

# Issue Brief

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## Historic Approaches and Key Challenges in Rural Development

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**Elena Serfilippi:** Coordinator for Resilience Research

**Carlos De Los Rios:** Senior Researcher

**Keith Child:** Senior Research Advisor

In this issue brief, we distil key challenges in rural development presenting an overview of its evolutionary pathway and its links with the recent Sustainable Development Goals.

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### The Issue

To invest effectively and intelligently in rural development, both development practitioners and private companies need first to have a clear understanding of the notion of rural development and the critical factors influencing it. Clarity about the drivers and past experiences in the field will increase the likelihood of investments achieving their goals when integrating sustainable practices into context-specific operations.

We provide here an overview of proven rural development concepts, together with an overview of development theory and the most updated thinking on critical factors affecting rural development.

This issue brief is one of a series that will also investigate successful rural development cases, offering guidance to achieve robust processes for designing and implementing long-term development interventions that are contextually appropriate.

### What is Rural Development?

In the broadest sense, the term 'development' merely connotes a process of change. Traditionally, income was the central measure of what we meant by development. However, in his groundbreaking work in the 1970s,

Nobel Laureate Amartya Sen challenged the narrow conception of development at the time by showing that poverty and inequality involved multiple deprivations that could not be captured by income alone (Sen, 1982). Sen's 'capabilities approach' acted as an essential antidote to traditional welfare economics, and eventually led to the introduction of the UN Human Development Index (HDI), and more recently to the Multidimensional Poverty Index (MPI); both of these well-known indices allow a more holistic perspective of development as a multidimensional phenomenon. This learning has been reflected in the development of inclusive and wide-ranging sustainability indicators (COSA, 2014)

While 'development' as a concept remains highly debated, most people today would accept Sen's argument that **development must be judged by its impact on people, their choices, capabilities and freedoms, and not merely their income.** Thanks in no small measure to his work, development has been redefined in the last 15 years to include human rights and well-being as constitutive parts.

Measuring human well-being as a multidimensional concept, however, does not adequately capture the point of what most

people think of as development. Even though development in itself implies change, the current global theory (Brundtland, 1987) is that development must consist of more than an improvement in well-being and that worthwhile change must be long-term and sustainable.

When we focus on development in rural areas, we are met with specific challenges and unique levers of change. Relying on a single definition of rural development can therefore be problematic. However, most people would agree that **rural development is a strategic approach to improve the economic and social life of those living in rural areas while also preserving environmental benefits.**

## **Evolution of rural development thinking**

During the 1950s, the agricultural sector was viewed as a secondary contributor to national economic growth (Prebisch, 1959), while manufacturing was its principal engine. In this period, reflecting a northern view and a body of research focused on Europe and the US, development was mainly perceived as an 'economic' endeavor to reallocate factors of production, predominantly labor and capital, from the agricultural to the industrial sector (Lewis, 1954; Rosenstein-Rodan, 1943; Mandelbaum, 1945).

In the 1960s, a major re-evaluation of the role of agriculture in development occurred. The sector was starting to be considered as an important driver of growth, especially during early stages of industrialization (Johnson and Mellor, 1961) due to the use of modern technologies (Hayami and Ruttan, 1971) and consequent increases in agricultural productivity and contribution to Gross Domestic Product (GDP).

During the 1970s, a new development paradigm emerged: the concept of growth associated with equity (Calatrava 2007). In other words, GDP growth was no longer seen as sufficient for successful development since the gap between rich and poor increased, despite many countries achieving high rates of economic growth. In this picture, small farmers assumed an important role, and the focus of

development shifted from the just concept of growth to also addressing farmer needs.

In the 1980s, development practitioners became convinced that "in order to reach a virtuous cycle of sustained growth, accompanied by continuous improvements in human development, priority attention must be given to the latter" (World Bank, 2005). The importance ascribed to human capital development would lead to the steady emergence of a participatory development approach.

According to Chambers (1993) and Ray (1997), the overall process of development should be characterized by collaboration between public, private and voluntary sectors and prioritize the poor (Ray 2000); and development activities should involve local resources and actors in decision-making about developmental strategy and selection of priorities.

Also in the 1990s, following the publication of the World Bank's World Development Report (1990) and UNDP's Human Development Report (1992), the development community explicitly recognized poverty reduction as the primary objective of development programs, with human development as the key element for growth. Further, as the literature increasingly demonstrated, agriculture played a key role in poverty reduction (Timmer, 2002; Thirtle et al., 2003; Christiaensen and Demeny, 2007). The emphasis on human capital development - building on the work of Amartya Sen (1985) and UNDP's Human Development Reports - attracted considerable attention within the development community, especially as the strong relationship between economic growth and human development emerged (Ranis et al. 2000; Boozer et al. 2004).

The focus on poverty reduction and human development was accompanied by creation of sustainable livelihood approaches. Following Scoones (1998), a "livelihood comprises the capabilities, assets (including both material and social resources) and activities for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base".

In the Sustainable Livelihood Framework proposed by the UK Department for International Development (DFID, 2000), human capital constitutes one of the five fundamental attributes (human, natural, social, political and financial) characterizing sustainable livelihoods (DFID, 2000). “Capital” refers to a ‘range of assets’ that are essential for people to achieve desirable livelihood outcomes that are measured in terms of human well-being (as seen through indicators like food security, poverty, etc.).

In this approach, the importance of multidimensionality in rural development (a mix of environmental and socio-economic components) gained its full legitimization and sustainability became the key word in rural development.



## Key challenges in rural development today: SDGs

Sustainable livelihood approaches are crucial in both the Millennium Development Goals (MDGs), and the Sustainable Development Goals (SDGs) that replaced the MDGs in 2015.

By the beginning of the 21<sup>st</sup> century—giving rise to the term Millennium Development Goals—it was clear that successful rural development would depend on comprehensive strategies for dealing with climate change, drought, desertification and natural disaster so that environmental sustainability could be assured (goal 7). Indeed, all eight MDGs touch on the importance of sustainable rural development, whether through raising productivity and incomes to reduce extreme poverty and hunger (goal 1), or investing in environmental

protections, rural infrastructure, rural health (goals 4-5-6) and rural education (goal 2).

The UN-designed MDGs outlined a general basis for sustainable rural development and include topics considered vital to the economic, social and environmental viability of rural areas. In this view, to enhance rural livelihoods requires “effective participation of rural people and communities in the management of their own social, economic, and environmental objectives (goal 8) by empowering people in rural areas, particularly women and youth (goal 3), through organizations such as local cooperatives, and applying the bottom-up approach (Commission on Sustainable Development, 2009).

The MDGs were replaced by the more inclusive development of the SDGs in 2015. The main criticism against the MDGs was that they were too general and ambitious, with insufficient conceptualization of inequality, empowerment and redistribution, and omitting topics like human rights and climate change; also, they were only applicable to developing countries, which meant they did not take into account poverty in the developed world (Clemens et al. 2007; Manning, 2010). The SDGs seem to have overcome these problems, establishing for the first time a collectively agreed set of universal goals for an inclusive and sustainable global development process both in developed and developing countries. They also represent a sea change in ambition, seeking not merely to reduce poverty in all its dimensions, but to eradicate it within just 15 years. They still lack adequate ways to measure them that the UN has noted is a hindrance to their achievement.

In the new post-2015 development agenda, local development and sustainable development<sup>1</sup> became a key dimension to achieving all proposed SDGs. In particular, a review of all 17 SDGs and their 169 specific targets highlights how interventions in agriculture and rural development are fundamental for mitigating and adapting to climate change<sup>2</sup>. While agriculture, food and nutritional security should remain a major

<sup>1</sup> In 1987, the World Commission on Environment and Development (WCED or Brundtland Commission) defined sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (Brundtland, 1987).

<sup>2</sup> SDG 13: Take urgent action to combat climate change and its impacts

focus<sup>3</sup> together with poverty eradication<sup>4</sup>, world leaders, according to the Global Donor Platform for Rural Development (2013), have pointed out that the challenge of the global economy is to ensure the future of younger generations through sustainable economic growth<sup>5</sup>.

The reason why sustainable development is so intimately tied to rural development is simple: Over 3.4 billion people live in rural areas where extreme poverty is particularly pernicious, especially in developing countries (OECD, 2016). Productivity gains in agriculture are key to achieving food security and reducing poverty in rural areas. The reduction of poverty in recent years can be directly linked to improved conditions in rural areas (OECD, 2016).

Unfortunately, “agriculture is the major user of scarce natural resources” (Janvry et al., 2002), and excessive exploitation of these resources not only undermines agricultural productivity but compromises food security, generating recurring cycles of poverty. Preservation of the natural environment, and improvement of resilience capacities are vital pre-conditions for ensuring long-term sustainable growth and rural development.

Rural development theory continues to evolve from its origins toward a more holistic and integrative model. It is clear that any effective practice must build on what we have learned and continue to apply the profound and yet very simple lesson of first really listening to local needs. This perspective will allow us to take the time to evolve solutions that suit the local context. By integrating rural development appropriately with sustainable practices, we can more effectively address the key development needs that are embodied in the SDGs.

For more information about COSA and its measurement systems, please send an email to [info@thecosa.org](mailto:info@thecosa.org) or to [es@thecosa.org](mailto:es@thecosa.org).

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<sup>3</sup> SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

<sup>4</sup> SDG 1: End poverty in all its forms everywhere

<sup>5</sup> SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

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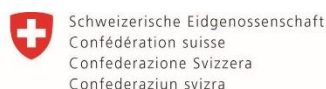
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