work concerns in FAO country activities

<http://www.fao.org/docrep/013/i1937e/i1937e.pdf>

ILO/FAO/IUF. 2007. Agricultural workers and their contribution to sustainable agriculture and rural development

http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_113732.pdf

Carlos Oya. 2010. Rural inequality, wage employment and labour market formation in Africa: Historical and micro-level evidence. ILO

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_145084.pdf

ILO. Rural employment. Overview of ILO programmes.

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_140954.pdf

BIT. Emploi rural. Aperçu des programmes de l'OIT

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_141308.pdf

ILO. Growth, Employment and Decent Work in the Least Developed Countries. 2011.

http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_153868.pdf

ILO. 2008. Promotion of rural employment for poverty reduction.

http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_091721.pdf

ILO. Over 38 Conventions and 23 Recommendations providing

commitment and guidance in advancing rural decent work.

<http://www.ilo.org/ilolex>

NEPAD

NEPAD Rural Futures Programme

<http://www.nepad.org/system/files/NepadRuralFuturesBrochure.pdf>

United Nations (UN)

Janvier D. Nkurunziza. 2006. Generating Rural Employment in Africa to Fight Poverty. UN Economic Commission for Africa

<http://www.un.org/docs/ecosoc/meetings/2006/forum/Statements/Nkurunziza.pdf>

World Bank

The World Bank, March 2011. Africa's future and the World Bank's support to it

http://siteresources.worldbank.org/INTAFRICA/Resources/AFR_Regional_Strategy_3-2-11.pdf

The World Bank. 2009. Youth and Employment in Africa. The Potential, the Problem, the Promise

<http://siteresources.worldbank.org/INTSTATINAFR/Resources/ADI-200809-essay-EN.pdf>

The World Bank, The French Cooperation, IFAD

The RuralStruc Program on the 'Structural Dimensions of Liberalization in Agriculture and Rural Development'

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICA>

Major drivers for rural transformation in Africa



EXT/O,,contentMDK:21079721-pag
ePK:146736~piPK:146830~theSite
PK:258644,00.html

World Development Indicators

<http://www.worldbank.org/data>

World Development Reports

<http://www.worldbank.org/wdr>

Other sources

Lori S. Ashford. 2010. Africa's youthful population: risk or opportunity?

<http://www.prb.org/pdf07/africayouth.pdf>

Germán Escobar, T. Reardon, J. Berdegue. 2001. Best practices and strategies for promoting non farm employment creation in rural development in Latin America: synthesis of case studies

<http://www.fidamerica.org/erna/documentos/revised1.pdf>

David L. Brown. 2010. Rethinking the OECD's New Rural Demography. Centre for Rural Economy Discussion Paper Series No. 26

<http://www.ncl.ac.uk/cre/publish/discussionpapers/pdfs/dp26%20Brown.pdf>

Jennifer Leavy, S. Smith. 2010. Future Farmers: Youth Aspirations, Expectations and Life Choices.

http://www.dfid.gov.uk/r4d/PDF/Outputs/futureagriculture/FAC_Discussion_Paper_No13.pdf

Priya Deshingkar, J. Farrington 2006. Rural Labour Markets and Migration in South Asia: Evidence from India and Bangladesh. Background Paper for the World Development Report 2008

http://siteresources.worldbank.org/INTWDR2008/Resources/27950871191427986785/Rural_Labour_Markets.pdf

Tom Reardon. 2007. Rural non farming income in developing countries.

<http://siteresources.worldbank.org/DEC/Resources/ruralNonfarmIncomeinDevelopingCountries.pdf>

Tom Reardon, C. Barrett, J. Berdegue, J. Swinnen. 2009. Agrifood Industry Transformation & Small Farmers in Developing Countries (Katholieke Universiteit Leuven)

http://dyson.cornell.edu/faculty_sites/cbb2/Papers/agrifood%20industry%20transformation%20working.pdf

Websites (English and French)

European Institutions

European Commission-EuropeAid
Development and Cooperation-
Agriculture and rural development

http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/ruraldev/index_en.htm

*Commission Européenne-
Développement et Coopération
EuropeAid- Développement agricole
et rural*

http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/ruraldev/index_fr.htm

European Commission -Agriculture
and rural development

http://ec.europa.eu/agriculture/index_en.htm

*Commission européenne- Agriculture
et développement rural*

http://ec.europa.eu/agriculture/index_fr.htm

European Parliament – Committee on
Development

<http://www.europarl.europa.eu/activities/committees/homeCom.do?language=EN&body=DEVE>

*Parlement Européen –Comité
Développement*

<http://www.europarl.europa.eu/activities/committees/homeCom.do?jsessionid=2B0B15C610AA75156276381888A9AF21.node2?language=FR&body=DEVE>

African and International Organisations

African Union

www.africa-union.org

<http://www.au.int/fr/>

CTA

<http://www.cta.int/>

<http://brusselsbriefings.net>

NEPAD

<http://www.nepad.org>

FAO. Rural Infrastructure and Agro-
Industries Division

<http://www.fao.org/ag/ags/ags-division/en/>

FAO. Rural Gender-equitable rural
employment

<http://www.fao.org/economic/esw/esw-home/esw-gender-development/esw-rural-employment/en/>

FAO-ILO website Food, Agriculture
& Decent Work

<http://www.fao-ilo.org>

IFAD-Gender Portal

<http://www.ifad.org/gender/index.htm>

IFAD-Youth Portal

<http://www.ifad.org/media/events/2010/youth/index.htm>

IFAD-Market access Portal

<http://www.ifad.org/english/market/index.htm>

IFAD-Rural institutions Portal

<http://www.ifad.org/english/institutions/index.htm>

ILO-Decent work portal

<http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

OIT-Portail du travail décent

<http://www.ilo.org/global/topics/decent-work/lang--fr/index.htm>

ILO-Youth employment portal

<http://www.ilo.org/global/topics/youth-employment/lang--en/index.htm>

OIT-Portail de l'emploi des jeunes

<http://www.ilo.org/global/topics/youth-employment/lang--fr/index.htm>

ILO-Labour migration portal

<http://www.ilo.org/global/topics/labour-migration/lang--en/index.htm>

OIT-Portail de la migration

<http://www.ilo.org/global/topics/youth-employment/lang--fr/index.htm>

ILO/FAO-Food, Agriculture & Decent
Work

http://www.fao-ilo.org/news-ilo/detail/en/news/19919/icode/4/?no_cache=1

*FAO/OIT- Alimentation, agriculture
et travail décent*

http://www.fao-ilo.org/news-ilo/detail-fr/fr/news/19919/icode/4/?no_cache=1

Major drivers for rural transformation in Africa

UNECA- The United Nations
Economic Commission for Africa

<http://www.uneca.org/>

CEA-Commission Economique pour
l'Afrique

http://www.uneca.org/fr/fr_main.htm

UNDP-United Nations Development
Programme

<http://www.undp.org/>

PNUD-Programme des Nations Unies
pour le développement

<http://www.undp.org/french/>

UNESCAP-United Nations Economic
and Social Commissions for Asia &
the Pacific

<http://www.unescap.org/>

UNSCN- United Nations System
Standing Committee on Nutrition

<http://www.unscn.org/>

World Bank- Agriculture and rural
development portal

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTARD/0,,menuPK:336688-pagePK:149018-piPK:149093-theSitePK:336682,00.html>

World Bank-Data on agriculture and
rural development

<http://data.worldbank.org/topic/agriculture-and-rural-development>

Banque Mondiale-Données sur le
développement rural

<http://donnees.banquemondiale.org/theme/agriculture-et-developpement-rural>

NGOs, Think Tank and Networks
ActionAid

<http://www.actionaid.org/>

Action against Hunger

<http://www.actionagainsthunger.org/>

Action contre la Faim

<http://www.actioncontrelafaim.org/>

OXFAM

<http://www.oxfam.org/en>

<http://www.oxfam.org/fr>

Research Organisations

CIRAD

<http://www.cirad.fr/>

CGIAR-Consultative Group on
International Agriculture Research

<http://www.cgiar.org>

CGIAR-Groupe Consultatif pour la
Recherche Agricole Internationale

<http://www.cgiar.org/languages/lang-french.htm>

FARA-Forum for Agriculture
Research in Africa

<http://www.fara-africa.org/>

FARA-Forum pour la recherche
agricole en Afrique

<http://fr.fara-africa.org>

IIAASTD-International Assessment of
Agricultural Knowledge, Science and
Technology for Development

<http://www.agassessment.org>

IFPRI-International Food Policy
Research Institute

<http://www.ifpri.org/34>

IFPRI-Institut International de
Recherche sur les Politiques
Alimentaires

<http://www.ifpri.org/french>

INRA – French National Institute for
Agricultural Research

<http://www.international.inra.fr/>

ODI –Rural employment and
migration portal

<http://www.odi.org.uk/resources/search.asp?database=resources&theme=448>

Future agricultures

<http://www.future-agricultures.org/>

Future agricultures-portal for youth
employment

http://www.future-agricultures.org/index.php?option=com_content&view=category&layout=blog&id=1568&Itemid=1034

Footnotes

- 1 This Reader is not intended to exhaustively cover the issue of youth and rural development in ACP countries but to provide some background information and selected information resources, focusing on the implications for rural development. Most text of this Reader has been directly taken from the original documents or websites. For additional inputs, kindly contact Isolina Boto (boto@cta.int). The Reader and most of the resources are available at <http://brusselsbriefings.net>
- 2 ILO, *Promotion of rural employment for poverty reduction*, International Labour Conference, 97th Session, 2008 http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_091721.pdf
- 3 World Commission on the Social Dimension of Globalization: *A fair globalization: Creating opportunities for all* Geneva, 2004
- 4 2010 *Revision of World Population Prospects*, the official United Nations population projections prepared by the Population Division of the Department of Economic and Social Affairs, May 2011- www.unpopulation.org
- 5 UNFPA, *State of the World Population 2007 – Unleashing the potential of urban growth*
- 6 Source: FAOSTAT and UNPD World Population Prospects 2008 Revision.
- 7 FAO, *How to Feed the World in 2050* http://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf
- 8 Report, International Conference on *Dynamics of Rural Transformation of emerging economies*, New Delhi, April 2010. http://www.ruraltransformation.in/Conference_Report.pdf
- 9 *Innovations in Rural and Agriculture Finance*, IFPRI, Focus 18, Brief4, July 2010
- 10 World Bank, *Africa's Future and the World Bank's Support to It*, March 2011, http://siteresources.worldbank.org/INTAFRICA/Resources/AFR_Regional_Strategy_3-2-11.pdf
- 11 OECD. 2010. The OECD rural development programme: lessons learnt over the past decade. <http://www.rimisp.org/FCKeditor/UserFiles/File/documentos/docs/sitiointia/documentos/Paper-Experience-Traspaso-OECD-rural-reviews.pdf>
- 12 Jacobsson, B. (2006), "Regulated Regulators: Global Trends of State Transformation", in Djelic, M. L., and Sahlin, K. (eds.), *Transnational Governance. Institutional Dynamics of Regulation*, Cambridge University Press.
- 13 http://ec.europa.eu/agriculture/rur/leaderplus/intro_en.htm Commission Notice to The Member States of 14 April 2000 laying down guidelines for the Community initiative for rural development (Leader+) http://ec.europa.eu/agriculture/rur/leaderplus/pdf/library/methodology/139_en.pdf
- 14 OECD (2008c), *Rural Policy Reviews Finland*, OECD Publication, Paris and <http://www.ruralpolicy.fi/en>
- 15 OECD (2008d), *Territorial Reviews Norway*, OECD Publication, Paris
- 16 OECD (2009a), *Rural Policy Reviews Spain*, OECD Publication, Paris
- 17 Report, International Conference on *Dynamics of Rural Transformation of emerging economies*, New Delhi, April 2010 http://www.ruraltransformation.in/Conference_Report.pdf
- 18 For all papers and presentations see the www.rimisp.org/dtr/conferenciaindia and www.ruraltransformation.in
- 19 Honourable Minister Guilherme Cassel, Ministry of Agrarian Development (MDA), Brazil Development policies for rural Brazil 2003–2009. Presented at the International Conference *Dynamics of rural transformation in emerging economies*. April 14-16, 2010 www.rimisp.org/dtr/conferenciaindia
- 20 Han Jun, Director General, Development Research Center of the State Council (DRC), China. Rural reform and development in China: review and prospect. Presented at the International Conference *Dynamics of rural transformation in emerging economies*. April 14-16, 2010 www.rimisp.org/dtr/conferenciaindia
- 21 Abhijit Sen, Member, Planning Commission, India rural transformation in India: strategic vision from the Eleventh Plan. Presented at the International Conference *Dynamics of rural transformation in emerging economies*. April 14-16, 2010 www.rimisp.org/dtr/conferenciaindia
- 22 Thozzi Gwanya, Director General, Department of Rural Development and Land Reform, South Africa. South Africa Position Paper on Rural Development: a model for comprehensive rural development programme. Presented at the International Conference *Dynamics of rural transformation in emerging economies*. April 14-16, 2010 www.rimisp.org/dtr/conferenciaindia
- 23 <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,contentMDK:21079721-pagePK:146736-piPK:146830-theSitePK:258644,00.html>
- 24 Germán Escobar (RIMISP), T. Reardon (Michigan State University), J. Berdegue (RIMISP). 2001. Best practices and strategies for promoting nonfarm employment creation in rural development in Latin America: Synthesis of case studies. <http://www.fidamerica.org/erna/documentos/revised1.pdf>
- 25 Inactive means for ILO not registered as unemployed
- 26 ILO, FAO, IUF Report on *Agricultural workers and their contribution to sustainable agriculture and rural development* (2007)
- 27 FAO-STAT 2010
- 28 Steve Wiggins and Priya Deshingkar, *Rural employment and migration: In search of decent work*, ODI Briefing paper 27, 2007
- 29 Source: FAO-STAT glossary (<http://faostat.fao.org/site/375/default.aspx>).
- 30 Peter Timmer and Selvin Akkus, *The Structural Transformation as a Pathway out of Poverty: Analytics, Empirics and Politics*, Centre for Global Development, Working Paper Number 150, July 2008;
- 31 G. Anriquez and K. Stamoulis: *Rural development and poverty reduction: Is agriculture still the key?* ESA. Working Paper No. 07-02 (Rome, FAO, June 2007).
- 32 FAO, *The State of Food and Agriculture, Women in Agriculture, 2010-2011*; <http://www.fao.org/docrep/013/i2050e/i2050e.pdf>
- 33 Kees van der Geest, FAO, March 2010, Rural Youth Employment in Developing Countries: A Global View - http://www.fao-ilo.org/fileadmin/user_upload/fao_ilo/pdf/Vandergeest_2010_RurYouthEmpl_150_ppi.pdf
- 34 Source: FAOSTAT. See figure 3 in the web version of this paper.
- 35 Source: FAOSTAT and UNPD World Population Prospects 2008 Revision.
- 36 Steve Wiggins & Peter Hazell, Access to rural non-farm employment and enterprise development, Background Paper for the IFAD Rural Poverty Report 2011
- 37 Success Stories from the ICT sector in Africa. <http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/ICT-success-story-November-2010.pdf>
- 38 Source: Wireless Intelligence
- 39 Qiang, C. Z-W., and Rossotto, C. M. with Kimura, K. (2009). Economic impact of broadband. In *Information and Communication for Development*. Washington, DC: World Bank.
- 40 C. Peter Timmer and Selvin Akkus, *The Structural Transformation as a Pathway out of Poverty: Analytics, Empirics and Politics*, Centre for Global Development, Working Paper Number 150, July 2008
- 41 Communiqué- Rural Futures Strategic Briefing Meeting- Addis Ababa, 25-26th May 2011- <http://www.nepad.org/system/files/Final%20Communique%20of%20the%20Rural%20Futures%20Strategic%20Briefing%20meeting.pdf>
- 42 David Satterthwaite and Cecilia Tacoli, *The urban part of rural development: the role of small and intermediate urban centres in rural and regional development and poverty reduction*, IIED, 2003
- 43 The territorial approach is a new concept in which rural development is viewed not only in terms of its physical and sectoral dimensions, but also as a locus where the interaction of a set of social relationships creates and gives expression to an identity and to society's capacity to lead and manage its own development.
- 44 ILO, *Promotion of rural employment for poverty reduction*, International Labour Conference, 97th Session, 2008
- 45 World Bank, world Development Report 2008
- 46 Sources: ILO, FAO, World Bank, IMF.