

14-16 April 2010

# Conference Report

## Hosted by

Planning Commission, Government of India Institute for Human Development, India

## Organised by

Planning Commission, Government of India Institute for Human Development, India Ministry of Agrarian Development, Brazil Department of Rural Development and Land Reform, Republic of South Africa Development Research Center of the State Council (DRC), People's Republic of China Rimisp-Latin American Center for Rural Development, Chile

# INTERNATIONAL CONFERENCE DYNAMICS OF RURAL TRANSFORMATION IN EMERGING ECONOMIES

14–16 April 2010 New Delhi, India

Conference Report

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This conference report was prepared by Felicity Proctor on behalf of the International Steering Committee. Any errors or omissions are the responsibility of the author.

# List of acronyms and abbreviations

AATF	African Agricultural Technology Foundation	NSFA	National Food Security Act, India
APL	Above Poverty Line, India	NREGA	National Rural Employment Guarantee Act
<b>BPC-LOAS</b>	Brazilian Social Assistance Pension – Article of the	NGO	non-governmental organization
	Social Assistance Act, Brazil	OECD	Organisation for Economic Co-operation and
BPL	Below Poverty Line, India		Development
CDM	Clean Development Mechanism	PAA	Marketing Food Acquisition Programme, Brazil
CONTAG	National Confederation of Rural Workers in	PDS	Public Distribution System, India
	Agriculture, Brazil	PGPA	price risk insurance mechanisms, Brazil
CPA	Communal Property Associations, South Africa	PNAE	National School Nutrition Programme, Brazil
CRDP	Comprehensive Rural Development Programme,	PNPB	National Program of Biodiesel Production and Use,
	South Africa		Brazil
EPWP	Expanded Public Works Programme, South Africa	PRIs	Panchayati Raj Institutions, India
EU	European Union	PROAMBIENTE	Programme for the Socio-Environmental
FNS	Food and Nutrition Security, Brazil		Development of Rural Family Production, Brazil
FDI	foreign direct investment	PRONAF	National Family Farming Programme, Brazil
GDP	gross domestic product	PSEDS	Provincial Spatial Economic Development Strategy,
GMOs	genetically modified organisms		South Africa
HDI	Human Development Index	REAs	rapid evidence assessments
HRS	Household Responsibility System, China	REDD	reduced emissions from deforestation and
ICDS	Integrated Child Development Services, India		degradation
IPR	intellectual property rights	REAF	Reunion Especializada sobre Agricultura Familiar,
ICT	information and communications technology		MERCOSUR
LEADER	European Union Community Initiative for Assisting	Rimisp	Latin American Center for Rural Development, Chile
	Rural Development	RNFS	rural non-farm sector
M&E	monitoring and evaluation	SCs/STs	Scheduled Castes/Scheduled Tribes, India
MABEDI	Maruleng and Bushbuckridge Economic	SEAF	climate risk insurance mechanisms, Brazil
	Development Initiative, South Africa	SEZs	Special Economic Zones
MDGs	Millennium Development Goals	SIPAF	Seal Identification of Participation of Family
MDM	Mid-day Meals scheme, India		Agriculture
MGNREGA	Mahatma Gandhi National Rural Employment	TVEs	Township and Village Enterprises, China
	Guarantee Act, India	UNICA	Sugarcane Industry Association, Brazil
MERCOSUR	Mercado Común del Sur, Southern Common Market	UPA	United Progressive Alliance, India
NABARD	National Bank for Agriculture and Rural		
	Development, India		

# Conference report

#### Introduction

Rapid transformation of rural areas in the world's major emerging economies of Brazil, China, India and South Africa poses both challenges and opportunities to the sustainability of society. More than 200 representatives from government agencies, academia, business and civil society gathered to share and discuss rural development practice and innovative approaches that address these challenges and opportunities at the international conference **Dynamics of Rural Transformation in Emerging Economies**, which took place 14–16 April 2010 in New Delhi, India.

The dynamics of rural transformation – such as the human development gap, the tensions between production and the environment, the urban–rural economic and social distance, and regional imbalances and inequalities – are not only driven by domestic factors, but also by international trends. In many cases, these dynamics are affecting the rural areas of India, China, Brazil and South Africa, where 25 per cent of the world's population lives and where most of the world's natural resources are located. Since globalization is a major consideration, changes in a given rural economy will have an impact in the wider world as well as at the national level.

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, the conference 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.

The conference participants represented the four emerging economies of India, China, Brazil and South Africa, other interested emerging economy countries including Argentina, Chile, Kenya, Sri Lanka, Vietnam and Zimbabwe, as well as representatives from the Netherlands, France, Canada and the United Kingdom. Development agencies were also represented.

This report presents: the country visions and overviews of each the four focal countries (section 1); the experiences of these countries in six thematic areas, as well as examples of experiences from other parts of the developed and emerging economy worlds and the associated debates (section 2); the outcome of the debate in terms of lessons learned, gaps and the way forward (section 3); and the agreed Conference Statement – the New Delhi Declaration on the Rural Transformation of Emerging Economies. Annex 1 goes on to provide the outline programme, while annex 2 gives the list of participants and annex 3 the list of members of the International Steering Committee and the Local Organizing Committee. Copies of the PowerPoint presentations and papers can be found on the following sites www.ruraltransformation.in and www.rimisp.org

# Section 1: Inaugural session and scene setting

## 1.1 Inaugural session

The **President of India, Smt. Pratibha Devisingh Patil**, gave the inaugural address at the opening of the international conference. Short statements of welcome and introduction were then given by the four country delegations and the conference organizers.

*Mihir Shah*, Member, Planning Commission, Government of India, noted the shifts in the structure of the world's economy and the growth of the secondary and tertiary sectors. Yet agriculture and related activities still remain central, while too many people continue to live in deprivation. He stressed the need to energize the learning process across the country experiences of both academics and policymakers, not least as some challenges remain stubbornly hard to resolve. He argued that there cannot be a single approach, due to particularities in a given country context, and spoke of the work of Hans-Georg Gadamer and Wang Fu-Chih and 'the fusion of horizons' as a backcloth for future work. Despite the significant progress made, Mihir Shah feels that more needs to be done, with a powerful partnership between state, markets and civil society remaining relevant. He called for a new global alliance and a plan of action to tackle the challenges.

Julio A Berdegue, Director, Rimisp, Chile, and Chairman of the International Steering Committee stated that what emerging economy countries do and do not do will influence the future of rural society worldwide, as well as one quarter of the world's population. He called for collaboration and shared learning through an agenda of and by the South, to face the challenges of the South within a changing world. He acknowledged support from the countries themselves in the planning for and funding of the conference, and that of the agencies which had accompanied the process to date.

President of India, Smt. Pratibha Devisingh Patil









Dr Han Jun, Director General, Development Research Centre of the State Council, China

*Minister Gugile Nkwinti*, Department of Rural Development and Land Reform, South Africa, argued that growth, distribution, stability and institutional reform are all important for agrarian transformation in South Africa's rural society. In the coming three years, the priorities for South Africa will be land reform, food security and job creation, with accompanying skills development. Redistribution remains a major challenge. He outlined the recent Government of South Africa Green Paper on land reform, which seeks to address the key challenges of land tenure and land access in South Africa. Minister Nkwinti welcomed this conference as a real opportunity for shared learning.

Minister Guilherme Cassel, Ministry of Agrarian Development, Brazil, noted that this conference was part of the Government of Brazil's strategy of policy coordination with India, China and South Africa, reflecting its priority of South–South cooperation. The individual and combined performances of these countries have contributed to enhancing multilateralism, overcome unilateral aspirations and built new world governance that emphasizes complementarities and intensifies cooperation, yet recognizes and respects the sovereignty of nations. He emphasized that these countries are both major producers and consumers of food, make up about 40 per cent of world population and therefore have a responsibility to world food security. In different ways, the countries have worked to re-value rural areas, to recognize and enhance the economic, social and political contributions of family farming and rural communities for the democratization of society, and forged a new momentum for sustainable development. The countries have acted to overcome poverty and hunger by establishing social safety nets, with actions aimed at the universalization of basic rights of citizenship and rural development policies. In addition, Minister Cassel called for a broadening of perception about the countryside, with the intention to build a new balance between urban and rural. His expectation was that this conference would help to deepen mutual understanding about recent changes in rural areas and contribute to strengthening an alliance between emerging economy countries.

*Han Jun*, Director General, Development Research Centre of the State Council, China, emphasized the value of joint collaboration between the four countries. Noting that there are already some bilateral initiatives, he anticipated greater and enhanced collaboration in the future. Rural development has achieved much in terms of poverty reduction and increasing production, and offers many opportunities. However, there remain many challenges – some of the more recent ones include climate and fiscal change. The core themes of the conference represent important issues for China and despite the social, economic and cultural differences, he feels that there



Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India



Minister C P Joshi, Minister for Rural Development and Panchayati Raj, Government of India

is considerable scope for strengthened understanding and learning, and to identify special initiatives for collaboration among emerging economies. These countries can and will contribute to a 'new economic order', given their trading position, and this will require change – noting that more is needed for faster change.

**Montek Singh Ahluwalia**, Deputy Chairman, Planning Commission, Government of India, highlighted the multi-faceted nature of rural change. This includes the relative decline in agriculture and growth of the non-farm economy, and the challenges of equity in social service provision, resource allocation and institutional strengthening. India has lot to learn from other country experiences, and this shared learning may help to realize the objective of inclusiveness in rural development in India. He hoped that the conference and follow through actions would help in shaping ideas and inform India's ongoing mid-term assessment of its Eleventh Five Year Plan.

**C P Joshi**, Minister for Rural Development, India, underscored the common challenges in rural areas in terms of a lack of distributive justice, inter- and intra-regional variations, income disparities across social groups, the low level of empowerment of the rural poor and a lack of percolation of benefits to rural areas. He emphasized the importance of securing skills for the labour market. In order to transform the rural economy, C P Joshi felt that there is a need for better information and indicators and for new governance and service providers – some old structures are now irrelevant and can no longer be sustained.

**Smt. Pratibha Devisingh Patil**, President of India, underlined that even as urbanization increases, the rural economy will continue to be a principal tool for development and sustainability. Patterns for growth need to respond to the growing aspirations of the people in these new realities. Globally, the demand for food will grow with increasing land and water scarcity, as well as greater environmental pressures. With a population in India of more than one billion, food security is a critical issue. The President recognized that future challenges will be many, and that this situation requires analysis, debate and discussion. The President thus endorsed the agenda of the conference, noting that this work is being undertaken in a globalizing world, where what happens in one part of the world gets transmitted to other parts rapidly. A number of flagship initiatives being undertaken in India were highlighted. These aim at transforming the rural areas through education, health, securing incomes and strengthening infrastructure. With a large workforce living in rural areas, creating work opportunities (including for youth and women) acquires great significance. The President emphasized the need to forge links between the corporate world and the agriculture sector, as many complementarities exist between the two. The President warmly welcomed the sharing of experiences of different models and this exchange of views.

## 1.2 The vision for rural regions in key emerging economies

Minister Guilherme Cassel, Ministry of Agrarian Development, Brazil, began by noting the crucial challenges facing the world at the beginning of the 21st century. These include the environment and climate change, the need for new sources of power beyond fossil fuels, and the call for food and nutritional security. As each challenge is directly linked to rural areas, there is critical need to overcome the historical misconception about rural areas and the underestimation of the role of rural development in national development. In 2008, according to the Brazilian definition of 'rural', there were 30.8 million rural inhabitants in Brazil – or 16 per cent of the Brazilian population.

Brazil has achieved remarkable progress in terms of poverty reduction, including strengthening family



Minister Guilherme Cassel, Ministry of Agrarian Development, Brazil

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 Program) and *Beneficio 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. Minister Cassel reported that the first generation agrarian reform (2003–2009) has therefore achieved success in terms of land distribution, access to rural credit and technical assistance.

Shaping the vision for the future – panel debate. Left to right: Minister Guilherme Cassel, Mr Thozi Gwanya, Dr Abhijit Sen, Dr Mihir Shah, Dr Mani Shankar Aiyar and Dr Han Jun.



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 USD15.3 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 increase efficiency and effectiveness of public policies.

Han Jun, Director General, Development Research Centre of the State Council, China began by noting that in 2009, China's rural population was 713 million, representing 53.4 per cent of the national total. 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 agricultural 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 half of China' 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 will cover more than 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 per capita water resources 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 selfsupport 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 equalization 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.

**Thozi Gwanya**, Director General, Department for Rural Development and Land Reform, South Africa began by explaining the historical past of the 'apartheid system', which created geographic differentiation each with its own political, social and economic systems. He highlighted the enormous challenges that the rural economy is facing 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. He outlined lessons learned 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, 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) vision: 'to create vibrant, equitable and sustainable rural communities'. It 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. Thozi Gwanya emphasized the importance of 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 twelve 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.

**Abhijit Sen**, Member, Planning Commission, Government of India, explained India's approach to rural welfare and stressed that the strength of India's policy programmes lies in its more than 60 years of continuous democracy. He noted that India's rural population stands at about 830 million, living in some 600,000 villages. Since the 1960s, Abhijit Sen explained, many approaches 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 one is merely adding to these multiple compartmentalized approaches, and thus increasing inefficiencies.

Notwithstanding the challenges of the rural—urban definition, including boundary changes and area reclassification, 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. Abhijit Sen also noted that 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) – a job guarantee scheme; the Right to Information Act; the Right to 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. Abhijit Sen welcomed the conference and the opportunity to share with and learn from others.

Mani Shankar Aiyar, Union Minister of Panchayati Raj (2004–2009), India, began by stating that although 'inclusive growth' remains the cornerstone of India's Eleventh Plan, the Prime Minister's injunction of 16 January 2009 that 'inclusive growth is not possible without inclusive governance', appears to be more often broken than obeyed. The mid-term review (ongoing at the time of the conference) of the Eleventh Plan offers a unique opportunity to look at the methodology of access to entitled goods and services. He was concerned that not enough reach the ultimate beneficiary, with a high proportion of such goods and services absorbed by public sector administrative costs – including by civil society organizations as providers. This problem, he felt, was exacerbated by multiple schemes delivered to the same set of beneficiaries through mutually insulated administrative silos.

Significant funds have been allocated under the heading of poverty and rural development, yet there has not been a corresponding improvement in the relative rank of India in the Human Development Index. This raises questions about the relationship between outlays and outcomes. India's performance has been low with regard to poverty reduction, malnutrition and undernourishment. Another problem remains concerning the definition of 'poor', as only one poverty line is used in the country. Instead of defining and explaining the complexities of multiple, multidimensional poverty, the National Poverty Line divides the population into two categories – the BPL (Below Poverty Line) and the Above Poverty Line (APL). Mani Shankar Aiyar called for a nuanced, graded and multi-deprivational definition of 'poverty' as a starting point for any serious assault on poverty.

In the absence of inclusive governance, the people at the grassroots – who are the intended beneficiaries of poverty alleviation programmes – are left dependent on a bureaucratic delivery mechanism over which they have no effective control. Until the disadvantaged and deprived are politically and socially empowered to build their own lives, they will not secure genuine and broad-spectrum access to their basic entitlements. Mani Shankar Aiyar finally called for an 'effective voice' as being central to the dynamics of rural (and even urban) transformation.

#### Discussion

A rich debate followed the presentations. There was common agreement that governments have a political and ethical commitment to overcome poverty, with a vision that sees a reduction in rural—urban inequality and the rural sector receiving greater emphasis when addressing environmental, energy and food issues. There is also a need for more balanced national development, including less inequality between regions. While agriculture remains important in all countries, it was agreed that there it is necessary to increase the capacity of rural people to earn better incomes. There are different livelihood options and strategies, including migration, while skills development and capacity building were also seen as being central.

Countries had different priorities in terms of specific interventions. For example, with regard to land reform and land access, China has largely completed reforms, Brazil and South Africa are in the midst of such reforms, while India has an unfinished agenda in this area, with weak political support.

There was debate on targeted versus universal programmes, with India moving away from targeted programmes to universal programmes (for example, MGNREGA) with self-selected participation. All the emerging economy countries consider strengthening grassroots democracy and local governance to be key to sound rural transformation, but in general it was felt that there remains a lack of genuine empowerment of the poor. There is a need to respond to the specificity of the requirements of the rural poor, and to build capacity at the lowest levels.

The participants shared different policies and institutions that target women. Brazil has called for affirmative action and policies – for instance, a rural credit line for women, that 45 per cent of the beneficiaries of land reforms are women, and the securing of equity in employment in the government sector. In South Africa, legislation is seen to be important to support the policy position of, for example, employment equity. In the area of land reform in South Africa, 45 per cent of the beneficiaries are women; however, the challenge will be to ensure that this is followed through for future generations, hence the need to address the associated laws of succession and issues of culture. In China, women take care of 50 per cent of rural affairs and have equal opportunities in education, including access, at least for the first nine years. Their rights to property are clearly stipulated as being the same as men's, and there are equal opportunities in employment, with more than half migrant workers being women. In India, women hold nearly 40 per cent of elected posts, while in some states (e.g. Karnataka) a high proportion of poor women hold elected positions.

#### Some challenges

The challenges for the future are many, but key ones noted include the need to address inequality across regions. It is necessary that there be political commitment to rural development and not just in terms of investment, although investment levels in agriculture and rural development more widely were seen to be too low in many countries. The importance of sectoral coordination was acknowledged. A major challenge in this regard is to break down sectoral silos and work across sectors with people-centred development. The conference participants felt technology, including technology transfer, to be key to rural futures. Water is also a central concern in all countries, including the need for water saving technology.

While all countries recognize the scale of the development challenge, a key question relates to the sequencing of interventions and policies. It was felt that countries were likely to differ on such sequencing.

#### **Opportunities for cross learning**

Mihir Shah, acting as chairman, welcomed the candid discussion on what has worked and what has not worked so well. As far as commonalities are concerned, the broad nature of the problems and related priorities are more or less the same across the emerging economy countries. However, the scale of the problems and the level of response in terms of policies, approaches and investment, including the sequencing of such, differ between countries.

Highlighting the range of different responses to the challenges, he felt that there was a need to learn from different initiatives – including learning about what factors contribute to change and successful outcomes. Examples of possible areas for future learning may include:

• Comparative studies on cash transfers and job creation in rural areas, on rural finance and financial intermediation models (e.g. mutual guarantee groups in China) and on information technology (IT) and its role in service delivery – what have been the experiences and lessons learned?

- What role and impact have coalitions and social movements had on rural change?
- Why are outlays not having the desired outcomes?
- How to improve capacity to deliver for sustained impact?

There was felt to be an urgency to learn about what has worked, and this would benefit from careful cross-country study to generate ideas. Mihir Shah believed that the conference offered new opportunities for emerging countries to become leaders in change through powerful and effective partnerships – 'a global alliance for rural change'.



Dr Mihir Shah, Chairman India Steering Committee, Planning Commission, Government of India

## 1.3 Country overviews

#### **Brazil**

**Ricardo Abramovay** argued that strengthening of democracy is at the root of the most important changes that have taken place in rural Brazil over the last 20 years. Yet Brazil remains one of the most unequal societies in the world. The last 10 years have seen a major reduction in poverty and inequality, although levels of inequality remain high.

The major drivers for these reductions in poverty and inequality have included public policies involving direct income transfers to the poorest. Examples of such transfers include pensions to some 7.8 million people; a major effort to increase access to land (for one million households) and to credit (for two million households); new coalitions of socio-environmental movements; and rural diversification. Non-agricultural activities have expanded more than agriculture, but nevertheless the countryside is still dominated by agricultural interests.

The recent policies have not been without their challenges including, for example, poor credit repayment rates, calling for new models such as the use of credit agents to work directly with farmers. The process of land reform without corresponding agrarian reform led to generous payments to landowners – a policy that may be questioned given weak socio-economic and environmental evaluations, including a lack of assessment of alternatives. While new social coalitions have had a significant impact on public policy, the large national and international agribusiness lobby remains powerful. This has resulted in rising land acquisitions by foreign investors e.g. for biofuels and, driven by the large-scale use of genetically modified organisms (GMO) technology, Brazil has become the world's largest pesticide consumer.

Nonetheless, while there remains a threat to the Brazilian biomass from agribusiness, recent years have seen a reduction of the pace of deforestation. Ricardo Abramovay also pointed out that, unlike in other countries, formal employment has grown much more in rural areas than informal employment, pushed largely by the strict implementation of minimum wage rates. He concluded by noting that while socio-environmental issues are important, these are still seen as externalities, and a multi-stakeholder and multi-sector approach remains difficult to implement. The global challenges for Brazil relate to climate change and the urgency of securing the resilience of ecosystems. There is a new role and expectation on the part of society with respect to its countryside, which now goes far beyond the provision of food and fibre.

#### China

**He Yupeng** outlined China's considerable progress in moving from an agriculture-based economy to a market economy with food self-sufficiency, and to rural diversification and urbanization driven by migration (of some 225 million people). China successfully feeds 20 per cent of the world's population, although it is becoming increasingly reliant on international markets for commodities such as soybeans, edible oil, cotton and sugar, and has shifted to become a net importer of commodities since 2004.

Demographically, China is still an agricultural economy, in contrast with highly industrialized economic structures, and both agricultural development and rural diversification have helped to reduce poverty substantially. As a result of economic diversification, farm income from wages is replacing that from agriculture to become China's largest source of income generation. The development of Township and Village Enterprises (TVEs) has played a key role in the industrialization of rural China (see box 1.1). There have also been major improvements in social indicators in rural areas in recent years.

#### Box 1.1 Development of Township and Village Enterprises (TVEs) in industrialized rural China (2008)

- The output value of TVEs accounted for 28.0 per cent of GDP and rural labour made up 20.0 per cent of China's total employment
- Manufacturing is the major component of TVEs, with its output and employment providing 45.3 per cent and 54.6 per cent of national totals respectively
- Exports produced by TVEs accounted for 35.0 per cent of national exports and 41.7 per cent of TVEs' output value
- Light industry, textiles and clothing, and machinery exports accounted for nearly two thirds of TVE exports

Source: He Yupeng

Three key challenges still need to be addressed. First, is China's rural—urban disparity, whereby an increasing income disparity between urban and rural areas has been witnessed since 1997, as along with observed major differences in rural incomes between provinces. Second, is weak rural public services, including social services and housing for migrants. Third, are the country's market and environmental concerns, most notably a decline in cultivated land areas with chemical fertilizer overuse (China accounts for 40 per cent of the worlds' use of such fertilizers), water quality and quantity constraints, climate change and energy.

These paradoxical movements of dramatic economic growth coupled with a worsening imbalance in development have increasingly become the core of public policy concerns. To pursue a balanced territorial development, the Chinese government has packaged agricultural productivity with a strong focus on technology, rural development and farmers' livelihoods in trinity under an innovative strategic framework of integrated urban–rural development.

#### **South Africa**

**Neva Makgetla** began by explaining that the term 'rural' in South Africa is effectively shaped by apartheid and means both the former Bantustans (which often lacked natural resources assets) and commercial farming regions. Both include smaller towns and dense settlements. The former Bantustan regions are still characterized by worse poverty, in large part due to very low employment and high levels of circular migrant labour. Farm workers have significantly worse pay and conditions than other formal workers, and both former Bantustans and farm workers receive low-quality government services compared to others. Women and youth face particularly poor conditions in the former Bantustans, while farm workers' labour rights are more likely to be violated than those of other workers. Some of the major causes of rural poverty include the

exclusion of blacks from agriculture during apartheid (with limited access to credit), poverty traps (including limited access to natural resources in former Bantustan regions), lower levels of education and skills, 'thin markets' or the absence of structures and institutions which allow integration with national and international markets, and weak and non-accountable levels of government.

Despite a relatively high rural population, the numbers that are economically active in agriculture are relatively low compared to similar regions in the world. Some key policies proposed include land reform, especially increasing support to emerging black farmers; increasing legal protection for farm workers; installing democratic municipal governments in former Bantustan areas; and increasing government services in these areas.

Neva Makgetla also raised some strategic questions that need to be answered in South Africa, including:

- To what extent should rural development seek to increase economic opportunities in the former Bantustan regions, redistribute commercial land and/or anticipate migration to cities?
- How is it possible to balance the narrow economic contribution of commercial farming against the need for a more equitable and inclusive rural economy?
- Should land reform create sustainable black commercial farmers, market-oriented smallholders or enhanced livelihoods for the indigent? and finally
- How much should the state invest in rural development, given the competing claims of the urban poor and the pressure to maintain core economic infrastructure?

Answers to these questions will shape rural (and urban) development, poverty reduction and possible reductions in inequality in the decades to come.

#### India

**Dev Nathan** began by stating that India is the least urbanized of the emerging economies, and that recently there has been a significant further increase in urban–rural inequality. Specifically he noted that while the Scheduled Castes (SCs) are catching up with the all-India levels of poverty, the gap between all-India levels of poverty and those of Scheduled Tribes (STs) is increasing.

He presented four major and different rural regions and their key and differing drivers:

- the Green Revolution areas with canal irrigation, good infrastructure and agricultural technology, followed, in some areas, by non-farm sector development,
- the west coast, which is characterized by commercial agriculture and small export-based industries, with a large amount of national and international migration,
- the Bangalore–Chennai corridor, which is characterized by rain-fed agriculture and increasing development of labour-intensive manufacturing and services, and
- the hill-forest regions (tribal areas) of low agricultural productivity and high displacement for mineral-based industrialization.

Government policy, through increased public investment, fixing minimum support prices and decentralization of local government, has played a role in rural transformation.

The main challenges are India's low overall agricultural productivity (agriculture accounts for 19 per cent of GDP, but 50 per cent of the workforce), and poor capital investment and infrastructure investment in rural areas (less than 50 per cent of rural households have access to power, although some recent corrections in government rural expenditures have been made). India is ranked 134 in the Human Development Index (HDI, 2009). This is

demonstrated by the nutritional status of 46 per cent of children under five being underweight, compared to Brazil and China at 5 per cent and 7 per cent respectively, and high gender inequality, reflected in the unacceptable sex ratio of 933 women per 1000 males (this is worse in the economically faster growing areas of western and northern India). Further, India faces low commercialization combined with its having to address growing market openness and environmental challenges.

Key measures to overcome these challenges could include enabling labour to shift out of agriculture, public investment in infrastructure, land reform, appropriate investment to overcome regional disparities, improving technology for rain-fed regions, developing products for low-value but high-volume rural markets to serve the poorest, and supporting a move from replication to innovation.



Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India, A K Misra, Planning Commission, Government of India, and Dr Han Jun, Director General, China, share views and ideas

#### **Discussion**

The debate focused on the centrality of agriculture to rural transformation, the role of migration in rural transformation, the role of land reform in improved productivity and/or securing livelihoods for the landless, policies to create rural employment and the formalization of the rural economy, and India's experience with gender equality.

Agriculture has and will continue to differ between countries – it will remain central to economic and social policy. In the case of China, the importance of rural industrialization through support to the TVEs was emphasized, while Brazil noted that formal employment was increased through public policies that repress unhealthy informality and apply effective minimum wages. South Africa emphasized the need to look at alternatives to agriculture to address growing migration, and to explore the role of smaller towns or/and to encourage migration to larger urban areas. Brazil considered that land reform is not the only path to rural change: ensuring legal rights to access land is also important.

India noted several advances in gender equality through the reservation of seats for women in local governments, improved education, improved access to labour markets and micro-finance. However, several challenges remain – for example, although decreasing, maternal mortality rates remain shockingly high.

The chairman concluded that the essence of rural transformation is negotiating trade-offs between growth, income, employment and the environment. There is a need to think more about the sort of innovations required to ensure that these trade-offs are managed in the best possible manner in a rapidly changing and globalizing world.

# Section 2: Key thematic topics

## 2.1 Human development and social inclusion

Eleven presentations addressed some of the key issues at the heart of rural well-being and opportunities for rural people, households and communities. The issues of poverty, gender, ethnicity and income inequality are of paramount importance. Social protection strategies, including income transfer schemes and skills and professional development, are important as the pace and depth of change is leaving millions behind. At the same time, the rapid changes taking place demand new skills on the part of individuals, enterprises, organizations and communities, along with new and better service provision.

**S Mahendra Dev** explored the various dimensions of rural poverty, inequality and social exclusion in India, and the factors and processes involved in people moving out of poverty or falling into poverty. These factors include agriculture, food prices, employment, wages, rural non-farm employment and measures taken to reduce poverty, inequality and social exclusion. In terms of the latter, he emphasized that:

- growth and equity policies should be followed simultaneously rather than a 'growth first and equity next' approach,
- agricultural development should be given higher priority, with the economy following an agriculture–industry–services sequence,
- macro pro-poor policies, including investment in infrastructure, are more important than having only safety nets for poverty reduction,
- employment (both quantity and quality) should be the focus of an inclusive approach, including technology, skills improvement and youth employment, and
- equality of opportunity is important.

Even if India does not follow equitable distribution of assets, everyone should have equal opportunities for better education and health. S Mahendra Dev also believes that women's social and economic empowerment is important, while inclusive governance is central. South East Asian and East Asian experiences show that globalization with better initial conditions has led to more equitable development, and that India could learn from China on policies and interventions to foster rural non-farm employment.

**Arjan de Haan** noted that in the three countries, China, India and Brazil, large inequalities currently exist. However, it is important to understand the differences between the traditionally high inequalities in Brazil, and the growing Gini coefficient in China. The continued low Gini coefficient in India masks very large social disparities and an inability of the poor to access India's growth opportunities. The speaker focused on the policies of inclusion in China and India. In particular, he compared China's policies regarding minorities since 1949, and India's policies vis-a-vis Scheduled Castes and Scheduled Tribes, their different histories and political motivations, and the varied impacts in terms of the creation of equal opportunities and inclusive institutions. Alongside political systems, social mobilization is one of the critical factors that differentiate the two countries in the extent to which equal economic opportunities have been created. Different forms of social inequalities and the ways in which policies have addressed them have had an impact on the growth patterns of the two countries. Building on growing evidence of the impact of inequalities on economic growth (and pro-poor growth) and poverty reduction, the social mobilization and radical social churning pre-1978 may have had a beneficial effect on the potentials for rapid economic growth and transformation in China, as well as its integration into the global economy. By comparison, India's deep-rooted group

inequalities, and the inherent limitations of its policies to support deprived groups, continue to form a barrier for not only faster poverty reduction and improvement of human development indicators, but also the potential for economic modernization and growth.

Set in the context of China's growth-mediated strategy, **Zhang Xiaoshan** presented a comparative economic and social study on the disparity between the highly developed region, Jiangsu Province, and the backward region, Gansu Province. Despite great inter-province economic variation, the same inadequacy of social provisions and public actions existed in the surveyed villages of both Jiangsu and Gansu. In terms of providing social protection, where the governments should play the dominant role, the governments of developed regions paid less attention to social welfare and public provision in rural areas than those governments in less developed regions. Disparities in areas such as physical infrastructure and the provision of qualified personnel for basic education, public health and medical care, occurred not just between poor regions and developed regions, but internally within one region. Further, there existed irrational allocations of fiscal resources within one region between counties, towns and villages. In recent years, the Chinese government has adopted the human-centred approach to development and now strives to build up a comprehensively better-off society to enable the entire population to share the benefits of the reform.

**Wu Guobao** provided a comprehensive account of migrant children's education in China, which impacts some 34 million children (2006), identifying the key issues and determinants of such education. Progress made since 2006 includes local governments in cities taking responsibility for ensuring compulsory education of migrant children, opening public schools to such children, simplifying study record transfer procedures and unifying education management systems. Local governments are also supporting the participation of civil society organizations, financing private schools for migrating students and putting in place policies for children who are left behind.

He offered a set of recommendations for the future.

**Hu Biliang** provided a detailed account of educational governance in transition in rural China through a case study account of Yantian Village, Guangdong Province. Because of an influx of foreign direct investment (FDI) and changing economic structure due to high returns from industry, this is no longer a traditional village. After the reforms of the 1970s and 1980s, increasing return migration was observed. This was accompanied by the setting up of private schools and hospitals, with a corresponding positive impact on social sector provision, including education.

Ravi S Srivastava provided a comprehensive overview of education, skills and development dynamics in rural India, noting that 72.6 per cent workers in rural India are dependent on agriculture for employment and 60.4 per cent of rural workers are self-employed, principally farmers (2004–2005). He noted the very low educational capabilities of the population and workforce in rural areas. Socially discriminated groups are at the bottom of the education ladder, with few in regular work. Systemic quality differences exist across caste/class and with mean years of schooling, with highest dropout rates occurring between primary and secondary education (these are higher still among women and the socially deprived). Formal skill was found to correlate with higher secondary (12 years) levels of schooling, with most people having informal skills (hereditary, family based) and working in the informal sector¹. The speaker found a low incidence of technical and degree education in rural areas. Good quality employment correlates with higher levels of education and achievement of formal skill, while vocational training differs according to socio-economic status, land ownership etc.

The Right to Education Act came into force in India on 1 April 2010 to ensure comprehensive elementary schooling. The speaker highlighted the need for occupational skills in the last stages of school education – as an alternative for students who enter the labour market after high school. There is much debate nationally

<sup>1</sup> Informal workers are principally either self-employed or employed as casual wage workers, with no stable employer–employee relationship. In rural areas, most of these workers are in agriculture.



Conference delegates

on how the skills gap can be filled and by whom, concluding that there remains a strong role for public funding and coordination. There are multiple initiatives in preparation/being implemented, which include the Skill Policy Committee and the National Skill Development Co-ordination Board.

**T Sundaraman** reviewed the status of health and nutrition in India, showing that India lags behind particularly in the areas of adequate nutrition, rural sanitation, literacy rates and also health expenditure as a percentage of total government expenditure. Health needs are met mostly by out-of-pocket expenditures by households. India is undergoing an 'epidemiological transition', with the simultaneous increasing incidence of both communicable and non-communicable diseases. Poor performing states in terms of health indicators are the result of poor financing of health care and inadequate personnel, governance issues, few service providers, the limited role played by the private sector and the presence of unqualified practitioners. New initiatives to rejuvenate health services include insurance schemes such as the Rashtriya Swasthya Bima Yojana (a health insurance scheme for Below Poverty Line [BPL] families in the unorganized informal sector), the National Rural Health Mission and the mobilization effort of civil society organizations.

**Selwyn Jehoma** outlined South Africa's comprehensive social protection framework and programmes implemented since the country became a democracy. Moving from the premise that the limited concept of social security is not suitable for developing country contexts, the newly democratic state expanded income support to the poor at unprecedented rates, addressing huge social backlogs in education, health care and housing, and starting a process of reconstruction to build a more inclusive society. South Africa opted for a social protection framework based on three pillars:

- transfers to those with no or low incomes through a package of cash transfers and free basic services (water, electricity, sanitation etc.) based on means testing and universal provision respectively,
- mandating contributions to social insurance funds to mitigate lifecycle risks, and
- the provision of a strong regulatory role for the state in voluntary savings.

The benefits of this comprehensive social protection approach in South Africa have been visible and measurable.

Building on models piloted in South Africa and evidence from experience elsewhere in the world, *lan Goldman* outlined how applying sustainable livelihood approaches can improve rural people's quality of life. He noted that poverty is multi-dimensional, of different types and not only economic. The different types of poor – from the extreme dependent poor or chronically dependent poor, extreme vulnerable poor

or declining poor, the coping poor to the dynamic poor – each need different types of support. There is a need to promote people's assets, agency and change the 'rules of the game' to address meaningful rural livelihoods. A change in approach is required from service agencies to promoting agency. This requires a change in attitude of government and service providers from treating people as beneficiaries and clients to treating them as responsible citizens – with rights and obligations and who are agents of their own change. He emphasized the need to move from transactional approaches, such as micro-finance services, business development services and improving access to markets, to transformational processes focusing on empowering citizens to build their voice, claim assets and influence decisions and procedures. This requires a response from multiple sectors to support livelihoods, and a strengthened local government playing the key coordination role through 'district coordinating committees'. For South Africa, many of these elements are contained in the Comprehensive Rural Development Programme (CRDP), which now requires a process of learning and upscaling.

Women represent nearly half the rural population of Brazil – some 15 million women. *Andréa Lorena Butto Zarzar* presented data, indicating the historical and current situation of inequality of rural women. She outlined the role of women's movements including *Marcha das Margaridas* in contributing to greater social recognition of their claims, and in the formulation and implementation of public policies for rural women and the affirmation of a feminist agenda in rural development. She provided a comprehensive analysis of Brazil's institutional and policy changes implemented since 2003. New governmental and institutional structures, public policies and a new pattern of management created in dialogue with women's movements and organizations, were discussed. These policies address land rights, civil and labour rights, access to specific lines of credit, commercialization and productive organization policies, and rural women's agenda in the context of the Specialized Meeting for Small-scale Agriculture of the Southern Common Market (*Mercado Común del Sur*, MERCOSUR). The institutions and policies geared to promoting gender equality are recent and require consolidation and to gain scale. Such processes, which must also be accompanied by the strengthening of the economic agenda for women, go beyond formulating demands.

**Song Yiching** explored rural transformation in China in the context of gender imbalance in both farming and social role/power distribution. Song Yiching argued that such transformation can negatively influence agricultural development, disharmonize rural society and may not be conducive to rural poverty reduction, unless specific measures are taken to address gender and social imbalance. Agricultural policies, though positive, may not have adequately addressed the feminization and ageing of agricultural labour, and thus may threaten agricultural development and food security in the long run. Further, necessary rural services and social support policies have not been adequately deployed in parallel to enable women to fulfil their increasing multi-faceted roles and to address their concerns and difficulties. These factors limit improvements in family livelihoods and rural harmony. The speaker went on to explore innovation in rural women's groups and women's organizations for capacity building and for income-related activities relating to credit, skills training, self-employment and market linkages, with appropriate institutional and financial support from the public sector and government.

#### **Discussion**

The debate focused on social sector provision and human skills development. The group noted the need to factor in culture and to recognize indigenous knowledge within the health and education sectors. In the case of India, there was a call to mainstream alternative medicine. The need to increase health expenditure as a proportion of government expenditure in India was also noted, along with the need to increase health service personnel and the quality of health facilities. It was also recommended that there be new incentives at the local level to enhance the quality and outcomes of service delivery linked to performance indicators.

There was a strong call for lesson learning on the provision of services, from better monitoring of outcomes against expenditure to increasing accountability, along with different models that enable the inclusion of the private sector as providers in rural areas.

With the significant increase in income transfers in South Africa, questions were asked about levels and management of leakages. It was noted that errors of inclusion and exclusion occurred when transfers are made: a recent survey showed 25 per cent error of inclusion and 21 per cent error of exclusion. Fraud also exists, whereby a significant number of people seek to access grants without being eligible. Anti-fraud programmes help to eliminate leakages.

On skills development there was an expressed need to integrate and formalize the informal skills of workers in India, so that they can command a better wages – e.g. training and accreditation by master craftsmen. A better understanding of labour markets is required to underpin skills development programmes and institutions in India. MGNREG was seen as a programme primarily intended for unskilled labourers, and some delegates thought that it might be too ambitious to dovetail it with a programme of skills development.

#### 2.2 Jobs and economic diversification

Diversification of the rural economy beyond its agrarian tradition is both one of the primary results and one of the major drivers of rural transformation. The provision of infrastructure, including information and communications technologies (ICTs), and the development of new economic alternatives such as processing and sustainable tourism, feature as the major enablers of economic diversification. They are also a condition for the social and economic effects of such diversification to be more fairly distributed across different sectors of the rural population. Eight contributors informed the conference debate in this area.

Josephilda Nhlapo-Hlope outlined the challenges of economic diversification in rural South Africa. She noted that due to apartheid legislation, the rural population remains at around 43 per cent of total population, with only 4 per cent of the rural poorest deriving their income from agriculture, 8 per cent of the total population economically active in agriculture and 57 per cent of the rural population declaring grants and remittances as their main source of income. Seventy per cent of all poor people in South Africa reside in rural areas. They have little purchasing power, rely mostly on social grants and remittances, and this results in thin rural markets. The agri-food sector is highly concentrated, making entry almost impossible. There are many barriers to rural diversification, for example:

- rural tourism is limited by poor infrastructure and little advertising, due to the low returns from such advertising.
- agro-processing experiences strong vertical concentration, which limits opportunities for broad-based participation in the sector, and
- small-scale manufacturing is exposed to a dearth of infrastructure in its broadest sense.

Environmental services may render themselves as good candidates for public investment. The speaker described South Africa's Community Works Programme in detail. The programme was established to explore new approaches to public employment, using community development and social mobilization approaches, and testing an adaptation of the concept of a minimum employment guarantee. This concept involves providing regular and predictable access to work, such as one day of work per week, or one week of work per month, at local level in poor and marginalized communities. Lessons learned from the earlier pilot, Jobs for Growth, were reviewed, emphasizing the need for coordination across government departments.

#### Box 2.1 The Expanded Public Works Programme - South Africa

The Expanded Public Works Programme (EPWP) is aimed at providing poverty and income relief through temporary work for the unemployed to carry out socially useful activities. The EPWP was launched in April 2004 to promote economic growth and create sustainable development. The goal of EPWP Phase 1 was to help alleviate unemployment by creating at least 1 million work opportunities, of which at least 40 per cent of beneficiaries would be women, 30 per cent youth and 2 per cent people with disabilities. As part of the contribution to the income of the poor, the target of 1 million work opportunities through the EPWP was attained in 2008. The EPWP Phase 2 was launched in April 2009. Its goal is to create 2 million full-time equivalent (FTE) jobs for poor and unemployed people in South Africa, so as to contribute to halving unemployment by 2014 through the delivery of public and community services.

Source: Selwyn Jehoma

The Business Trust, in partnership with the Department of Co-operative Governance and Traditional Affairs, South Africa, has accompanied the Maruleng and Bushbuckridge Economic Development Initiative (MABEDI). The MABEDI has mobilized private investment for communally owned land assets and built the capacity of communal property associations. *Golden Mahove* outlined the road map that led to investment worth ZAR1.5bn (approximately USD200m) being attracted into communally owned agribusiness and tourism land assets. The work demonstrates the value of partnerships between business and government, as well as between Communal Property Associations (CPAs) and private investors in creating jobs and economic value from communally owned properties.

**Sérgio Schneider** presented a historical account of diversification of rural livelihoods in Brazil, focusing on the country's third generation of policies. Here actions varied, ranging from the provision of credit to support adding value to rural products, marketing and technical assistance. New markets for family farmers have been established in relation to biofuels (the National Programme of Biodiesel Production and Use, PNPB), along with payments for environmental services (the Programme for the Socio-Environmental Development of Rural Family Production, PROAMBIENTE) and fostering supply programmes such as the PAA and its interface with the National School Nutrition Programme (PNAE). Brazil has seen a growth in agribusiness for specific markets, outside of large-scale market channels, managed by family farms and groups (PRONAF, which has a specific credit line for these activities). This has occurred in particular in the southern and central regions of Brazil, and for low-input agriculture and its products. Many of these initiatives depend on and interact with the state, yet fall within and may indeed not work comfortably with an agrarian model, with public policies for stimulating production and agro-exports of primary products as one side of the coin and large 'agribusiness' on the other side of the coin.

**Cui Chuanyi** reviewed rural surplus labour transfer and changes in urban–rural incomes since China's reform. During the reform, farmers became masters of land operation and were free to choose where they worked, township enterprises and private economy developed, and China opened up to the outside and introduced international labour-intensive industries, with increased demand for employees. With farmers now moving on the basis of supply and demand, agricultural labour transfer in recent years has involved some 85 million labourers moving to local village enterprises and 141 million labourers migrating out of villages and to jobs in cities (2008). While accelerated transfer of rural labour has played a positive role in rural poverty reduction and rural development, China's urban–rural income disparity has become wider. Key challenges to be addressed include:

- the gradual equalization of urban-rural incomes,
- addressing the system of differentiated IDs (for persons from direct areas) and unequal rights between migrant workers and urban residents,

- changing the government's city-prioritized supply of public goods,
- improving rural institutions, including developing farmers' cooperative organizations, and
- increasing farmers' and migrant workers' self-organizations and their participation in social management.

In the Indian context, *G K Chadha* emphasized the promotion of linkages between the farm and non-farm (especially the rural industrial sector) sectors of the rural economy. He discussed various forms, processes and the magnitude of linkages between the farm and the non-farm sectors, and their implications for poverty reduction in rural India. While agriculture—rural industry relationships have been steadily expanding in India, rural industry in general, and the rural agro-processing industry in particular, differ significantly from region to region. It was noted that only 2 per cent of fruits and vegetables are processed, as compared to 23 per cent in China (S Mahendra Dev).

In contrast, a dynamic sector in the last decade has been India's services sector, which includes communications, banking and insurance and business services. *Jeemol Unni* explored the role of the services sector in the country in the context of rural structural transformation. The two speakers concluded that the share of both income and employment in these sectors is restricted largely to the urban areas, and that the rural workforce has not gained from labour market deepening in the IT and service sectors. Thus any benefits of the rapid economic growth in these more productive and high-income sectors have not benefited rural areas.

Vijay Mahajan described the history of rural financial systems in India, noting people's still-heavy dependence on money lenders in rural India. The elements of the system are supply, demand, intermediation and regulation, which emphasizes the need to make inclusion a goal within regulation and that finance is more than just credit – it is a range of services. Following support to credit provision during the Green Revolution, including the creation of the National Bank for Agriculture and Rural Development (NABARD) and directed credit programmes of the early 1990s, the share of credit provision to rural areas has since declined. The speaker argued for innovative use to technology to enable financial services to reach rural populations and innovation in delivery systems: for example, business correspondents put in place to give rural people an alternative to traditional money lenders. Business correspondents are allowed to conduct banking business, such as helping people to open bank accounts, get loans and undertake other banking business, as agents of the banks at places other than within the bank premises — especially in remote areas.

**Sajjad Zohir** offered an insight into the role of microfinance institutions in rural change in Bangladesh, and emphasized the importance of non-governmental organizations (NGOs) in serving the needs of the rural poor.

#### Discussion

The diverse contexts of the four countries offer differing perspectives of rural diversification – from Brazil, where new opportunities for agriculture-based enterprise is one key element to employment and economic diversification, to China, where despite the current and continued priority of agriculture as a source of occupation and employment, massive moves out of the sector have been seen in response to the creation of urban and industrial jobs. This raised specific questions on the need to debate 'the end state of rural development', as this will impact on where intervention choices are made. There was a call for the costs of the various options to be made transparent. This was noted in particular in the debate in the context of South Africa, where light manufacturing has to be highly subsidized to survive in rural areas.

All countries have public policies and interventions in place to foster jobs and employment for rural people, including specific rural employment schemes e.g. MGNREGA in India and the Community Work Programme in South Africa. The opportunities for shared learning were endorsed.

## 2.3 Agriculture and food

While the rural economies of the emerging countries have diversified and will continue to do so, agriculture and food production remains one of the most important rural economic activities. Under this theme, some 17 presentations were made to discuss the dynamics of change in the agri-food systems in the emerging economies, the role of small-scale and family farming, food security, market development and the role of technology. Two related working groups contributed to the debate on the future for small-scale farming and on risk management with a specific focus on agriculture.

#### Agriculture and agricultural policy

Jikun Huang presented on China's agriculture, its drivers of change and the implications for the rest of the world. The implications of China's rapid economic growth are that the country will provide more opportunities than challenges to the rest of the world, and overall the world will gain from China's economic expansion. As regards food and agriculture, China's economic growth under a more liberalized global economy will help countries with a comparative advantage in land-intensive agricultural products to expand their production and export selected agricultural products to the China market. Jikun Huang considered that China's economic growth will not affect the world's food security negatively. Income rises and migration of the nation's population from the countryside to the city have resulted in significant changes in consumption patterns, and these changes will continue as income growth and urbanization continue. China's experience shows that institutional innovation, technology change, market reform and infrastructural improvement are all critical to agricultural development and food security. Technology will be essential to maintain or improve food security under the rapid growth economy of the future.

An overview of agricultural growth in India during the last two decades was presented by *Ramesh Chand*, who raised concerns about low agricultural growth, especially after the 1990s. This low growth has serious implications for food and nutritional security, and increasing rural and urban income disparities. Recent evidence (2006–2007 and 2007–2008) suggested an improved agriculture growth rate, resulting from favourable policies during India's Eleventh Five Year Plan. However, in 2008–2009 the agriculture growth rate





dipped very significantly to one third of what was achieved in 2007–2008. In the absence of rapid technological improvements, farmers' incomes can be raised only by offering high prices for agricultural output. Yet past experience shows that keeping food prices at higher levels results in accumulation of stock and reduces food intake, causing an adverse effect on consumption and household food security. More work is required to balance the differing demands of bio-safety and food security in the India context.

Similar tensions were highlighted in a presentation by *Rajeswari S Raina*, who noted that the relationship between ecosystems and energy in India has been marked by industrial appropriation. By implication, agricultural productivity too has been industrially appropriated. Given the unsustainable threat to biological ecosystems, it was suggested that new norms for food security are necessary.

A historical and comparative study of agricultural reforms in India and China was presented by **Ashok Gulati**, who mapped the path of reform for each country. The importance of investment in infrastructure, agricultural research and development (noting the success of hybrid rice in China and Bt cotton in India) was emphasized in addition to price, trade and land market liberalization. It was noted that smallholders in China and India require innovative institutions such as a 'clustering approach' and support to linking farmers with processors and retailers. Water resource availability remains a key challenge in both countries.

Agriculture's role in the South African economy goes beyond pure economic considerations, with its importance rooted in its economic contribution, social impact, providing food security and nutrition and contributing to environmental sustainability. *Kjabi Emely Mogajane* explained that large-scale farming, with 40,000 farming units over 82 million hectares, represents 99 per cent of South Africa's marketed agriculture. The small-scale sector, with some 1.3 million farming households on 14 million hectares of agricultural land, is concentrated principally in the former homeland (Bantustan) areas of the country. Small-scale farmers face a plethora of production and market constraints. Thus the policy framework faces the challenge of addressing domestic imbalances and injustices, while at the same time maintaining local and global competiveness.

Speaking on behalf of the National African Farmers Union of South Africa, *Otto Mbangula* shared the experiences of black farmers in South Africa and their linkage to markets. He called for a commercialization programme in support of households in commonages and villages, for smallholders and emerging commercial farmers to be organized for commercial farming, and for the ownership and management of agribusinesses for value-addition processing and marketing of commodities.

Despite the challenges, the conference learned of smallholder agribusiness success in essential oils, small-scale aquaculture and new product development from indigenous plants. *Lucky Khumalo* felt that South Africa could become a leader in biotechnology and pharmaceuticals, based on the nation's indigenous resources and expanding knowledge base. South Africa has the third largest biodiversity in the world, and a wealth of indigenous knowledge that could support a bio-economy.

**Nelson Giordano Delgado** argued that the framework of democratic rural transformation should not be seen in isolation from the wider economy in Brazil. He described the evolution of 'two agricultures' during the 1980s and 1990s, namely agribusiness and family farming. In the continued democratic transformation of rural areas, one of the greatest obstacles comes from the political weight of agribusiness and the central role it plays in the strategy of specialization in the export of agricultural products as the predominant form of adjustment of Brazil's current account balance payments. Expansion in the production of biofuels and increased production for export will provoke pressure on land prices, and this will potentially disrupt internal production of food unless it is protected by government intervention. The speaker explored opportunities for the future democratic transformation of rural Brazil.

From the strategic perspective of economic integration and social inclusion, the launch of the Zero Hunger Programme (2002) was the basis of Federal Government of Brazil's plan for agriculture 2003–2006 and

subsequently updated for 2007–2010, explained *Adoniram Sanches Peraci*. This plan guided various innovative public policy initiatives responsible for the country's food security, inclusion of rural families in various economic processes of social mobility, political stability and constructive dialogue with the social forces in the sector, and the revitalization of rural life. The public policies include:

- rural credit to farmers (PRONAF),
- technical assistance and access to market support for family farmers,
- price (PGPA) and climate (SEAF) risk insurance mechanisms,
- a national programme of biodiesel in family agriculture (PNPB),
- second generation focus on technology and market linkages through PRONAF,
- the National School Nutrition Programme (PNAE), with 30 per cent of the resources for the purchase of products from family farming/rural family entrepreneurs or their organizations, and
- product identification from family farming giving visibility to companies and joint ventures of family farming (Seal Identification of Participation of Family Agriculture, SIPAF).

Future challenges remain to ensure coverage of Brazil's 4.4 million family farmers, to address new institutional arrangements and legal frameworks of the various policies in various ministries, and to support family farming for scale, including cooperatives and associations. *Darana Souza* presented findings from an impact assessment study of the Brazilian Food Acquisition Programme (see box 2.2).

#### Box 2.2 Lessons from a study of the Brazilian Food Acquisition Programme (PAA)

Emerging lessons from a study of the PAA show that the programme:

- offers an important commercial opportunity for beneficiary farmers,
- plays a significant role in improving their production and market capabilities, and
- provides beneficiary farmers with incentives and minimizes investment risks through predictable purchases at relatively good prices, but
- does not automatically further diversification of markets.

Complementary approaches should be considered to:

- further support farmers' production and organizational structures and processes,
- manage risks (interruptions and other events), and
- facilitate farmers' access to other market channels for long-term and profitable relationships.

Source: Darana Souza and Danuta Chmielewska

**Ganesh Thapa** presented a comprehensive overview of smallholder and family farming in the transforming economies of Asia and Latin America, outlining the challenges and opportunities currently faced. He concluded with the view that small and family farms have proved resilient over time and continue to contribute significantly to the gross value of production, food security and biodiversity. New challenges include integrating into modern agriculture, adapting to climate change, managing market volatility and other risks and vulnerability. There are also the challenges due to globalization and trade liberalization, including the inability to achieve economies of scale and ineffectiveness in dissemination of new technologies. Governments are responding to these challenges through land rental markets to address declining farm size in China, support to agricultural insurance in Brazil, and support to farmers' organizations in India and Latin America. The speaker felt that this unfinished agenda should include reorienting public expenditure away from subsidies



Members of the conference delegation from Brazil

and towards expenditures on public goods like agricultural research and rural roads (e.g. in India), supporting smallholders and family farms in less-favoured areas, policies to reduce rural–urban disparities (e.g. fiscal stimulus focusing on rural areas), and further reforms in land and land-use ownership (e.g. China).

**Susana Marquez** outlined the work of the *Reunion Especializada sobre Agricultura Familiar* (REAF) under MERCOSUR (a regional common market of Argentina, Brazil, Paraguay and Uruguay and a number of associated states) to promote and facilitate trade in the region's family farming products, and to strengthen public policies aimed at family farming in MERCOSUR. REAF has supported structural modifications to agriculture and trade policy in Argentina and Uruguay to implement differentiated policies for the benefit of family farming, and also supported regional initiatives for young rural people and initiatives on gender equality.

**Do Anh Tuan Nguyen** explained the agrarian reforms in Vietnam that have enabled the country's transition toward a market economy. Since 1998, these were implemented incrementally together with complementary instruments such as agricultural market liberalization and new economic incentives. Major steps included disentangling socialist producer cooperatives and assigning land use rights to its former members, developing and adapting a national legal framework (the Land Law) and enhancing tenure security through gender-balanced inheritable land certificates. In addition to promoting individualized rights, the reforms have contributed to accelerating the agricultural transformation process by encouraging perennial crop and agroforestry systems and allowing rural land rentals and land sales markets to re-emerge. Thus combined reform efforts sped up agricultural growth and industrialization, thereby enhancing food security, and combating hunger and rural poverty. Individualized rights, liberalized product and input markets, and a new entrepreneurial spirit resulted in intensified irrigated rice production, agricultural diversification and better food quality.

Despite achievements, challenges to consolidate the reforms in Vietnam still exist. These include addressing declining agricultural growth rates, an investment shortage for agricultural technology innovation, poor integration between agriculture and industry, imbalanced rural—urban incomes and increasing rural inequality, poor-quality rural infrastructure and the weak capacity of rural institutions. These challenges require comprehensive policies that will address the issues of agriculture, farmers and rural development together. The speaker noted that rural inhabitants should be the owners of such processes.

Sri Lanka's approach to regional development was outlined by **Anura Herath**, who highlighted the country's regional imbalance in economic growth and examined growth linkages between agriculture, industry and services in the economy. The government's policy on infrastructure development focuses on a regionally balanced investment regime, but the budget allocation for economic and social services has reduced from 7 per cent of GDP in 1990 to 3.8 per cent in 2008. Poorer provinces are disproportionately affected, with allocations dependent on the volume of revenue generation within the province. The focus on agriculture as an economic driver remains central, with growth in agriculture stimulating both the industrial and service sectors. Yet industrial growth depresses agricultural growth through labour movement from agriculture to industry, and a change in land use. The speaker felt services sector improvement to be a pre-requisite for stimulating agriculture growth, reducing rural poverty and regional imbalances.

#### **Food security**

The prospects and challenges for food security in India in the context of the National Food Security Act (NSFA) were presented by *Biraj Patnaik*. He showed that some 30 per cent of the population are below the desired minimim level of body mass, and in 2009, India was 65 out of 85 in the Global Hunger Index (with sigificant interstate variation). The speaker examined programmes on food security such as the National Rural Employment Guarantee Act (NREGA), Integrated Child Development Services (ICDS), the Mid-day Meals (MDM) scheme, the Public Distribution System (PDS) and various direct cash transfer programmes for the most vulnerable. He argued that these would not be enough to decrease malnutrition and ensure food security. The Right to Food case (Supreme Court hearings on the right to food have been held at regular intervals since April 2001<sup>2</sup>) and its role in influencing budgetary allocations and in policy development was presented. Biraj Patnaik went on to share key current debates on food security, including issues of estimation and identification of the poor, the debate on universalization versus targeting, cash transfer versus in-kind transfers, food and food plus (i.e. including water) affordability and the political dynamics that surround these debates in India.

**Renato Sergio Jamil Maluf** laid out the institutional and policy background of Food and Nutrition Security (FNS) in Brazil, noting its prevailing guiding principles: human rights to adequate and healthy food and food sovereignty. FNS is systemic, inter-sectoral and requires social participation in policymaking and implementation. It also requires space to allow contrasting views and to build agreement, and is decentralised within both state and municipal systems. In reviewing food security and rural dynamics in Brazil, there is a need to update the rural and agricultural agendas, embedding food sovereignty and a focus on rights, and strengthening the links between access to adequate and healthy food with consumption and family farming. There is also a need to address the multiple roles of family farming, i.e. multi-functionality and the coexistence of the two models of agriculture (agribusiness and family farming) with their associated the tensions, including differing social and environmental impacts.

**Emma Cademartori Siliprandi** highlighted the role of rural women in Brazil in terms of social mobilization, and the work of several movements engaged in food sovereignty and sustainable rural development. The movements have called for the cultivation of diverse types of crops, constituting the peasants' model of food production and the sustainable production of healthy food. They have confronted the model of monoculture, which is based on agricultural production on a large scale, and have denounced the hegemony of multinational companies with regard to their control over the form of production, international commercial agreements that do not favour family-based, sustainable agriculture practices, and public policies that are negligent of environmental issues. Future challenges require alliances between the urban and rural sectors to create a system of production and consumption that can guarantee food sovereignty and food security indistinctively.

2 See: http://www.righttofoodindia.org/index.html

#### Box 2.3 The rise of rural women's movements in Brazil

The first rural women's movements were consolidated in the 1980s, upon gaining recognition as rural women workers involved in family-based sustainable agricultural development. Women have since taken part in movements of men and women (mixed organizations) e.g. trade unions, movements for access to land, as well as rural women's movements.

In the 2000s, women reached a new level of organization and appeared publicly with political force – for example, through:

- 2000, 2003 and 2007: The March of the 'Margaridas' The National Commission of Rural Women Workers of the National Confederation of Rural Workers in Agriculture (CONTAG) and other organizations, with millions of participants, and
- 2006: public demonstrations by members of the Via Campesina movement on 8 March International Women's Day.

Despite the creation after 2003 of a series of public policies that recognize the rights of rural women and aim to diminish the inequalities existent in gender relations, rural women still face many forms of social inequality and injustice.

Source: Emma Cademartori Siliprandi

#### **Markets**

Octavio Damiani presented case studies from each of the Yunnan region (in the southern part of China) and from Petrolina Juazeiro (Brazil) where opportunities for small-scale producers were being derived from changing agricultural markets and market structure – one case explored a high-value product model and the other a contract farming model. In both cases, the role of the state in raising the capacity of small farmers has been important, including in its strengthening of small farmers' negotiation capacities and in contract enforcement. While global standards may exclude small-scale farmers from some specific markets, their adoption and/or the issues raised through them might bring associated positive social impacts. These might include for example the strengthening of small-scale farmer organizations, upskilling of the labour force, increased female participation in the workforce, and consumer pressure to improve working conditions, including the elimination of child labour.

The work of the African Agricultural Technology Foundation (AATF), Kenya, was described by **George Tonderai Marechera**, who offered many valuable examples of shared learning between China and sub-Saharan Africa on a range of technological innovations and business partnerships.

#### Discussion

Rich debates were held in each of the parallel sessions and in the working groups on rapid change in rural transformation and the smallholder agriculture sector and on risk and vulnerability management, which focused on the diverse risks that smallholders confront. Some of the emerging points are discussed below.

There was general agreement that the smallholder agriculture sector plays a significant role in ensuring biodiversity and food security, and that smallholders are active participants in the Green Revolution'. Their resilience amidst the various global crises is noteworthy. The relatively larger contribution to gross value of production by the smallholder sector, in spite of the comparatively lower proportion of land owned, is a common feature across many countries. Small-scale farms are seen as being energy efficient, while their intensive labour use includes women workers. The role and knowledge of smallholders in agricultural



Parallel working group sessions enabled detailed sharing of innovations and practice

adaptation in the context of, for example, adaptation to climate change through the maintenance of biodiversity, needs to be recognized and understood.

It was generally agreed that the debate on vulnerability and risk mitigation and management should be set within a deeper understanding of poverty and vulnerability, of local and global factors and a balance between intervention in support of risk mitigation and of adaptation. Further, risk needs to be explored at the household, region and country levels, given issues of, for example, climate change and the prevailing global financial crisis.

Amidst continuing challenges such as access to land, inputs, credit etc., the need to focus on more recent challenges was discussed. These include smallholder participation in modern markets such as supermarkets, ensuring economies of scale, managing market volatility and trade liberalization, and coping with environmental hazards and the implications of climate change.

#### Gaps and issues

It was acknowledged that indigenous knowledge systems are often excluded in policy frameworks in the context of India. In India, there is also the need to focus on rainfed and dryland agriculture, and to address soil-water and land-water management. Investment in irrigation and watershed programmes is also lacking but necessary.

It is important that there be a debate on the social imperatives when using technology for agriculture – issues around the acceptability of GMOs and genetic engineering (in this context, in Africa) need attention, for example. It was highlighted during the conference that in different countries of Africa there exist different frameworks addressing GMOs, with technologies adopted accordingly. Whether science is exclusive or inclusive in its impacts was also debated.

It was felt among participants that processes of agricultural production and distribution were increasingly being subject to industrial appropriation – for example, large-scale cereal monoculture, fertilizer subsidies etc., rather

than issuing subsidies to small-scale farmers, for instance, who are employing employment-intensive techniques which can increase productivity. Terms of trade were also found to favour industry rather than agriculture.

A debate was held on how to secure the right balance on mechanization for the agriculture sector and small-scale producers. Some felt that small farms can be productive by using agricultural machinery and services. China was quoted as using machines widely for wheat planting and harvesting – what lesson can be learned?

A key question remained – should agriculture be visualized as it currently exists for smallholders, with more inputs provided, or should countries move towards considering smallholder farming as more of a part-time activity?

#### Points for shared learning

Given the pace of urbanization and the growing takeover of arable land, what are the lessons to be learned from other countries that secure appropriate land planning? The case of Taiwan was noted as one country where relevant lessons on land use planning could be derived.

Success stories of interventions in the agriculture and food sectors, including assessment of the validity of outcomes and impacts and the collation of information relevant to their potential for replication and upscaling in other countries, could be more widely shared. The experiences shared during this session on agriculture and food were seen to launch such a process.

Collaboration between research institutions could be explored in order to tap innovations in, for example, genetic engineering, agricultural engineering and crop science. Rather than following the standards set by developed countries, it was felt that locally relevant research institutions need to be incentivized to draw up appropriate solutions to local issues and problems.

### 2.4 Environmental services and energy

As new demands are being placed on rural societies in emerging economies, the provision of environmental services and clean and renewable energy have become increasingly important. Many hopes for new rural development options are being placed on the continued growth of these service functions. Yet, there are also important questions being raised about the impact of these nascent industries on food provision and food prices, on trade through new non-trade tariffs, and/or on the trade-off between poverty reduction and environmental conservation objectives. Conference presentations in this regard addressed water and water resources and utilization, with an emphasis on India, rural energy and biofuels, national environmental policy, grassland management and services, and land reform and settlement.

India has emerged as one of the largest users of groundwater in the world. The comparative share of groundwater to surface water contribution to irrigated agriculture has been increasing steeply during the last three decades. *Himanshu Kulkarni* defined 'groundwater resource vulnerability' and showed the critical state of groundwater resources and of water quality in some states and locations. Strategic approaches to groundwater management, bearing in mind that groundwater is a 'common pool' resource, should consider equity, sustainability and efficiency in groundwater use. The author proposed and elaborated a 'typology' approach. The need to 'think differently' on the way forward to manage groundwater resources in India sustainably, particularly with regard to current and future groundwater-related challenges, was expressed.

On canal irrigation, *Tushaar Shah* noted that the socio-technical fundamentals in which canal irrigation in India thrived in a smallholder agrarian setting were present around 1900s, but are now mostly absent. The pervasive groundwater boom in agriculture during recent decades raises questions about the relevance of

traditional canal irrigation to farmers who want on-demand irrigation all year round. If groundwater demand and related energy consumption are to be reduced, a canal irrigation strategy and policy to meet today's requirements (including offering effective incentives and new public–private partnerships) is needed.

John Wilkinson provided a comprehensive overview of the status of the biofuels industry in Brazil, the interface with climate change mitigation and sustainability. It was noted that the innovative Brazilian Biodiesel Programme, aimed at the integration of family farming, has as not yet been able to overcome a range of structural problems. Brazil was active in the formulation of the Clean Development Mechanism (CDM), whereby the Annex 1 countries could gain carbon credits through investing in developing country carbon saving projects. Emissions reductions based on the prevention of deforestation (REDD) were included in the Bali Conference of the Parties in 2009. A methodology has been developed for the inclusion of biodiesel within the CDM, and although ethanol as such is not included, the co-production of bioelectricity has been a principal beneficiary of CDM projects in Brazil. The Brazilian sugarcane association (UNICA) is playing a central role in the adaptation of its ethanol production to the social, environmental and carbon criteria of international biofuels standards, with the aim of consolidating a global ethanol market and increasing access to international markets. It is also promoting the emergence of a voluntary market in Brazil for carbon credits, whose focus is the reduction of deforestation through the use of degraded lands, as these are seen to be the key to the sustainable advance of Brazil's agribusiness. However, there are many issues involved, and the biofuels sector remains vulnerable to social and environmental critiques and to the more fundamental opposition to a large-scale mono-cultural production system heavily dependent on fossil fuel inputs.

**Trevor Gordon** presented a comprehensive overview of environmental policy and the role of renewable energy in rural development in South Africa, describing the National Environmental Policy Framework, and the policies and measures for each climate change, waste, air quality, biodiversity and conservation, marine and coastal management, integrated water resources management, and land and agrarian reform. He emphasized the importance of rural energy as a driver of rural development, including the opportunity for green job creation, and presented a case study and lessons learned from a pilot to investigate the viability of Remote Area Power Supply through a hybrid mini-grid energy off-grid system in the Eastern Cape. The speaker noted the social, political and economic barriers to development of renewable energy sources in rural areas, adding that a range of other renewable energy technologies can be also introduced including gel fuel, solar cookers, bio-gas digesters and efficient wood stoves.

**Girish Sant** proposed that the promotion of biofuels, biomass-based power for renewable energy, be held back in India until contending issues are resolved, and that priority be given to access to modern energy services in rural areas. Additionally, focus should be given to improved resource utilization options such as energy efficiency, improved irrigation and agricultural methods, as well as water harvesting and conservation, as these offer higher greenhouse gas benefits and also benefit equity and rural transformation.

The status and challenges of China's industrialization and related policy for agricultural biomass energy were outlined by *Du Min*, together with some policy suggestions for the sector. The basis of biomass energy development in China is crops (non-food crops) and agricultural waste, manure, energy crops and forest biomass. The rural penetration of biogas is significant at some 30 per cent uptake, while non-grain ethanol production technology is relatively mature and is commercially produced and utilized. Cellulosic ethanol is in a developmental phase and requires technology development. If the full potential of biomass energy is to be realized, then further support to investment, financing, taxes, subsidies and market development, as well as more incentive-based policies, are required. Also important will be as the updating of laws and rules concerning the biomass energy industry.

Grassland ecosystem protection in China was also elaborated by **Song Hong Yuan** (see box 2.4).

# Box 2.4 Grassland ecosystem protection in China: an ecological compensation mechanism

China's grassland area of some 4 billion hectares, about 42 per cent of the country's total land area, is one of the world's largest terrestrial ecosystems. Further, it is important for pastoralist livelihoods. Since the 1980s, influenced by global climate change impacts, industrialization, urbanization, overgrazing and overexploitation, there has been rapid degradation of grassland ecology.

China has begun a series of grassland ecosystem protection and construction projects and measures to restore the prairie ecosystem. An ecological compensation mechanism has been the priority task. Elements of this mechanism were described by the speaker.

Source: Song Hong Yuan and Chen Jie

**Zhang Yunhua** reported how China's rural land reform system has gradually been established, with Chinese characteristics that are suited to national conditions. The main features of the recent reforms were outlined, including policies and laws which continue to strengthen the Household Responsibility System (HRS), a focus on enhancing farmers' land rights, the protection of farmers' land rights against readjustment and provisions on dispute resolution, and the documentation and registration of rural rights. While agricultural land reform in China has seen great achievements, there is still room for further improvement and reform. The current challenges were outlined and recommendations for action offered (see box 2.5).

### Box 2.5 Challenges and possible future actions for China's rural land system reform

Challenges and possible future actions include:

- Addressing ambiguities concerning the nature of collective ownership collectively owned land should be clearly defined as jointly owned by all members of the collective.
- Clarifying the duration of agricultural land use rights farmers should be given the integrity of the land as permanent property.
- Placing clear and unambiguous restrictions on land readjustments detailing special circumstances for land readjustments and/or prohibiting all readjustments of farmers' contracted land.
- Allowing mortgaging of arable land rights allowing mortgages on arable land will improve the value of rural land and encourage investment and transactions in land.
- Designing a uniform land contract and certificate currently designed by each province and/or at county level.
- Reforming unreasonable land requisition narrowing the scope for land expropriation by defining pubic interest clearly and making rural construction land marketable. Adjusting existing compensation approaches and practices to better suit farmers' rights.

Source: Zhang Yunhua

In addition to the China case, examples from South Africa and Brazil – with extremes of land inequality – were also shared. *Lungisile Ntsebeza* debated alterative scenarios for the role of land in securing agriculture-based livelihoods in South Africa. Up to 1994, hardly any case could be made for the role of land as an economic activity that the poor, including those residing in the rural areas of the former Bantustans and white-claimed commercial farms, could embark upon to improve their livelihoods. Since then, possibilities have been created to make use of land as a livelihood strategy to combat poverty, primarily in the rural areas of South Africa. The speaker noted, however, that land reform is not a panacea to the problem of unemployment resulting from the inability of the urban sector to absorb the country's rural labour force.

The inherent difficulties in the Brazilian agrarian reform process were reviewed, where the struggle for land has assumed a series of limits imposed by the successive victories of the sector linked to large-scale business production. The business sector has managed to protect the right to property, at the same time as it has given itself social legitimacy through its capacity to produce exports, fuel etc., imposing an image of itself as the real driver of 'progress' and 'development'. It has also sought to delimit the possible universe of agrarian reform, which has come to be seen more as a social compensation policy than as an important axis of development policy.

**Leonilde Servolo de Medeiros** presented the short-, medium- and long-term change processes brought about by the establishment of rural agrarian reform settlements in Brazil, and the impact on the lives of settlers in the regions where these are located. The speaker's studies show that obtaining land allows families to gain greater stability and improve revenue and living conditions. The experience further provides a starting point for new demands, propitiating the affirmation of new identities and interests, the appearance of forms of organization and the search for places where they can make themselves heard. In this way, settlements bring change on the local political scenario.

An experience of local-level planning was shared by *Tim Maake*, with a case study on comprehensive rural development in Greater Giyani, Mopani District Municipality, Limpopo Province, South Africa. This took place through a process coordinated by the Department of Rural Development and Land Reform within the Comprehensive Rural Development Programme in municipalities. Operating in a true spirit of intergovernmental coordination, the speaker described the process of community engagement, needs assessment and priority setting, with outcomes including broad-based agreement on investment in specific infrastructures and services.

#### Discussion

Discussion about policy processes that inform land reform set within the different historical and socio-economic contexts show that, although one model is not necessarily transferable, important lessons can still be shared. Real opportunities for shared learning exist at all levels – from policy to innovation in renewable energy technologies for remote rural areas. The participants felt that shared learning on socio-economy impact study methodologies in the context of rural settlement and land use change, would be useful. New funding mechanisms for ecosystems security and carbon credits could also be shared.

# 2.5 Urbanization and rural-urban linkages

Unprecedented rural—urban migration is taking place in many emerging economy countries. Rural areas are increasingly interlinked with town and cities. Sustainable rural development depends on how urbanization is managed, as well as the quality and strength of rural—urban linkages. The conference sought to understand the dynamics of demographic change, industrialization, skills change and migration in the key countries, and explored how rural areas may both benefit from linkages as well as minimize the negative effects of urban development on the rural poor.

### **Drivers of urbanization**

**Mauro Borges Lemos** explored two inter-twinned phenomena regarding urbanization of emerging economies, with reference to Brazil and Thailand: first, late industrialization and second the rural—urban linkages that undergo structural transformation along with industrialization. In the beginning, differences in labour productivity levels between agriculture and manufacturing accelerated capital accumulation and spurred

national economic growth. Then, as agriculture started its large-scale process of modernization, this dynamic functionality tended to fade. In this regard, Brazil experienced rapid modernization and land concentration, resulting in premature urbanization – especially in comparison with emerging Asian economies such as Thailand. In the Brazilian context *Reginaldo Carmello Corrêa de Moraes* considered this industrialization and urbanization to be incomplete, with several weaknesses. It is concentrated in the southwest, and its decision-making centres and technical innovation are located outside Brazil. The process is also marked by growth with social exclusion and concentration of income. The speaker showed the perverse results of this process on rural–urban linkages, and reflected on ways to change them. Beyond the necessary policies of family farm development, the speakers emphasized the need to strengthen the political agents of change.

**Arilson da Silva Favareto** provided a detailed assessment of demographic dynamics across the different territories of Brazil, noting heterogeneity of demographic flows, the declining participation of agriculture in income generation and employment, and that poverty and inequality reduction are more pronounced in rural regions. However, there is no general trend due to territorial asymmetries. In the recent past, there has been enhanced decentralization of economic activity and more balanced access to social services.

**Wang Dewen** discussed changes in sources of rural income growth in China, and the implications of the Lewisian turning point to improve income distribution – i.e. at the early stage there being unlimited supplies of labour from the subsistence economy allowing the secondary sector to expand without the need to raise wages, and then industrial wages rising at the point when surplus rural labour tapers off. The issue of a rural–urban income gap can be fundamentally solved by establishing a long-term mechanism of income growth. This depends on whether the reform of factor markets (including land, labour and capital) can be accelerated through the promotion of urbanization and industrialization, and the development of highly efficient modern agriculture.

Exploring the integration of urban and rural areas in Chengdu since 2003, *Chen Jiaze* discussed the impacts of rural labour migration, economic diversity and rural land property rights reform on the growth of wage income, property income and income of household operation in rural families. Some creative measures were put in place to solve the problems of the dual economic structure between urban and rural areas, to construct new relations between urban and rural areas, and to promote impartial growth and sustainable development. These measures involved reducing the proportion of population on the land and 'squeezing out' the rural surplus labour, extending the industry chain, developing high value-added agriculture, clarifying land property in rural areas and increasing the property incomes of peasants.

Amitabh Kundu explained that the process of urbanization in India has continued to be top heavy or large-city oriented. Given the new dynamics of urban industrial development associated with the strategy of globalization, small and medium towns located away from the 'emerging global centres of growth', particularly those in backward regions, have failed to attract private investment. A decline in central or state assistance has made it extremely difficult for towns, particularly those in less developed states, to invest for improving infrastructure and basic services. All these factors have led to accentuation of inequity in the provision of basic services across the states and size categories of urban centres. Furthermore, the urbanization process in India is concentrated in developed states and regions that attract national as well as global investment.

### Regional development

**Yusuf Patel** emphasized how rural and urban areas are interdependent, and reinforcing this interdependence is a prerequisite for a more dynamic and creative national economy. He highlighted the concentrated growth pattern in South Africa. Most economic activity (88 per cent), involving the majority of the population (71 per cent), is concentrated on a small part of the country's surface area (7 per cent). While

the question of spatial justice is critical in addressing structural unemployment and inequality in South Africa, the move towards prioritizing rural development shows how rural development will have to occur within a broader spatial strategy that unlocks creative regional economies. Such a strategy has to be shaped through mutually reinforcing processes of national prioritization and local endogenous development. The facilitation role of national government has to be more direct in the South African context, where there are still large infrastructure and capital investment backlogs. Such intervention must seek to reinforce rural—urban linkages and serve to enhance the overall performance and efficiency of the national economy that serves the needs of communities.

KwaZulu-Natal, geographically one of the smallest provinces, accommodates the second largest population of the nine provinces in South Africa, with more than 50 per cent of this population living in impoverished rural areas. The KwaZulu-Natal government set specific development targets and adopted a Provincial Spatial Economic Development Strategy (PSEDS) to achieve these targets. This strategy is focused on strengthening urban and rural linkages through the identification of priority nodes and corridors to guide and focus government's social and economic development programmes. It serves to illustrate the potential to strengthen urban and rural linkages, which stands to benefit both urban and rural development objectives, said *Frikkie Brooks*. While acknowledging that this is not a rural development strategy per se, and that it has an economic bias that still has to be balanced by a similar social strategy, it is irrefutable that it stands to change the future settlement patterns of the province in a significant way. This strategy promotes a notion that the future of rural areas is largely determined by urban processes and visa versa.

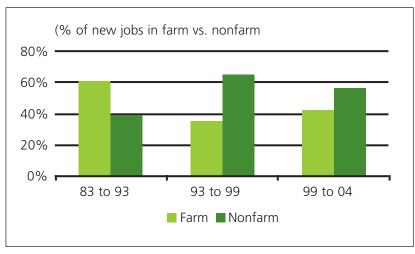
The experience of the Government of India-supported Special Economic Zones (SEZs) in the Hyderabad Metropolitan Region of India was outlined by *Benjene S Kothari*, who raised questions about the socioeconomic implications of the resulting ongoing spatial transformation processes on the rural hinterland. Rescaling large urban agglomerations into city regions provides a context for interpreting strategies within the perspective of establishing a 'rural-urban continuum', through new policy reforms promoting industrial and allied service activities in rural areas that transform the entire rural economy. Yet a micro-analysis paints a different and challenging picture. Though comparatively successful in promoting the competitive advantages of Hyderabad as a promising destination in the global investment regime, the top-down decision-making procedure has excluded local actors from the development process. This has given rise to an emerging pattern of 'state-sponsored' rural urbanization, which depicts a rural-urban spatial continuum with a disregard to its social consequences with regard to land acquisition, agrarian distress, food security, livelihoods and environmental issues.

### Jobs and small towns

**Peter Lanjouw** and **Rinku Murgai** discussed the pre-reform period (pre-1991) in India, where rural growth drove rural poverty reduction and urban growth had no evident impact on rural or overall poverty. Striking changes in the drivers of poverty reduction were seen post-reform, with a stronger linkage from urban growth to rural and therefore to overall poverty reduction. Since the 1990s, agriculture has lagged behind other sectors, but poverty reduction continued. The rural non-farm sector (RNFS) is the source of most new rural jobs. The sector is intensive, including unskilled labour in trade, construction and the informal manufacturing sectors. However, there is a trend toward casualization, with about half of RNFS jobs being self-employed, while the share of casual employment has risen. Growth in the formal sector is mainly at the lower end of wage distribution.

There is also gender inequality, whereby mainly young men secure jobs, with the poor, uneducated and socially disadvantaged more likely to get casual than regular employment. However, there are still direct impacts on rural poverty, as even poorly paid RNFS jobs pay more than agricultural wages, and indirect

Figure 2.1 The rural non-farm sector (RNFS) is the source of most new rural jobs in India



Source: Peter Lanjouw and Rinku Murgai

impacts in terms of upward pressure on agricultural wage rates. The RNFS is closely connected to the urban sector, with this connection particularly strong in small towns.

Similarly, town development is seen as key to improve urban–rural linkages in China. *He Yupeng* discussed town development, noting that the number of towns in China has decreased while their size has increased. Town development contributes to urbanization, job generation, fosters labour mobility, enables food security and contributes to public service delivery

in rural areas. However, there are some challenges to town development, namely weak fiscal capacity impacting on the quality and availability of public service delivery, insufficient investment in infrastructure limiting industry investment, and incomplete government functions weakening the management capacity of public affairs. Policy recommendations include a call for increased autonomy, so that towns can compete with cities equally, and support for innovative planning and an accompanying increase in investment in priority programmes.

### Discussion

The pace of rural migration, the nature and type of industrialization and urban development varies across the four key countries. It was noted that rural transformation and rural development policy and strategy cannot be seen outside of the context of industrialization and urbanization and regional development policies and investments. The importance of town development as a driver for the rural non-farm economy and thus rural employment was noted. However, investment in rural regions with limited economic advantages may need to be challenged.

Detailed studies of territorial economic growth, poverty and inequality, combined with demographics of rural, semi-urban and urban population trends and sectoral economic activity – such as those undertaken in Brazil – were seen to be valuable evidenced-based analysis that can inform policy. The delegates noted that the environmental impacts of urbanization, industrialization and rural development had not been fully addressed and debated, and this was a gap.

# 2.6 Governance, policy and institutions

What changes take place or fail to do so, why do they occur in certain places and not in others, the distribution of the opportunities, benefits and costs of the transformation, and the effectiveness of policy attempts to deal with the consequences of change, are all dependent to a large extent on the nature and quality of governance systems, policy processes and formal and informal rural institutions. Recommendations related to the previous five themes can be reduced to naïve and technocratic illusions if they are not accompanied by an understanding of governance, policy and institutional issues. This theme includes specific

reference to the challenges of policy coordination across different policy sectors and agencies, as well as between different levels of government (national, provincial, local). Last, but certainly not least, questions about forms of rural development support programmes, participation and real stakeholder engagement, and social control and accountability are important topics in this theme.

Brazil's Territorial Development Policy presents a window of opportunity for institutional innovations and mechanisms of participatory governance. *Sérgio Pereira Leite* explained 'territory' as a privileged spatial and socio-economic locus to implement decentralization processes in governmental activities and in the relations between state and society, noting that 'rural' cannot be reduced to 'agricultural', and that the municipal scale is too restrictive while the state scale is excessively broad. Territory represents proximity between people, groups and institutions. Public policies for rural development in Brazil have adopted a territorial approach, fostering integration between the countryside and towns, building identity and enabling social cohesion, working at multiple levels of social management, and with new autonomous and empowered territorial councils.

José Humberto Oliveira further elaborated Brazil's Citizenship Territories Programme, which seeks to build new institutions that are capable of legitimizing the demands of the various rural social segments working across 22 ministries and with the wide range of stakeholders including federal, state and local governments, trade unions, social movements, NGOs, producer cooperatives and universities. It seeks to include the poorest people in the productive process, to strengthen social organizations and encourage political participation of various actors, as a way to enhance participatory democracy.

**Busisiwe Mdaka** provided a comprehensive overview of governance policies and programmes, promoting public participation at local government level in South Africa and its impact on rural development. The realities of the system of government, consisting of three spheres of government and the related powers and functions allocated to each sphere, demand that rural development specialists take into consideration the principles of cooperative governance and intergovernmental relations in doing their business, using both technical and political intergovernmental forums. This is further complicated by the concurrent responsibilities that are shared between spheres of government. The speaker concluded that government driving service delivery and community participation will at times stifle community initiatives, making them dependent on government handouts and solutions and weakening quality participation. The necessity of democratic institutions was emphasized, with the speaker noting that poverty is not just a lack resources, but implies powerlessness or inability to exert influence upon forces that shape one's livelihood. Participation allows people to realize their full potential and make their best contribution, and this should at times be an end in itself. Lessons from the process of establishing Thusong Service Centres show that personal fulfilment is an integral part of development (see box 2.6).

# **Box 2.6 Thusong Service Centres, South Africa**

Initially known as Multipurpose Community Centres, Thusong Service Centres are a 'one-stop' government services centre providing services and information within a two-kilometre radius of each other in an integrated manner and close to where people live. Primarily, the focus is on rural and underserviced communities, looking to address historical factors limiting access to government services and information. The centres:

- emphasize development communication, i.e. face-to-face communication, using language that people understand based on their needs, and
- inform people how they can participate in their own development and how and where they can access their rights.

Source: Busisiwe Mdaka

Julio Berdequé offered a comprehensive overview of Rural Territorial Dynamics in Latin America, and the search for what can drive the elusive 'win-win' (improvements over time in per capita income or consumption, in poverty rates and in income distribution) in rural areas. The Latin American region encompasses 20 Spanish and Portuguese-speaking countries with a total population of 576 million people. In the past decade, the regional GDP has grown at an annual average of 4.3 per cent, three times higher than in the 1990–1999 period; the regional annual per capita income in 2008 stood at USD4,920. Such growth, combined with public policy, brought down the poverty rate to 33 per cent in 2008, from 41 per cent in 1980. However, income remains highly concentrated, with a world record Gini coefficient of 0.49, which has not changed since the 1970s. These regional averages



Dr Julio Berdegué, Director, Rimisp, Chile and Chairman of the International Steering Committee

also mask the large differences between countries. Yet even an understanding of national differences is insufficient; rather, there is a need to study the heterogeneity that prevails at the sub-national level to understand rural transformation and its drivers. The speaker outlined the work of a major evidence-based policy research effort now underway in Latin America. An early question to be answered is what is the role of social actors and social coalitions in shaping localized institutional frameworks that, by affecting the access to and the use and productivity of assets in the territory, are contributing to determining the development outcome of a given territory. Once understood, public action (including but not limited to public policy) to affect rural territorial development patterns in the direction of the elusive win-win-win can be explored.

### Social transfers and new business models

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) offers a new chapter in decentralization and rural development of government institutions, specifically the Panchayati Raj Institutions (PRIs). The principal implementing agency is the Gram Panchayat, providing employment on demand. The MGNREGA, the largest public employment guarantee scheme in the world, offers a bottom-up architecture with radical provisions for people-centred planning, implementation, social audit and possibilities of creating durable assets in priority activities leading to sustainable livelihoods. The key achievements of the scheme are presented in the box 2.7.

However, since its launch in 2006, the MGNREGA scheme has fallen short of its potential due to inadequate support structures at the grassroots level, reports *Pramathesh Ambasta*. To address these challenges, the strengthening of monitoring and evaluation systems, better deployment of human resources and their development, innovation in information technology, putting in place systems for grievance redress, and the setting up of a National Authority for MGNREGA to anchor and support implementation, are proposed. While such support is a necessary condition, Pramathesh Ambasta considered that rural development and the empowerment of the poor cannot happen through techno-managerial provisioning alone, but needs grassroots mobilization with civil society playing a mainstreamed role.

**Rabeng Tshukudu** described direct and indirect employment through public–private partnerships in tourism in rural areas in Mpumalanga, South Africa. The case of the establishment of Matsamo Cultural Park was set

### Box 2.7 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

MGNREGA's achievements to date include:

- being the largest employment guarantee programme in the world,
- that budgetary allocation has risen from USD2.42 billion in 2006–2007 to USD8.59 billion in 2010–2011,
- cumulative expenditure since the launch in 2006–2007 is USD14.49 billion (as of September 2009),
- cumulative employment generated is 5.78 billion person days,
- the share of Scheduled Castes/Scheduled Tribes (SC/ST) families in the work provided under the MGNREGA is 51 per cent and 56 per cent respectively,
- nearly 41.5 per cent of workers are women,
- that financial inclusion has enabled 80 million bank or post office accounts to be opened, and
- 850,000 differently-abled persons (persons with disabilities) are registered as workers.

Exchange rate used: 46.7INR=1USD

Source: Pramathesh Ambasta

within the Government of South Africa's poverty reduction programme and the establishment of Rural Development Nodes. Within the identified nodal areas, the government led on infrastructure investment and public–private partnerships were fostered, bringing funding and establishing equity models that promote the community in the long term. The Matsamo Cultural Park initiative employs 80 people from the local community, and all employees are shareholders. Skills have been developed in marketing, tour guiding and catering, and linkages have been established to local businesses.

# Innovations in delivery of public services

**N C Saxena** explored the disconnect between India's positive economic growth and poor performance on key social indicators. Factors contributing to poor performance on delivery of public services include lack of political and administrative accountability at the level of local institutions (Panchayati), inflated reporting and absence of performance appraisal (field reports are not verified, quality is not measured), high absenteeism, distorted incentives, stagnant agricultural production, fiscal bankruptcy of the states with under-investment, changing centre–state fiscal relations (where the centre does not control staff and states do not control either funds or the nature of scheme), and poor information management with multiple centrally sponsored schemes to monitor. The speaker called for government to:

- increase budget allocations for social sectors,
- simplify administrative and financial procedures,
- measure progress on social indicators by district, linking devolution with achievement,
- evolve fair and transparent personnel policies in recruitment, postings and promotions,
- address civil service reforms, including tenure and incentives for performance,
- improve downwards and sideways accountability,
- strengthen Panchayati structures, giving them more responsibility, and
- use e-governance to reduce political discretion.

**Zhao Shukai** detailed the transition of Township Governance, noting that the China's rural economy and society have made historic progress. The new policies, such as the cancellation of agricultural tax and the shift of state macro policies toward coordinated urban–rural development and construction of a new socialist countryside, require a structure and mode of rural governance in China to change from the original 'suction type' to 'service type'. In the course of the change, rural governance is faced with multiple challenges, including a serious short supply of rural public goods, delays in transforming the functions of township governments and increasing instability factors in rural society. The government has set targets for the reform of rural governance. Local governments will now take forward new modes of rural governance through democracy reform, changes in government functions and a reinforced role for socialized service organizations.

*Liu YiQiang* explained that China's Village Autonomy is not only a special system for rural governance, but provides for the inalienable rights of villagers legally endorsed by the state. To deepen democracy and avoid villagers' autonomous rights been illegally captured, the state should create effective mechanisms to safeguard the democratic rights of villagers, and provide an institutional platform for villagers' autonomous activities. Further, there is a need to reconstruct the rural community in the direction of democratization, and develop the democratic capacity of rural society. Thus, Village Autonomy requires transformation from organizational renewal to guarantees for political rights and from rural reconstruction to community reconstruction.

Work in Chimanimani and Bulilima districts in Zimbabwe serves to illustrate innovative approaches to rebuilding local governance structures, explained *Mabel Munyuki-Hungwe*. It was seen to be critical for communities to have confidence in their own ways of doing things, rather than adopting an unfamiliar external culture. Culture is valued by communities as a basis for development, and this includes securing the role of traditional leaders. Through the work of local village facilitators/agents for change, communities learn to engage in dialogue with various players. This helps especially during pre- and post-elections to minimize violence, use accepted governance structures for development, to question issues and programmes brought in by rural district councils, parliamentarians and other players, and to realize that government cannot do everything. Change must begin and end with the communities themselves.

Community empowerment was also seen as a key driver for rural transformation in the United Kingdom. *Richard Wakeford* considered that national and local government have become more remote, and that Parish councils have started to fill the local gap in England as a basis for local community development. Similar experiences were seen in Scotland and across Europe, especially in the context of understanding and addressing issues of climate change, through partnership support under the European Union Community Initiative for Assisting Rural Development (LEADER) programme. He felt that local community action was needed to address the global agenda as well as local services, and noted the special role of rural communities in producing the essentials of life for urban areas.

#### Discussion

A rich debate took place in all sessions. In addition to points of clarification, key concerns related to how to secure effective local governance and effective outcomes. In the case of India, given that it seems to enjoy greater democracy than China, why is China doing much better on social indicators? One reason seems to relate to widespread corruption in India, whereby elected officials do not always look after the interests of the people and there is often 'local elite capture'. While it is possible to get impartial monitors, this is difficult to apply on a larger scale. New models, including those being developed for the education system, could be evaluated. Both statistical and social audits are important, but again information from the field is often unreliable.



One of the parallel working group sessions

In the case of China, there was interest in how village councils come into existence. It was noted that these are largely a result of 'bottom-up democracy'. Village-level autonomy is ensured financially by making sure that each village council has adequate finances to support operational costs, including salaries.

The debate endorsed the interest in and opportunities for more specific continued lesson learning and sharing between countries on all aspects of governance, policies and institutions.

# 2.7 Working group on benchmarking of rural change: monitoring, evaluation and learning

A working group explored how countries can use evidence better to inform planning and implementation of rural development, to track rural transformation, and learn from and incorporate experience from others for the promotion of rural change. Some of the challenges faced include:

- · the weak relationship between outlays and outcomes,
- weak accountability of the results of policies, including impacts on different socio-economic groups due to a lack of, or inappropriate, evaluation,
- lack of a suitable framework to integrate social, economic and environmental indicators, and
- weak rural 'proofing' of national policies.

Concern was also expressed that monitoring indicators can distort investment, and that indicators should be relevant to the state of development and adjust over time – i.e. from food security to economic development. The governance of policies and the means to measure the governance were seen as being of as much importance as the measurement of a given policy outcome.

There was a call for deeper evidence-based analyses of intended rural outcomes, underpinned by, for example, a theory of change – this will inform the qualitative and quantitative indicators and ensure that they are purposeful. At the same time, evaluation, including impact evaluation, should be disaggregated and both formative and summative.

There was an expressed need to learn from what has worked, but to be cautious on cross-country benchmarking per se. Millennium Development Goals (MDGs) indicators offer some comparable data that is being collected nationally and locally. The next phase of the MDGs will give greater emphasis on place-based information and analysis – this was welcomed. In addition to the MDGs, there are national indicators and outputs that are being monitored and measured, and these were seen to differ by country. While there may be some common indicators, one size does not fit all. Indicators should be locally owned and relevant and may include, for example, equality, trust, agricultural wage rates, welfare, income and consumption, and morality. Indicators may be qualitative and quantitative. Also important is the relative powerlessness of the poor and how they go about getting their voice heard in the process of participation. The group emphasized the need for indicators to be owned by the people themselves.

Opportunities for shared learning were highlighted and include:

- the use of rapid evidence assessments (REAs) now being tested in South Africa,
- shared learning with China (and a South East Asia regional network) on results based management,
- how monitoring and evaluation feed into government policy and link with planning, including for continuous learning, and
- the best approaches to address the gap between outlays and outcomes, including sharing experiences on the use of different service-related indicators.

It was noted that any lesson learning or sharing in development practice needs to be underpinned by a common understanding of the different measures/indicators and contexts.

# Section 3: Way forward – lesson learning, gaps and opportunities

The final plenary session chaired by Abhijit Sen, Planning Commission of the Government of India, enabled key representatives to reflect on the findings of the conference, identify lessons learned and key gaps, and provide comments on the way forward.



Thomas Elhaut, IFAD, reflects on ways to address future opportunities

**Thomas Elhaut**, International Fund for Agricultural Development (IFAD), felt there were three key lessons. First, that there are significant differences between countries and a different relationship between countries in terms of their responses to growth, equity and poverty reduction, and the modalities with which these are addressed. In common is that each has made broad progress in rural areas and in agriculture and food production, and each plays a major role on global food markets and in the restarting of the global economy. While deep and rapid transformation in emerging economies as a whole is taking place, stubborn issues persist. The rural sector remains important, not least – quoting Minister Cassel – for the increasingly important issues of food, energy and environmental security. These issues are anchored in the rural sector, making rural matters central to

national and global transformation. The second lesson is on the dynamics, i.e. that change can often be rapid and there are winners and losers. Policymaking is difficult in such a dynamic and volatile environment, and needs to be more open. Poor people can and have to adapt. Third, there is much scope for innovation – the four key countries have the institutional capacity to share with others. This will require a structured knowledge management and transfer mechanism to enable effective dissemination and upscaling on policies and interventions that work and can be replicated and scaled-up.

Thomas Elhaut also raised a number of pending issues, beginning with the need to explore a 'new rurality', and within that the role of agriculture. Policymakers in different contexts are currently prioritizing the sectors of manufacturing and services; if that is the future direction, where will be the support for the primary sector? What we are learning from this conference is that now may be the time to bring agriculture back into the centre of the growth debate. That said, the role of the rural non-farm economy remains a major source of rural employment. Migration is a reality, and as such requires better management than is currently the case in many countries. Finally, there needs to be a review of welfare efforts, including the role of social safety nets and how they interact with other investments – the trade-offs and policy choices.

Major gaps remain and these include: how to manage policy and investment in a climate of volatility and uncertainty; and how to bring in and strengthen the role of the private sector as major players and partners in rural transformation?

It was noted that this conference had endorsed opportunities for South–South cooperation, the 'fusion of horizons' and of learning together. In addition, Thomas Elhaut observed that the conference had shown the leadership of the four key countries, and now there is a need to develop systematic follow through beyond

the welcome current bilateral and sub-regional efforts. He felt these should not just be events-driven, but with concrete actions aiming to make incremental progress. He confirmed IFAD's readiness to support a country-driven process.

Jikun Huang, Center for Chinese Agricultural Policy, endorsed the opportunities for linkages, stating that through countries' own efforts and shared learning this will contribute to global and national food security. 'Learning by doing' is seen as important to rural transformation and change, in particular at the grassroots level. The importance of culture is at the heart of change.

All countries are – and need to continue – modernizing agriculture, and the link with off-farm migration and employment should be seen as an important part of the equation. In the context of securing growth, equity and poverty reduction, Jikun Huang felt that an important addition is the environment, which should not be considered separately. A challenge remains as to how to develop local government and which policies really matter at local level.



Jikun Huang, Center for Chinese Agricultural Policy, China, identifies some of the future challenges and options on the way forward

Jikun Huang listed the 'i's that matter to rural transformation, namely institutions, incentives, infrastructure, investment, income and innovation. In terms of the latter, innovation is currently too slow and 'leapfrogging' of technology should be aggressively fostered. He also feels that there has to be a sequencing of reforms, that countries cannot address these all at the same time. However, such sequencing has consequences. The speaker believes there is still uncertainty with regard to small-scale producers and whether they will be put out of business in the future. Whatever happens, there is an urgent need for more technology and innovation, and maybe for such producers to operate on a larger scale and become better linked to markets.

On key questions and gaps, Jikun Huang believes that overall there is a lack of political will to address the extent of the rural transformation challenge and a need for a better understanding of decision-making processes.

In terms of a way forward, he considered that this first conference was correct to cover all aspects of rural transformation, but in future there would need to be more focus, with perhaps each country identifying one or two themes as priorities. Finally, as a concept scaling-up of successful cases is a good idea in principle, but the extent to which cases can be scaled-up within countries and between countries, and what is required to make this happen, needs to be carefully explored.

**Yusuf Patel**, Department of Cooperative Governance and Traditional Affairs, South Africa, noted that each country has its own stage and phase of development, in particular as concerns the processes of urbanization, and that the sequencing of policy interventions and investment is important. By 2030, 70 per cent of the world's population will be urbanized: the implications of this to rural areas need to be understood and managed. He emphasized the need to place rural transformation in the four countries within the global context, noting that these countries are no longer in the shadows. Rather, they are shaping the new humanity and the future, and with this come new responsibilities.

Yusuf Patel emphasized the role of physical and spatial (including regional) planning, and the need for coherence between rural and urban policy and planning, including in small towns. Key dilemmas presented include:

- What is or should be the nature and scale of public investment in the rural sector given the (anticipated) out-migration, and how can supportive policies be put in place?
- How can we balance investment to rural diversification with the continued importance of agriculture?
- What about water use planning for rural and urban areas?
- How is it possible to secure coherence of sectoral policies? and
- What is the role of middle-income and developing countries in global food markets?

With regard to the conference itself, he would have welcomed greater representation from civil society and more debate on rural services provision. Areas for lessons sharing are many and include:

- understanding policies that enable migration in the best interests of all, including access to information, transport and services, and
- mechanisms for subsidies, including community development grants and the setting up of marketing cooperatives which are inclusive of small-scale producers.

**Renato Sergio Jamil Maluf** felt that not all 'success stories' had good social and environmental outcomes, and that there was a need for a more systematic view to search for systematic responses to system-wide challenges. He expressed his real concern on the duality of the agri-food sector, in particular in Brazil but also in some other emerging economy countries. Such dualities are threatening the rights of family farmers and the right to food. There needs to be effective regulation, and mechanisms for conflict mitigation and resolution that secure small-scale farmers' rights within the environment of dual systems. He felt that the role of rural families as producers, socio-cultural heirs and managers of the territory should be seen and held in its rightful place.

On food and agriculture and given the sets of issues surrounding food sovereignty and security, Renato Sergio Jamil Maluf believes the world food system to be at stake and that there needs to be new and improved international governance. Such governance should be multi-stakeholder, including social participation to address in a coherent manner: agricultural markets, trade and trade regulation, consumption patterns and biodiversity. Production models are also necessary to link with related consumption patterns, and these require the views of both the small-scale producer and the consumer.

For large countries and emerging countries, the cooperation that exists between them is not adequate for the rural sector. It is important to discuss and understand the terms under which such discussion takes place. Being large countries, we have responsibilities both nationally and globally, and we need to understand the impacts of action both regionally and extra-regionally. The speaker felt that there needs to be opportunities to highlight and share conflicting views and work towards an agreement, as well as work in areas of consensus.

**B K Sinha**, Secretary, Rural Development, India, endorsed many of the points raised and described work in India in rural development, highlighting the planned National Rural Livelihood Mission.

*Han Jun*, Director General, Development Research Centre of the State Council, China, noted that the four countries share common goals: poverty reduction, farmer welfare and social development, climate change and impact on small-scale producers, and managing food price fluctuations. In terms of policy focus, the countries have much in common – concentrating on agriculture and tackling rural non-farm employment. All this needs political will and awareness about the key role of agriculture and rural development in overall national development. He felt there was, in particular, a necessity for more discussion on rural

innovation, including intellectual property rights (IPR) and GMOs.

Since 2003, the Government of China has recognized farmers, rural development and agriculture as being three critical areas in China's development. Political commitment to agriculture and rural development is strong, as seen in the yearly statement of central government. China hopes to be able to contribute to a sharing of understanding between emerging economy countries, and invited all the countries for further discussion in China. This was warmly welcomed by the conference delegates.

**Thozi Gwanya**, Director General, Department for Rural Development and Land Reform, South Africa, endorsed the points raised, noting the importance of placing rural communities at the centre of the debate and supporting the building of the organs and structures of rural society. He noted also the issues of



The final plenary session was chaired by Abhijit Sen, Member, Planning Commission, Government of India

food and bio-safety, and the role of indigenous knowledge – including that which informs people's choices.

In considering the way forward, **Abhijit Sen**, Planning Commission of the Government of India, felt one area to be addressed was that of lobbying and advocacy for agriculture and the rural sector with world leaders. Given the scale of the natural resources held in rural regions and the rural populations of the four countries, they could work together to inform leaders in the context of, for example, the G20 processes. He believes that together the emerging economy countries have a global responsibility to inform the debate.

Minister *Gugile Nkwinti*, Department of Rural Development and Land Reform, South Africa, expressed the view that given the transversal nature of rural development and the discussions held during the three days of the conference, there was also a need to bring in other developing and emerging economy countries at the right time. The minister proposed that a ministerial committee of the four countries should review the conference report, and consider follow-up actions – including how to engage with others to bring emerging and developing countries out of the shadow of the developed world.

Abhijit Sen welcomed all the comments in the final session, and felt that the contributions from the conference and the final session commentary would form the basis of the conference declaration. The Conference Statement, prepared by representatives from the four country delegations, was presented and approved. *C H Hanumantha Rao*, former member of the Planning Commission of the Government of India, was the Chief Guest at the closing session and provided the closing remarks.



# Conference Statement: New Delhi Declaration on the Rural Transformation of Emerging Economies

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, our hope for ultimate success is based on the 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.

### The agenda

The rural transformation that we envision is about human development, as opposed to simply the development of assets. For this type of transformation to occur, we have identified an agenda based on three pillars:

- · Heavy investments are needed for inclusive, sustainable and diversified rural development to occur
- The need for the right governance systems, institutions and policy processes
- Improving the efficiency and effectiveness of public policy and programmes

- A. The core of the rural transformation agenda is defined by the following major imperatives:
- 1. Reducing poverty and inequalities, not only those inherited from past policy decisions and social structures, but also the new poverties, gaps and inequalities being created each day by the process of rapid change itself.
- 2. Ensuring food security, accelerating agricultural development, and securing a relevant role of and opportunities for small-scale producers and family farmers in national and global value chains.
- 3. Creating more and better jobs and economic self-sufficiency in rural areas, including in small towns and intermediate cities. 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.
- 4. 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.
- 5. Stimulating the growth of rural towns and intermediate cities and strengthening the links between them and their rural hinterlands.
- 6. Managing the complex and sensitive issue of rural-urban migration.
- 7. Securing universal access by rural populations to basic public services including education, health, housing, fresh water, electricity, transport and communications, with improving quality standards.
- 8. Developing land reform and land tenure systems that balance objectives of social equity, economic growth and environmental sustainability, and that can evolve rapidly as many young and better-educated people join new non-farm rural jobs or emigrate out of rural areas.
- 9. Securing widespread access to efficient and sustainable financial services and capital, without which the benefits of the rural transformation cannot be realized in full. 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.
- 10. Promoting innovation, research and development focused on the needs of rural people and rural producers and firms, and making much better use of the opportunities offered by the ICT revolution.
- 11. Putting in place social support schemes including cash transfers, pensions, employment guarantees, and subsidies for the most vulnerable that secure the basic human dignity of every rural dweller. At the same time, 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.
- B. We have learned often through painful and costly failures that this agenda is simply impossible to design and implement if the hard investments are not accompanied by much better governance, institutions, social participation and policy processes. Rural change would be easy if it was only a matter of 'bricks and mortar' projects and of spending more money, but we know that this it not the case. Major governance, institutional and policy challenges include the following:
- 1. 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 does not live in the shadow of urban development; instead rural development calls for a deliberate investment in rural social and economic infrastructure for the growth of rural economies.

- 2. 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.
- 3. The challenge of private–public partnerships, particularly when there is no private sector available or willing to partner with.
- 4. The huge challenge of the most disadvantaged regions and social groups, like the tribal areas, badly lagging regions and the rural destitute.
- 5. The continuing challenge of refashioning gender relations on the basis of equality.
- 6. The challenge of building the capacity of accountable local governments.
- 7. The challenge of strengthening civil society processes and structures so that they can better contribute to and be drivers of rural transformation.

C. The third pillar has to do with closing the gap between outlays and outcomes. Our countries are investing huge amounts of public money in rural areas with overall social and economic gains, but in some cases outcomes are not proportional to the effort. We need to improve our performance to expand the opportunities of rural societies and to create a more solid base of support for further investments. Key questions that need better answers are:

- 1. How to sequence priorities in rapidly changing countries?
- 2. How to allocate resources more effectively and transparently?
- 3. How to improve our approaches to targeting and to social control of investments?
- 4. How to strengthen our monitoring and evaluation (M&E), learning systems, research on rural development, and build adaptive and evidence-based policymaking?

# **Moving forward**

We have met in New Delhi with the firm expectation that this will be a first step towards a process of regular and systematic South–South learning and collaboration. The delegations from the four countries have agreed on a number of measures to facilitate the further development of this process. These comprise a two-level approach: first, at inter-ministerial level carried out through the appropriate official channels, and second to continue with the open, multi-stakeholder and informal forum that emerged in New Delhi. These two approaches should interact and be supportive of one another. It was also agreed that at some point in the future these processes should be opened to other developing and emerging economy countries, in addition to Brazil, China, India and South Africa, that are interested in South–South learning and collaboration to better meet the global and local challenges of rural transformation.

International Conference on the Dynamics of Rural Transformation in Emerging Economies New Delhi, India, 16 April 2010 www.ruraltransformation.in



# Annex 1: Conference programme

### Wednesday 14 April 2010

## **Inaugural session**

Dr Mihir Shah, Member, Planning Commission, Government of India

Dr Julio A Berdegué, Director, Rimisp-Centro Latinoamericano para el Desarrollo, Rural, Chile and Chairman of International Steering Committee of the Conference

Minister Gugile Nkwinti, Department of Rural Development and Land Reform, Republic of South Africa

Minister Guilherme Cassel, Ministerio do Desenvolvimento Agrario (MDA), Brazil

Head of China Delegation, Dr Han Jun, Director General, Development Research Center of the State Council (DRC), People's Republic of China

Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India

Minister C P Joshi, Minister for Rural Development and Panchayati Raj, Government of India

Smt. Pratibha Devisingh Patil, President of India

Mrs Sudha Pillai, Secretary, Planning Commission, Government of India

### **Country vision**

Chairman: Mihir Shah, Member, Planning Commission, India

Development policies for rural Brazil 2003–2009

Honourable Minister Guilherme Cassel, Ministry of Agrarian Development (MDA), Brazil

Rural reform and development in China: review and prospect

Han Jun, Director General, Development Research Center of the State Council (DRC), China

South Africa Position Paper on Rural Development: a model for comprehensive rural development programme

Thozi Gwanya, Director General, Department of Rural Development and Land Reform, South Africa

Rural transformation in India: strategic vision from the Eleventh Plan

Abhijit Sen, Member, Planning Commission, India

Inclusive growth through inclusive governance: the imperative of Panchayat Raj

Mani Shankar Aiyar, MP and first Union Minister of Panchayati Raj (2004–2009)

# Thursday 15 April 2010

#### **Country overviews**

Chairman: Rohinton Medhora, Vice President, IDRC, Canada

### Democracy at the heart of the new Brazilian rural dynamics

Ricardo Abramovay, Professor, Department of Economics, School of Economics, Administration and Accountancy (FEA), University of São Paulo, Brazil and Thiago Fonseca Morello, Institute of Economic Research, University of São Paulo, Brazil

# The dynamics of rural transformation in China: observed facts and emerging trends

He Yupeng, Division Director, Research Department of Rural Economy (RDRE), Development Research Center of the State Council (DRC), China

### South Africa country overview

Neva Makgetla, Lead Economist, Planning Division, Development Bank of South Africa, South Africa

#### Rural transformation in India: an overview

D N Reddy and Dev Nathan, Institute for Human Development, India

### Parallel thematic session 1

### Group 1.1 Human development and social inclusion

**Chairman**: Rohini Nayar, Former Adviser, Rural Development, Planning Commission, Government of India *Rural poverty, inequality and social exclusion: dimensions, processes and policies* 

S Mahendra Dev, Chairman, Commission for Agricultural Costs and Prices, India

Addressing group inequalities: social inclusion policies in China's and India's rural transformation
Arjan de Haan, Institute of Social Studies, Netherlands, and Sukhdeo Thorat, University Grant Commission
and Indian Institute of Dalit Studies, India

Disparity between China's different regions and the policy countermeasures of Chinese government: a comparative study on disparity between rural areas of Jiangsu Province and Gansu Province

Zhang Xiaoshan, Director General, Rural Development Institute, Chinese Academy of Social Sciences, China

Women, economy and citizenship in Brazil: the recent experience of equality policies

Andréa Lorena Butto Zarzar, Anthropologist, Special Adviser, Ministry of Agrarian Development, Brazil

# **Group 2.1 Jobs and economic diversification**

**Chairman**: Leona Archary, Deputy Director General, Department of Rural Development and Land Reform, South Africa

### Economic diversification in rural South Africa

Josephilda Nhlapo-Hlope, Chief Economist, Policy Coordination and Advisory Services, Office of the Presidency, South Africa

Agricultural diversification and rural industrialization: some policy issues from Indian experience G K Chadha, South Asian University, India

Rural development through rural livelihood diversification: an overview of Brazilian experience Sérgio Schneider, Federal University of Rio Grande do Sul, PGDR, Brazil

Rural surplus labour transfer and change in urban–rural income disparities: an analysis based upon the situation since China's reform and opening up

Cui Chuanyi, Development Research Center of the State Council, China

### **Group 3.1 Agriculture and food**

Chairman: Jikun Huang, Center for Chinese Agricultural Policy, China

Capitalizing on the opportunities of changing agricultural markets for inclusive rural development: lessons from case studies in China and Brazil

Octavio Damiani, International Consultant, International Fund for Agricultural Development (IFAD), Uruguay *The contribution of emerging farmers to rural development: models linking producers to markets*Otto Mbangula, President, National African Farmers Union of South Africa, South Africa

Agribusiness and family farming in Brazil: challenges for democratic rural transformation Nelson Giordano Delgado, Professor, Universidade Federal Rural do Rio de Janeiro, Brazil

Can food security and food procurement initiatives facilitate enhanced production capabilities and market access for smallholder farmers? Lessons from Brazil's food acquisition programme

Darana Souza, International Policy Centre for Inclusive Growth (IPC-IG), Brazil

### **Group 4.1 Environmental services and energy**

**Chairman**: Simon Carter, Programme Manager, Rural Poverty and Environment/Climate Change Adaptation, IDRC, Canada

**Research on the establishment of a grassland ecological compensation mechanism in China**Song Hong Yuan, Director General, and Chen Jie, Deputy-Director, Rural Development Division, Research
Center for Rural Economy, Ministry of Agriculture, China

Understanding the impact of environmental policy and the role of renewable energy on rural development in South Africa

Trevor Gordon, Chief Director, Department of Water Affairs and Environment, South Africa

# Sustainable groundwater management: challenges for the 21st century in India

Himanshu Kulkarni, Advanced Centre for Water Resources Development and Management (ACWADAM), India and PS Vijay Shankar, Samaj Pragati Sahayog, Madhya Pradesh, India

### Past, present and the future of canal irrigation in India

Tushaar Shah, International Water Management Institute, India

### Group 5.1 Urbanization and rural-urban linkages

**Chairman**: T S Papola, Honorary Professor, Institute for Studies in Industrial Development, India *Urbanization and rural–urban linkages: the Brazilian experience of late industrialization* 

Mauro Borges Lemos, Thiago Caliari and Verônica Lazarini Cardoso, Federal University of Minas Gerais, Brazil

### A dynamic and creative economy in South Africa: exploring urban-rural linkages

Yusuf Patel, Deputy Director General, Basic Services and Infrastructure, Department of Cooperative Governance and Traditional Affairs, South Africa

# Town development as key to improve urban-rural linkages: evidence from data analysis

He Yupeng, Division Director, Research Department of Rural Economy (RDRE), Development Research Center of the State Council (DRC), China

### Urban growth and rural poverty in India

Peter Lanjouw, World Bank, USA, and Rinku Murgai, World Bank, India Office, India

### Group 6.1 Governance, policy and institutions

Chairman: Biliang Hu, Beijing Normal University, China

### Governance of public policies for rural development in Brazil

Sérgio Pereira Leite, Universidade Federal do Rio de Janeiro, CPDA, Brazil

### Vietnam's agrarian reform, rural livelihood and policy issues

Do Anh Tuan Nguyen, Director, Southern Office of the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), Vietnam

# Sectoral interdependencies and the contribution of agriculture in reducing the regional growth imbalance in Sri Lanka

Anura Herath, Country Programme Officer, International Fund for Agricultural Development (IFAD), Sri Lanka

### Rural transformation through community empowerment in the United Kingdom

Richard Wakeford, Director General, Rural Futures, Scottish and UK Governments, United Kingdom, Chair of the OECD Rural Working Party

### Parallel thematic session 2

# **Group 1.2 Human development and social inclusion**

Chairman: K P Kannan, Center for Development Studies, Kerala, India

# Migrant children's education in China

Wu Guobao, Rural Development Institute, Chinese Academy of Social Sciences, China

### Education, skills and development dynamics in rural India

Ravi S Srivastava, Centre for the Study of Regional Development (CSRD), Jawaharlal Nehru University, India, and Swati Sachdev, Budge Budge College, Kolkata, India

# Educational governance in transition in rural China: a case study of Yantian Village of the Guangdong Province

Hu Biliang, Vice Dean, School of Economics and Resource Management, Beijing Normal University, China and Tony Saich, Daewoo Professor of International Affairs, Harvard Kennedy School, USA

### Health and nutrition in rural India

T Sundararaman, Executive Director, National Health Systems Resource Centre (NHSRC), India

### Group 3.2.a Agriculture and food

**Chairman**: R S Deshpande, Director Institute for Social and Economic Change, India

# Political and institutional framework for security and food sovereignty in Brazil

Renato Sérgio Jamil Maluf, Universidade Federal do Rio de Janeiro, CPDA, Brazil, and President, National Council on Food and Nutrition Security (CONSEA), Brazil

### Development and impact of public policies for strengthening of family farming in Brazil

Adoniram Sanches Peraci, Secretary for Family Agriculture, Ministério do Desenvolvimento Agrário, Brazil

### China's agriculture: drivers of change and implications for the rest of the world

Huang Jikun, Director, and Hang Jung, Center for Chinese Agricultural Policy, Chinese Academy of Sciences, Institute of Geographical Sciences and Natural Resources Research, China, and Scott Rozelle, Freeman Spogli Institute for International Studies, Stanford University, USA

### Agricultural policies and their implications for rural development in South Africa

Kjabi Emely Mogajane, Deputy Director General and M Visser and S Mohlabi, Department of Agriculture, Forestry and Fishery, South Africa

# **Group 3.2.b Agriculture and food**

**Chairman**: Adoniram Sanches Peraci, Secretário da Agricultura Familiar, Ministério do Desenvolvimento Agrário, Brazil

### Rural women: political agents in the struggle for food sovereignty and food security

Emma Cademartori Siliprandi, State University of Campinas (UNICAMP), Brazil

# Agriculture growth in India: is there any conflict between income and food security?

Ramesh Chand, Director, National Centre for Agricultural Economics and Policy Research, India

### Right to food in the context of social protection policies and practices in India

Biraj Patnaik, Commissioner, Office of the Commissioner of Supreme Court in the Right to Food Case, India *Differentiated policies for family farming in MERCOSUR* 

Susana Marquez, Unit for Rural Change, Ministry of Agriculture, Livestock and Fishery, Argentina, and Alvaro Ramos, Former Foreign Minister and Agricultural Minister, Uruguay

# **Group 4.2 Environmental services and energy**

Chairman: Kanchan Chopra, Former Director Institute for Economic Growth, India

### Renewable energy in rural India

Girish Sant and Ashwin Gambhir, PRAYAS, Pune, India, Narasimha D Rao, Stanford University, USA, and D Raghunandan, Centre for Technology and Development, India

### Biofuels, climate change and sustainability in Brazil

John Wilkinson and Selena Herrera, Universidade Federal Rural do Rio de Janeiro, Brazil

# Status, challenges and policy issues on China's agriculture biomass energy industry

Du Min, Director, Rural Development Division, Research Center for Rural Economy, Ministry of Agriculture, China, and Liu Rui, Research Center for Rural Economy, Ministry of Agriculture, China

### **Group 5.2 Urbanization and rural-urban linkages**

**Chairman**: Dewen Wang, Chief of Social Security Research Division, Institute of Population and Labour Economics, China

### Urbanization and rural-urban linkages in India in the context of globalization

Amitabh Kundu, Member, National Statistical Commission, Government of India, Centre for the Study of Regional Development, Jawaharlal Nehru University, India

# The KwaZulu-Natal Spatial Economic Development Strategy: promoting urban and rural linkages in the best interests of rural and urban development

Frikkie Brooks, General Manager, Municipal Planning, KwaZulu-Natal Local Government and Traditional Affairs, South Africa

# Special Economic Zones and emergent rural—urban dynamics of the metropolitan fringe: a case of Hyderabad

Benjene S Kothari, Architecture College of Engineering, Trivandrum, University of Kerala, India

Shift of rural labour and economic diversity: an analysis on the practice of integration of urban and rural areas in Chengdu, China

Chen Jiaze, Director, Institute of Economics, Chengdu Academy of Social Science, China, and Gao Jie Economic Information Center of Chengdu, China

### Group 6.2 Governance, policy and institutions

**Chairman**: David Mahlobo, Head of Department, Department of Cooperative Governance and Traditional Affairs, South Africa

### Social actors' protagonism in development policies of rural Brazil

José Humberto Oliveira, Secretary of Territorial Development, Ministry of Agrarian Development and Executive Secretary, National Council for Sustainable Rural Development (CONDRAF), Brazil

Governance policies and programmes promoting public participation at local government level in South Africa and its impact on rural development

Busisiwe Mdaka, Executive Manager Rural Development, Department of Rural Development and Land Reform, South Africa

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and rural governance reform – Growth with inclusion through Panchayats

Pramathesh Ambasta, National Coordinator, National Consortium of Civil Society Organization, India *Direct and indirect employment through public–private partnerships in tourism in rural areas*Rabeng Tshukudu, Head of Department, Department of Economic Development, Environment and Tourism, Mpumalanga Provincial Government, South Africa

### Panel debates on priority topics

# 1 Benchmarking of rural change

**Moderator:** Ian Goldman, Monitoring and Learning Facility, Programme for Support to Pro-Poor Policy Development (PSPPD), Presidency, South Africa

### Panel members:

Vivek Bhandari, Director Institute for Rural Management, Anand, India

Peter Lanjouw, World Bank, USA

Ricardo Abramovay, Professor Department of Economics, School of Economics, Administration and Accountancy (FEA), University of Sao Paulo, Brazil

Sunday Ogunronbi, Acting Chief Director, Spatial Planning Information, Department of Rural Development and Land Reform, South Africa

Wu Guobao, Rural Development Institute, Chinese Academy of Social Sciences, China

#### 2 Identifying research gaps

**Moderator:** Julio Berdegué, Rimisp – Latin American Center for Rural Development, Chile **Panel members:** 

Nomfundo Peggy Luswazi, Director Centre for Rural Development, Walter Sisulu University, South Africa Arilson da Silva Favareto, Universidade Federal da Região do ABC, Brazil

K P Kannan, Center for Development Studies, Thiruvananthapuram, India

Samuel Kariuki, Department of Sociology, School of Social Sciences, University of the Witwatersrand South Africa

Zhang Xiaoshan, Director General, Rural Development Institute, Chinese Academy of Social Sciences, China

### 3 Rapid change in rural transformation and the smallholder agriculture sector

**Moderator:** Ganesh Thapa, Regional Economist, Asia and the Pacific Division, International Fund for Agricultural Development (IFAD)

#### Panel members:

Emma Cademartori, Siliprandi State University of Campinas (UNICAMP), Brazil

Octavio Damiani, International Consultant, International Fund for Agricultural Development (IFAD), Uruguay Biraj Patnaik, Commissioner Office of the Commissioner of Supreme Court in the Right to Food Case, India Kjabi Emely Mogajane, Deputy Director General Department of Agriculture, Forestry and Fishery, South Africa Liu Yigiang, Centre for Chinese Rural Studies, Huazhong Normal University, China

### 4 Rural policymaking in an environment of high volatility, risk and uncertainty

**Moderator:** Raghav Gaiha, Faculty of Management Studies, University of Delhi, India **Panel members:** 

Adoniram Sanches Peraci, Secretário da Agricultura Familiar, Ministério do Desenvolvimento Agrário, Brazil Amita Shah, Director Gujarat Institute for Development Studies, India

Arjan de Haan, Institute of Social Studies, Netherlands

Simrit Kaur, Faculty of Management Studies, University of Delhi, India

Biliang Hu, Vice Dean, School of Economics and Resource Management, Beijing Normal University, China Simon Carter, Programme Manager, Rural Poverty and Environment/Climate Change Adaptation, IDRC, Canada

### Friday 16 April 2010

### Experience from elsewhere around the world

**Chairman:** Ricardo Abramovay, Department of Economics, School of Economics, Administration and Accountancy (FEA), University of São Paulo, Brazil

# Smallholder or family farming in transforming economies of Asia and Latin America: challenges and opportunities

Ganesh Thapa, Regional Economist, Asia and the Pacific Division, International Fund for Agricultural Development (IFAD), Italy

### The Dragon and the Elephant: agriculture reforms in India and China

Ashok Gulati and Kevin Chen International Food Policy Research Institute, India

### OECD Rural Reviews: lessons from the past decade

Raffaele Trapasso, Rural Development Unit, Public Governance and Territorial Development Directorate OECD, France

#### Rural Territorial Dynamics in Latin America: a quest for the elusive win-win-win

Julio Berdegué, Rural Territorial Dynamics Programme, Rimisp – Latin American Center for Rural Development, Chile

### Parallel thematic session 3

### **Group 1.3 Human development and social inclusion**

Chairman: Wu Guobao, Rural Development Institute, Chinese Academy of Social Sciences, China

### Applying sustainable livelihood approaches to improve rural people's quality of life

Ian Goldman, Team Leader, Monitoring and Learning Facility, Programme for Support to Pro-Poor Policy Development (PSPPD), Presidency, South Africa

# Mainstreaming Gender in Rural Transformation for Poverty Reduction: experiences of the government programme supported by IFAD in China

Song Yiching, Center for China Agricultural Policy (CCAP), China, and Sun Yinhong, IFAD Country Office, China

### Creating a shared future through social protection in South Africa

Selwyn Jehoma, Deputy Director General, Comprehensive Social Security, Department Social Development, South Africa

### **Group 2.3 Jobs and economic diversification**

**Chairman:** Ricardo Abramovay, Professor, Department of Economics, School of Economics, Administration and Accountancy (FEA), University of São Paulo, Brazil

### Transition and innovation in rural finance in India

Vijay Mahajan and Suman Laskar, BASIX, Andhra Pradesh, India

# Community investment programme: case study on Maruleng and Bushbuckridge Public Private Partnership Initiative

Golden Mahove, Programme Manager, Business Trust, South Africa

#### Rural structural transformation: case of the services sector in India

Jeemol Unni, RBI Chair, Professor in Rural Economics, Institute of Rural Management, Anand (IRMA), India, and Ravikiran Naik, Institute of Rural Management, Anand (IRMA), India

# Microfinance and rural transformation in Bangladesh

Sajjad Zohir, Director, Economic Research Group, Bangladesh

### **Group 3.3 Agriculture and food**

**Chairman:** Blessing Mphela, Chief Land Claims Commissioner, Department of Rural Development and Land Reform, South Africa

### Alternative technologies for smallholder agriculture and food security in Africa

George Tonderai Marechera, Business Development Manager, African Agricultural Technology Foundation (AATF), Kenya

### Success stories for rural development in agro-processing in South Africa

Lucky Khumalo, Director, Technology for Social Impact Programme, Department of Science and Technology, South Africa

#### Bio-safety and food security: towards transformative norms and strategies

Rajeswari S Raina, National Institute of Science, Technology and Development Studies (NISTADS), Council for Scientific and Industrial Research (CSIR), India

### **Group 4.3 Environmental services and energy**

**Chairman:** Frikkie Brooks, General Manager, Municipal Planning, KwaZulu-Natal Local Government and Traditional Affairs, South Africa

# Comprehensive rural development: a case study of greater Giyani municipality with specific reference to Muyexe village, South Africa

Tim Maake, Municipal Manager, Mopani District Municipality, Limpopo Province, South Africa

### Land and livelihoods in rural South Africa: what prospects for agricultural activities?

Lungisile Ntsebeza, Department of Sociology, University of Cape Town, Republic of South Africa

### Impact of rural settlements in Brazilian rural development

Leonilde Servolo de Medeiros, Universidade Federal Rural do Rio de Janeiro, Brazil

### Review of and prospects for China's land reform system

Zhang Yunhua, Division Deputy-Director, Research Department of Rural Economy, Development Research Center of the State Council, China

### Group 5.3 Urbanization and rural-urban linkages

Chairman: Mauro Borges Lemos, Federal University of Minas Gerais, Brazil

# The Brazilian pattern of development and rural-urban linkages: policies and politics for a new path of development

Reginaldo Carmello Corrêa de Moraes, University of Campinas, Brazil [presented by Francesco Maria Pierri, International Adviser, Ministry of Agrarian Development, Brazil]

## Rethinking the sources of rural income growth in China

Wang Dewen, Chief of Social Security Research Division, Institute of Population and Labour Economics, Chinese Academy of Social Sciences, China

# Evolution of rural-urban relations in Brazil: demographic dynamics and comparative analyses in a historical perspective

Arilson da Silva Favareto, Universidade Federal da Região do ABC, Brazil

# **Group 6.3 Governance, policy and institutions**

Chairman: S R Hashim, Director, Institute for Studies in Industrial Development, India

### Innovations in delivery of public services

N C Saxena, Former Secretary, Planning Commission, Government of India

### The challenge and transition of Township Governance

Zhao Shukai, Vice Secretary-General, China Development Research Foundation, DRC Development Research Center of the State Council, China

# Villages Autonomy in China: Political Rights Guarantee and Community Reconstruction

Xu Yong and Liu Yiqiang, Centre for Chinese Rural Studies, Huazhong Normal University, China

# Rebuilding local governance structures in Zimbabwe: the case of Chimanimani and Bulilima districts of Zimbabwe

Mabel Munyuki-Hungwe, Director, Centre for Rural Development, University of Zimbabwe, Zimbabwe, and Oswald Dirwayi, Local level facilitator, Chimanimani District, Zimbabwe

#### **Lesson learning opportunities**

Chairman: Abhijit Sen, Member Planning Commission, Government of India

### Panellists:

Thomas Elhaut, Director, Asia and the Pacific, International Fund for Agricultural Development (IFAD), Italy Huang Jikun, Center for Chinese Agricultural Policy, China

Yusuf Patel, Deputy Director General, Basic Services and Infrastructure, Department of Cooperative Governance and Traditional Affairs, South Africa

Renato Sérgio Jamil Maluf, Universidade Federal do Rio de Janeiro, CPDA e Presidente do Conselho Nacional de Segurança Alimentar e Nutricional, PR, Brazil

B K Sinha, Secretary, Rural Development, Government of India

Han Jun, Director General, Development Research Centre of the State Council, China

Thozi Gwanya, Director General, Department for Rural Development and Land Reform, South Africa

Minister Gugile Nkwinti, Department of Rural Development and Land Reform, South Africa

### **Closing Session**

Chief Guest: Prof. C H Hanumantha Rao, Former Member, Planning Commission, Government of India

### **Conference Statement**

Mihir Shah, Chairman India Steering Committee, Planning Commission, Government of India

### Closing remarks and vote of thanks

Alakh N Sharma, Director, Institute for Human Development, New Delhi and Conference Coordinator

# Annex 2: List of participants

Surname	First name	Position	Organization	Country
Brazil				
Abramovay	Ricardo	Professor	Department of Economics and International Relations Institute, University of São Paulo	Brazil
Cassel	Guilherme	Honourable Minister	Ministry of Agrarian Development	Brazil
de Medeiros	Leonilde Servolo	Professor	Federal Rural University of Rio de Janeiro	Brazil
Delgado	Nelson Giordano	Economist and Professor	Federal University of Rio de Janeiro, UFRRJ/ CPDA	Brazil
Favareto	Arilson da Silva	Professor	Federal University of ABC, UFABC	Brazil
França	Ricardo Garcia	Technical Advisor	Secretariat of Strategic Affairs – Government of Brazil	Brazil
Leite	Sérgio Pereira	Associate Professor	Federal University of Rio de Janeiro, CPDA/UFRRJ	Brazil
	Lemos	Mauro Borges	Professor of Development Economics	Brazil
			Federal University of Minas Gerais	
Lima	Fabricio	Economist	Ministry of Agrarian Development	Brazil
Maluf	Renato Sérgio Jamil	Professor	Federal Rural University of Rio de Janeiro	Brazil
Menezes	Renata de Castro	Anthropologist	Federal Rural University of Rio de Janeiro	Brazil
Morello	Thiago Fonseca	Researcher	Institute of Economic Research University of São Paulo	Brazil
Oliveira	José Humberto	Secretary of Territorial Development	Ministry of Agrarian Development	Brazil
Peraci	Adoniram Sanches	Secretary of Family Agriculture	Ministry of Agrarian Development	Brazil
Pierri	Francesco Maria	International Advisor	Ministry of Agrarian Development	Brazil
Schneider	Sérgio	Professor of Sociology and Rural Development	Federal University of Rio Grande do Sul, PGDR	Brazil
Siliprandi	Emma Cademartori	Researcher	Universidade Estadual de Campinas, UNICAMP	Brazil
Souza	Darana	Researcher	International Policy Centre for Inclusive Growth (IPC-IG)	Brazil
Wilkinson	John	Professor	Federal Rural University, Rio de Janeiro, Brazil	Brazil
Zarzar	Andréa Lorena Butto	Adviser	Ministry of Agrarian Development	Brazil
China				
Chen	Jiaze	Director	Institute of Economics, Chengdu Academy of Social Science	China
Chen	Jie	Deputy Director, Rural Development Division	Research Center for Rural Economy, Ministry of Agriculture	China
Cui	Chuanyi	Senior Research Fellow	Development Research Center of the State Council	China
Du	Min	Director of Rural	Research Center for Rural Economy, Ministry of Agriculture	China
Guo	Xiaoming	Vice President	Sichuan Academy of Social Sciences, Chengdu City	China
		Development Division	Sichuan Province	
Han	Jun	Director-General	Research Department of Rural Economy (RDRE),	China
			Development Research Center of the State Council (DRC)	
He	Yupeng	Division Director	Research Department of Rural Economy (RDRE),	China
Hu	Biliang	Professor	Beijing Normal University	China
Huang	Jikun	Director	Center for Chinese Agricultural Policy, Chinese Academy of Sciences, Institute of Geographical Sciences and Natural Resources Research"	China
Li	Qing	Research Fellow	Development Research Center of the State Council (DRC)	China
Song	Hongyuan	Director General	Research Center for Rural Economy, Ministry of Agriculture	China
Song	Yiching	Senior Researcher	IFAD Country Presence Office in China	China
Wang	Dewen	Research Fellow, Chief of Social Security Research Division	Institute of Population and Labor Economics, Chinese Academy of Social Sciences"	China
Wang	Zehou	Director	Office of Rural Affairs, ShangDong Province, JiNan City ShangDong Province	China
Wu	Guobao	Professor	Rural Development Institute, Chinese Academy of Social Sciences	China
Yiqiang	Liu	Assistant Director	Centre for Chinese Rural Studies, Huazhong Normal University	China
Yuan	Gang	Vice Director	Office of Policy Research, Committee of Communist,	China
			Xingyan City, HeNan Province	

Zhang Zhang	Xiaoshan Yunhua	Director General Deputy Director	Rural Development Institute, Chinese Academy of Social Sciences Research Department of Rural Economy (RDRE),	China China
Zhao	Shukai	Vice Secretary-General	Development Research Center of the State Council China Development Research Foundation,	China
21140	Jilukai	vice secretary-deficial	Development Research Center of the State Council	Cillia
South Africa				
Archary	Leona	Deputy Director General	Department of Rural Development and Land Reform	South Africa
Brooks	Frederick	General Manager, Municipal Planning	KwaZulu-Natal Local Government and Traditional Affairs	South Africa
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# Annex 3: List of members of the International Steering Committee and the Local Organizing Committee

### **International Steering Committee**

#### **Committee members:**

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