



Supporting the rural farm and non-farm economy

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A few numbers

- ➔ Worldwide, there are still **2.1 billion** poor people of which **767 million** live in extreme poverty.
 - ➔ **2/3** of the extreme poor live in rural areas and depend on agriculture for their subsistence
 - ➔ **95%** of the rural poor live in East Asia, South Asia and sub-Saharan Africa.
 - ➔ Some **93%** of the extreme poor are in countries deemed as fragile, environmentally vulnerable or both.
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The face of poverty and hunger

- Poverty and hunger are still predominately **rural**
 - Most of the poor depend - at least partly - on **agriculture, fishing or forest resources** for their livelihoods
 - They have **less access** to:
 - ✓ productive resources, services and technologies
 - ✓ basic services (health, education, social protection)
 - ✓ basic infrastructure (roads, water and electricity)
 - ✓ off-farm employment
 - They are more likely to be **malnourished** in all forms
 - High **dependency** ratio – many are children
 - It is difficult for them to manage **risk** and they are vulnerable to **climate change**
 - They live in **remote areas** or experience **geographical isolation**
 - They are more likely to suffer from **conflict and live in fragile states**
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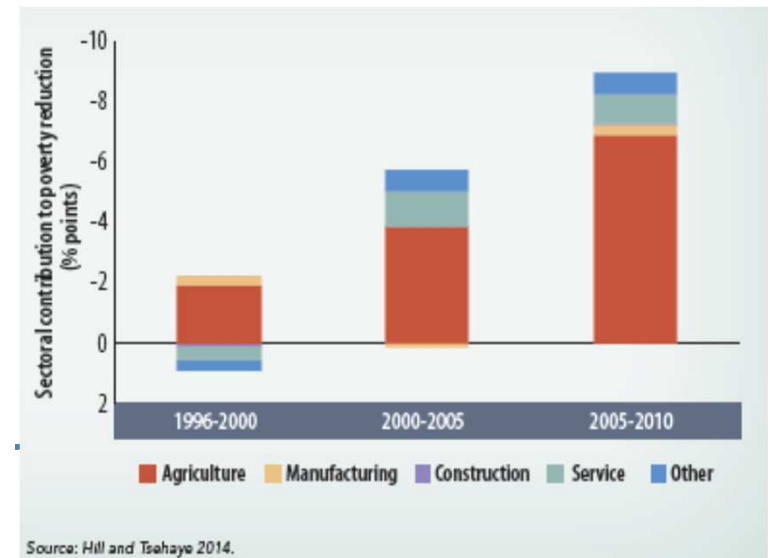
Agriculture and food systems are key to achieving SDGs 1 and 2...

Many cross-country studies and country experiences show that **agricultural growth has greater impact on poverty reduction** - particularly for the poorest and most hungry

ETHIOPIA: agriculture accounted for most of poverty reduction over past 15 years

CHINA: agricultural growth was about 4 times more powerful in reducing poverty than growth in the secondary and tertiary sector.

- The impact on hunger and poverty is larger for staple foods than for export crops
- They are important safety net for food security
- They are key to meeting future food and job needs
- Studies show that most poverty reduction being achieved within agriculture and rural areas



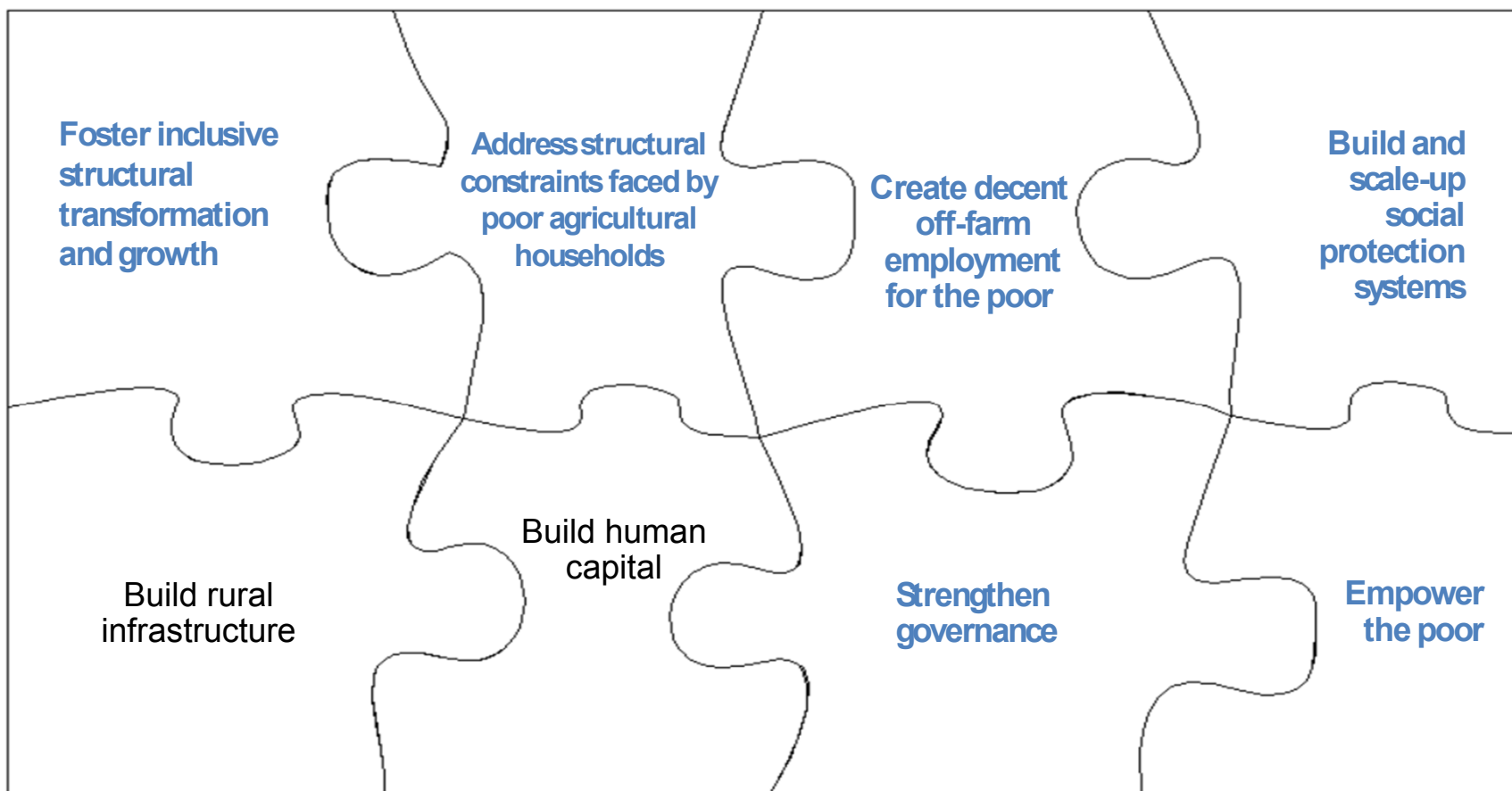


...but we need evidence-based policies and strategies

- Despite its role in poverty reduction, **agriculture is not yet well embedded in poverty reduction strategies.**
 - While the contribution of agriculture to poverty reduction is often recognized in development plans and poverty reduction strategies, there is often a **lack of proper diagnostics of the sector** and its linkages to the rest of the economy that could allow a better articulation of agricultural and poverty reduction strategies (Christiaensen et al).
 - The articulation between agricultural policies and investment with those related to poverty reduction needs to be enhanced.
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Going beyond agriculture: growing rural futures





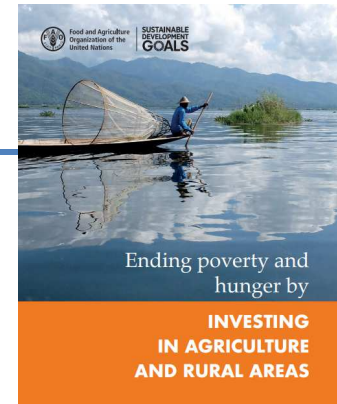
Agri-food systems can create jobs and provide food

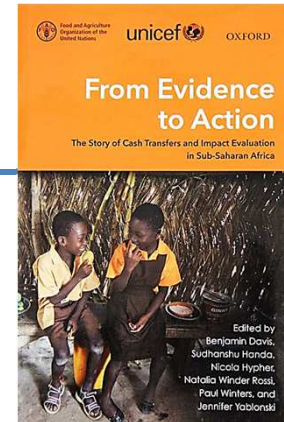
- Transforming food systems is important to create jobs in countries with limited prospects for industrialization.
 - According to the SOFA, agriculture and the related off-farm sector have the potential to provide jobs, food and income to the fast-growing world population and lift millions of people out of poverty.
 - Better **connecting rural–urban territories** through an agro-territorial approach, which takes into account the importance of small cities and towns, is a strategy for creating on-farm and off-farm jobs and meeting SDGs 1 and 2.
 - **Increasing demand** for high-value primary and processed **products in urban and rural areas** offers **employment opportunities** - the dietary transition
 - ✓ Diversification of diets, rural diet increasingly purchased, increasingly processed, mostly domestically supplied, domestic supply chain growing 5-10 times in 2-3 decades
 - The environmental sector also offers job opportunities for the poor, including in landscape restoration, and in the sustainable energy sector.
 - **Inclusion** is the guiding principle to transform agriculture and rural areas to end poverty in all its forms.
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How to make agriculture more inclusive?

- **Land and natural resources** must be distributed more equitably;
- **Agricultural research** should focus on the problems of small-scale producers as well as those faced by large farms;
- **New technologies** must also be suitable and profitable for small farms;
- Ensure that all farms have access to **inputs, credit and product markets**;
- **Develop policies** that do not discriminate against agriculture in general and small farms in particular
- Promote sustainable agricultural approaches, including [climate-smart agriculture](#) and [agroecology](#)
- **Strengthen the inclusivity of value chains**, both for linking small scale producers
- Promote policies and reforms that enable the poor to benefit from trade and compete in markets.





Linking agricultural and social protection policies

- Agricultural and social protection policies are both **fundamental levers** to overcome rural poverty.
- Integrating social protection and agricultural interventions offers **synergies** that increase the impact on poverty reduction.
- Social protection can positively **influence the investment decisions of poor households, helping poor farmers to overcome liquidity and credit constraints, invest in productive activities** build assets and manage risks more effectively.
- **These benefits spread beyond the immediate recipients** to their communities and the broader economy as recipients purchase food, agricultural inputs and other rural goods and services.



Join the FAO online consultation – “Eradicating extreme poverty: what is the role of agriculture?”

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ONGOING DISCUSSION • Open until: 24.04.2018

contributions: 68

Eradicating extreme poverty: what is the role of agriculture?

Dear Members,

With this online discussion, we would like to invite you to reflect on the nexus between extreme poverty and food insecurity and to engage you in a conversation on the role that agriculture (including fisheries, forestry and livestock), agricultural development and natural resources can play in building sustainable livelihoods for the poorest of the poor.

People living in extreme poverty today are 767 million worldwide, which means that almost 11 in every 100 lives on less than US\$1.90 a day (World Bank, 2016). Extreme Poverty can be defined as a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. The extreme poor are mostly those that have been left behind by economic growth and development efforts.

The huge challenge of eradicating extreme poverty worldwide has been captured by the SDG1 “End poverty in all its forms everywhere”.

A similar and somewhat overlapping dimension concerns hunger: people living in hunger are around 815 million according to the latest FAO estimates.

There is little doubt that hunger and poverty are closely linked and that these two conditions often perpetrate a vicious circle: hunger is an effect of poverty but also a cause of it. Hunger depletes the potential for human beings to develop capacities to lead healthy and economically useful lives. Low productivity in turn perpetuates underdevelopment and hunger.

The rural dimension adds another important dimension as the majority of the extreme poor and food insecure live in rural areas and depend at least partly on agriculture and natural resources for their livelihood.

Nevertheless, policies and interventions addressing hunger and extreme poverty are often sector-specific and look at either of the two problems. Agriculture interventions often aim at strengthening the food security and

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Thank you

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