Statement by
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In May 2013, the Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda (HLP) acknowledged that poverty is often characterized by exclusion both from decisions and from full participation in civil, social and cultural life. Earlier this year, the World Economic Forum identified income disparity as the risk most likely to cause damage globally in the coming decade. And, also in 2014, the International Monetary Fund cautioned that income inequality may lead to slower or less sustainable economic growth.

These three analyses speak directly to the multi-faceted impact of unequal prosperity. Inequality robs people of the capacity to achieve their full potential. This unharnessed capacity, in turn, undermines prosperity for all and threatens social order. Addressing inequality, then, is not simply the right thing to do for those who are marginalized, it is also an investment in sustainable development and global security.

With this emerging consensus around the critical need to address inequality, the international community would be well advised to scale up investment in areas that can generate the greatest impact on income inequality: agriculture and rural development.

The power of agricultural growth

Numerous studies show that economic growth generated by agriculture is at least three times as effective in reducing poverty in poor countries as growth deriving from other sectors, and for sub-Saharan Africa the estimated impact is 11 times higher.

Unfortunately, there continue to be far too few opportunities for people in rural areas. As a result, many rural women and men, especially the young, are forced to migrate to cities in search of a better life. However, few have enough education, training or skills to find steady and well-paid jobs. Meanwhile, their departure leaves fewer people to run farms and grow food.

In general, poor rural people are marginalized many times over. Living in areas often overlooked by policy and public investments, they eke out livelihoods against a backdrop of deteriorating natural resources and weak access to services and infrastructure. Not surprisingly, they typically lag behind in key development indicators such as child nutrition, education, health and income levels. The most recent World Bank report on rural and urban poverty found that more than three-quarters of the world’s poorest people still live in rural areas.

Even within this environment of marginalization, some are better off than others. At the bottom of the ladder are women and indigenous peoples, who typically have more limited and less secure control over a
range of assets — from agricultural land, technology and equipment to knowledge and finance. This disempowerment keeps them marginalized, driving them deeper and deeper into poverty. In South Asia, for example, 69 per cent of economically active women were working in agriculture in 2011, according to the International Labour Organization. Yet despite their labour, and their deep knowledge of crop varieties and farming practices, too often women have less access to resources than men, and they often lack secure tenure rights to the land they farm or the money they earn. The consequences of this injustice extend far beyond their impact on women. Evidence clearly shows that women spend money to improve family nutrition and well-being — whether that means school fees, healthcare or adequate clothing. So when we deprive women of the power to earn, and manage money, we are hurting the entire family.

**Rural development can transform livelihoods and lives**

It need not be this way. Inclusive rural development can transform lives and begin to rectify the imbalance between the “haves” and the “have-nots”. Support for producers’ organizations, for example, can enable even marginalized farmers to take advantage of economic opportunities and access assets, information, technologies and markets. Through collective action, marginalized groups can benefit from economies of scale in production and marketing, which can enhance bargaining power. Economic empowerment, in turn, often enhances social status, decision-making power and the ability to exercise civil rights and benefit from public services.

When gender inequalities are addressed and women are empowered, the results can be astonishing. Self-help groups supported by IFAD in Guatemala have provided millions of poor rural women with the means to launch microenterprises, earn income, improve social standing, improve skills and knowledge, gain self-confidence and engage more actively in community life. These groups have gradually evolved into a large-scale movement of women’s social and economic empowerment.

While tackling economic, social and cultural conventions that breed inequality, efforts at income equality must also build capacity to manage a growing range of natural risks, including those related to climate. By working in partnership with smallholder farmers to understand their challenges, IFAD has often helped rural communities achieve simple but effective solutions.

In Timor-Leste, for example, where two-thirds of the population is considered food-insecure, households can go seven months of the year without staple foods such as rice or maize. Technical solutions, such as higher yield maize seeds, could not solve the problem of low-crop productivity. Any attempts to improve productivity had to address post-harvest losses as well since farmers were losing at least 30 per cent of their crop to pests and disease.

**Inclusive agricultural development generates results**

Working with the Timor-Leste Ministry of Agriculture and Fisheries, and the Australian Government, IFAD provided better storage, as well as better seeds. Secure storage gives farmers an incentive to adopt high-yielding varieties, and to sell their surplus in the off-season for greater profit. Through a combination of better yields and lower losses, food availability in Timor-Leste is expected to jump by as much as 70 per cent.

Inclusive agricultural development not only contributes to rural development, food security and reduced inequity between rural and urban areas: it also helps create stability in fragile states since food and nutrition insecurity may contribute to civil conflict.

In Yemen, for example, IFAD has worked to protect and promote rural livelihoods despite the country’s critical security situation. About 5,000 women and men took part in community-led advisory services that
introduced new crop varieties and drip irrigation in one of the country’s poorest and most insecure governorates. Women have invested their own money in a domestic water scheme, which reduces their time spent collecting water by up to 300 hours a year. Participants report a significant reduction in violent conflict in project areas, while evaluations have found considerable improvement in household food security and reduced rates of child malnutrition.

The link between peace and development

Indeed, development programmes can actually grow peace. That’s why IFAD works in the most fragile situations, in the most degraded environments, and with the most marginalized people. In Burundi, for example, IFAD remained active during the 12-year civil war, and after conflict ended, we moved in quickly to areas that were hardest hit. Of course we are investing in food production, animal solidarity chains, and rural infrastructure. But we are also supporting literacy classes, HIV/AIDS awareness and legal services, particularly for women.

It’s interesting to note that studies are showing a strong correlation between changes in the global climate and civil conflict in sub-Saharan Africa. More research is needed, but it appears that when we help people diversify their income and adapt to climate change, we decrease their vulnerability to the effects of conflict. What’s more, we are also helping to prevent conflict.

Highly industrialized nations have long recognized the importance of agriculture to their own economies and food security. But to truly create a world without hunger, and to target income inequality, an even greater commitment to agriculture and rural development is needed. This includes a commitment to participate in shared, normative frameworks for investment such as the voluntary guidelines on land tenure and responsible agriculture investment principles. In this way, we can ensure the people who need investment the most are not cut off from opportunities.

Investing in inclusive, sustainable agricultural development is twice blessed. On the one hand, it provides a lifeline for the 2.9 billion women, men and children who live in rural areas of developing countries. On the other, by providing a source of clean air and water, protection for biodiversity, and a foundation for stable societies, it is an essential investment in the future health of the billions who make their homes in cities.

Policymakers must encourage policy changes to make family farming a more secure, profitable and attractive livelihood, including for rural women and youth. They must support programmes that enable smallholder and family farmers, including the most marginalized, to invest in their businesses, link to markets, and overcome poverty and vulnerability. They must promote incentives for family farmers to manage their land, water, biodiversity and other natural resources in a more sustainable way.

In this way, we can make headway in our goal to promote shared prosperity in an unequal world.