

# RURAL DEVELOPMENT AND FOOD SECURITY FORUM 2019 PROCEEDINGS

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DECEMBER 2020



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# Abbreviations

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
AWD	alternate wet and drying system
CIRAD	French Center for Research and Agricultural Development
CO <sub>2</sub>	carbon dioxide
DMC	developing member country
DSR	directly seeded rice
EBRD	European Bank for Reconstruction and Development
EU	European Union
FAO	Food and Agriculture Organization
FDI	foreign direct investment
FPC	farmer-producer company
FPO	farmer-producer organization
GDP	gross domestic product
GIS	geographic information system
GMS	Greater Mekong Subregion
IAEA	International Atomic Energy Agency
ICT	information and communication technology
IFPRI	International Food Policy Research Institute
IRDP	Integrated rural development program

IRRI	International Rice Research Institute
IT	information technology
KMUTT	King Mongkut University of Technology, Thonburi
LAO PDR	Lao People's Democratic Republic
NATCO	National Confederation of Cooperatives in the Philippines
NGO	nongovernment organization
OECD	Organization for Economic Cooperation and Development
O&M	operation and maintenance
OTOP	One Tambon One Product
PGP	Carrageenan plant promoter
PNRI	Philippine Nuclear Research Institute
PRC	People's Republic of China
PPP	public-private partnership
PSOD	Private Sector Operations Department
RDFS	Rural Development and Food Security
R&D	research and development
SDG	Sustainable Development Goal
SME	small and medium-sized enterprises
STEAM	Science and Technology, Engineering, Arts and Mathematics
UK	United Kingdom
UNCDF	United Nations Capital Development Fund
US	United States
USAID	United States Agency for International Development
WHO	World Health Organization



**Connectivity matters.** Using digital technologies in connecting rural ecosystem services value chains and human capital with peri-urban and urban growth centers and economies gives opportunities to speed up post-COVID-19 recovery and economic renewal.

# Rural Distress

This session highlighted the imbalance in rural–urban development and its significant negative impacts on national economic growth, rural employment, food security and nutrition, and urbanization. Good examples of rural revitalization will show that well-developed rural areas can play a vital role in wider economic development and generating good jobs for the youth. Specific recommendations regarding green and blue investments were discussed.

## Keynote Address

**Mihir Shah, Distinguished Professor, Shiv Nadar University and Former Member, Planning Commission, Government of India**

Rural distress is one of the most important issues of today. We cannot continue with business-as-usual. We have been following a certain paradigm, which has been dictating policies and actions we have taken in the rural and farming sphere. I am here to urge that we need to make an urgent change.

Since the 1950s, when the economies of Asia, Africa, and Latin America emerged from colonial rule, the primary strategy of development that has been followed is to try and move people away from the farm—to try and move them into industry and urban areas because agriculture was essentially seen as a no-hoper. That has been the strategy we have consistently followed. Even after following those policies for the last 70 years, the demographic realities are:

- i. The global rural population today, which is 3.4 billion, will remain over 3 billion in 2050.
- ii. An overwhelming proportion of people in developing countries will continue living in rural areas well beyond 2050.
- iii. The very possibility of absorbing an increasing number of rural migrants in the urban centers of these countries is severely limited already even as we speak.

- iv. The kind of crisis that urban areas face in these countries is even more grave than the one that faces us in the rural areas.

While this is no doubt a crisis, it is also a crisis full of opportunity because we have the possibility of making these rural areas leapfrog into the 21st century on the back of certain major and exciting technological, social, and ecological innovations.

### **Economic Development**

We need to change the way we look at economic development itself. The paradigm of economic development has not recognized that the economy is only a small subset of the larger ecosystem. Here we have many examples from across the world. We have the People's Republic of China's (PRC) commitment to become an ecological civilization in the 21st century. It has already embarked on a model of ecosystem compensation; whereby upstream communities are compensated for maintaining downstream water quantity and quality. The Chinese have a concept termed "ecological space," which needs to find its place along with rural space and urban space. The city of New York negotiated with farmers living in the catchment areas to pay for ecosystem services that farmers provided to the city assuring a safe and secure supply of drinking water. Over many years, the water catchment areas were protected, farming was of a certain kind and the farmers were paid by the residents of New York city to be able to do this. This is a win-win scenario where you preserve the ecology, which sustains development.

We need to learn the right lessons from the green revolution. I quote from FAO's review<sup>12</sup> in 2017:

High-input, resource-intensive farming systems, which have caused massive deforestation, water scarcities, soil depletion and high levels of greenhouse gas emissions, cannot deliver sustainable food and agricultural production. Needed are innovative systems that protect and enhance the natural resource base, while increasing productivity. Needed is a transformative process toward 'holistic' approaches, such as agro-ecology and conservation agriculture, which also build upon indigenous and traditional knowledge." What we require is a new agriculture. Chemical agriculture across the world is now reaching its limits. Farmers have to apply more and more fertilizers and pesticides to get the same level of output. The costs of these inputs are rising by the day. This has led to a dramatic rise in the cost of production, resulting in negative incomes in some cases. In countries like India, hundreds and thousands of farmers have committed suicide over the last 30 years. This is unprecedented in Indian history. You have had rural distress, but you have never had a situation where farmers are compelled to commit suicide.

We need to think out of the box. If we continue with the old paradigm of giving higher minimum support prices, giving subsidies for chemical inputs, that gets us deeper and deeper into the same vicious cycle.

<sup>12</sup> FAO. 2017. *The future of food and agriculture – Trends and challenges*. Rome.



## Alternatives

What are the alternatives? There are major efforts on the ground. For example, in the Southern Indian State of Andhra Pradesh in India, the state government has committed that by 2027, 8 million ha, its entire cultivated area, will shift to natural farming. This is a political call taken also because the largest number of suicides has taken place in that state. With the recent change of government in Andhra Pradesh, the new chief minister has also committed to following this path of natural farming. If you follow this path, you get multiple win-wins. There are higher farmer incomes because costs of cultivation come down. There is better soil health, the foundation of agricultural productivity. There is water security, and we can move toward ensuring consumer health.

The Lancet Commission Report that came out in 2019 is called the *Global Syndemic of Obesity, Undernutrition, and Climate Change*.<sup>13</sup> Diabetes in a country like India has become an epidemic. In 1990, there were 26 million diabetics. After 26 years, this number increased by 150% to 65 million. The number of diabetics is expected to double by 2030 due to the massive consumption of ultra-processed food products. A major contributor to this epidemic is the displacement of wholefoods from our diet by energy-dense, nutrient poor and ultra-processed food products. How do we, therefore, address this crisis of nutrition? The fundamental change we need to make is to diversify our cropping pattern.

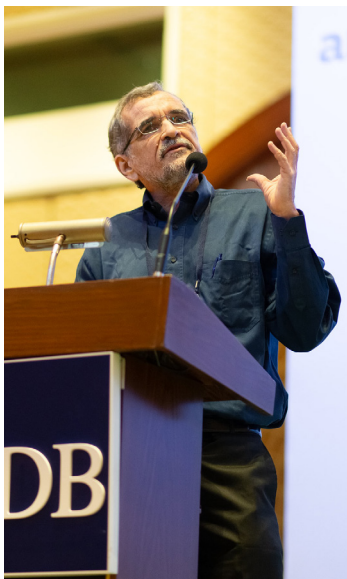
The green revolution no doubt made a huge contribution to food security. But today after 50 years, the green revolution has run out of steam. We need to look for alternatives, particularly in the area of crop diversification. We should move away from the “traditional crops” of the green revolution. Millets, pulses, and oil seeds have high nutrient value. Along with that we need to have fruits and vegetables. We need to develop cold chain infrastructure, which will move the farmers up the value chain while addressing the nutrition crisis. Tomorrow, you will hear from a farmer from Maharashtra, who is growing strawberries, which are an extraordinary option for that farmer. The farmer will explain to you that moving to organic strawberry cultivation dramatically reduces the cost of cultivation with yields being stabilized within two years when production moves to organic.

## Water

I also want to focus attention on the question of water. When the Honorable Prime Minister of India invited me to join the Planning Commission, my major task was to suggest a paradigm shift in water. The new government has asked me to continue this work in recent years. We need to shift the emphasis from endless supply to sustaining supply by reducing the demand for water and moving away from water-intensive crops.

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<sup>13</sup> The Lancet. 2019. [\*The Global Syndemic of Obesity, Undernutrition, and Climate Change: The Lancet Commission report.\*](#)



**Invisible infrastructure.** Mihir Shah, Distinguished Professor, Shiv Nadar University, stressed that invisible infrastructure, specifically participatory approaches to development and women's leadership, must be part of the battle against rural distress.

We also need to have a new vision for infrastructure. The 21st century now offers us the possibility of what we call blue-green infrastructure. This is infrastructure, which builds with nature, allowing room for the river, is energy- and resource-sensitive, and, therefore, enables us to create jobs in the infrastructure sector, which leads to sustainable development.

We also need to carefully pay attention to innovations in waste management. Biological and nature-friendly technologies are now available for us to leapfrog the capital and energy intensive technologies of the 20th century.

What we have seen so far is that farmers have interacted with markets and the isolated farmer has had an unfair deal. Innovations in farmer producer organizations and collectives have turned adversity faced by farmers in markets to empowerment and bargaining power. Institutions of the poor, in our battle against poverty, and institutions led by women are key to overcoming farming and rural distress across the globe. We need major investments and facilitative action that enable farmers and others in rural areas to come together to benefit from the power of collective action.

### Invisible Infrastructure

Finally, I emphasize the importance of what has been called “invisible infrastructure”—participatory approaches to development. All development experience across the world in health, education, sanitation, nutrition, or water shows that when people are centrally involved in making decisions about the kind of development that should happen and in overseeing the very process of implementation of development programs, that is when these programs are successful. The leadership of women has proven to be a critical factor in ensuring success for these development programs. Invisible infrastructures are the social and human systems that enable capacity building among primary stakeholders, and this must form an integral part of our battle against farm and rural distress.

To summarize: (i) harnessing the power of ecology, and ecosystem services; (ii) Evergreen Revolution; (iii) harnessing the power of blue-green infrastructure; (iv) building institutions of the poor led by women at the grassroots.

## Panel Discussion

**Montserrat López Jerez, University of St. Andrews, Scotland:** I am a trained economic historian. The discipline's almost exclusive focus on industrialization and rise of the west is illustrative of the neglect of the role of agriculture. No country has undergone structural change without transforming agriculture. It is thus an important aspect to study and research. Many historians would be researching situations faced by European farmers and assume no valid comparisons can be drawn, but conditions affecting small-scale holders and labor intensity in Europe and Asia were relatively similar albeit at different periods in time.

I look at comparative examples in Asia. First, I highlight the importance of farmers as agents of structural change, which is not the way we normally think of farmers. I stress the point brought up by the keynote speaker in Session 1, Dr. Krishnamurthy, that farmers are both producers and consumers. However, in relation to the urban bias, as the keynote speaker in session 3, Dr. Shah, has pointed out, an urban-industrial, labor-absorbing versus a traditional rural economy hypothesis does not hold true today.

In the developing world, people might move to cities, but then the urban bias takes up another dimension, which is that people coming from a poverty-stricken background in rural areas risk end up in urban poor groups adding to urban poverty. This mobility is no longer a proxy for improving incomes. The growing pressure of urban poverty forces urban administrations to keep food prices low as many people migrating into urban areas nowadays have delinked themselves from the rural economy, which they cannot return to for livelihoods during crises. Urban administrations cannot afford then to allow food prices to rise in the cities in order to maintain social and political order. There is a consequent trade-off. The urban authorities try to keep food prices down, which then proves a disincentive to farmers. That becomes a vicious cycle.

Second, one of the problems seen today in Asia is that agriculture as percentage of GDP is going down, while employment in sector remains high—significantly above the world average. That indicates that structural adjustment is not taking place. Hence, the important but complex relationship between on-farm and off-farm incomes in Asia needs to be addressed. In the initial stages of transformation, we see that both in Japan and Taipei, China, and to a lesser extent in the Republic of Korea, the relation between on and off-farm was much greater than what the literature usually acknowledges. It is seldom that we come across farmers fully employed in a business. There is an intermediate stage of transformation that most literature on the subject ignores, and that is rural industrialization. The combination of on-and-off-farm incomes allows resilience build up against shocks, seasonality, and the labor-intensive production. It is a relatively small stage and if one gets stuck there, it becomes a vicious cycle. That is when public policy steps in. State interventions might lead to a different type of dynamics.

Finally, I emphasize the importance of resilience build up for smallholders. When we look at the data, especially the East Asian cases, which are good examples from which lessons can be learned, we understand about avoiding urban bias. How to help farmers cope with the distress they are exposed to, or the risks they have to take. Farmers are exposed to many risks both as producers and consumers. One of the fundamental aspects is that the most inclusive processes of transformation are those that keep the imbalances between rural and urban at bay by leveling out incomes. The provision of public goods is fundamental but labels of rural and urban cannot solely define the inequalities. We can see inequality within rural economies as well. For instance, in the Red River Delta, rural income inequalities are driven by off-farm rather than on-farm activities due to the small size of farmland holdings. Thinking along the lines of big categories, rural and urban, is important but we must also look at each specific rural economy to be context-specific within the same country. Otherwise, we will miss the importance of the local rural economy and policies

may not reach the intended beneficiaries or result in not achieving targets they are supposed to foster.

**Thierry Giordano, French Center for Research and Agricultural Development**

**(CIRAD):** First, we should think beyond agriculture, food security, and sectoral approaches and get to systems. This also goes in the direction of recognizing diversity of income sources we have in rural areas today. CIRAD has just released a report together with FAO and the European Commission during the Committee meeting on Food Security in Rome, Food Systems at Risk. The main message is that risks combine and become complex as we go down to lower levels, as these are context specific. The question is how to address these local specificities and find the right solution for the right places.

Second is the urban–rural dichotomy that has to disappear, and instead, the rural–urban linkages need to be strengthened. But building roads is not enough. We need to close the development gap between rural and urban areas and that goes beyond just connectivity. We have to ensure urban policies that benefit both rural and urban drivers and this must bring about a major change in the way we work and stop working in silos.

How do we move to something more specific? UN-Habitat has developed guidelines for strengthening rural–urban linkages and they are now trying to apply in some countries. In the PRC, the first forum on urban–rural linkages will be held in 2 weeks’ time. At CIRAD, we are developing an integrated territorial approach, whereby we have developed an advocacy paper in collaboration with many international agencies and partners, such as FAO, the European Commission, United Nations Capital Development Fund, African Union Development Agency-NEPAD, German Development Cooperation, and French Development Agency.

It is about ensuring solutions at local level at the right scale, at the right time, in the right manner. Some basic principles are firstly, to be forward looking, identifying what will be the future of the territory we are working on. For example, we are talking about how to make farming attractive. Apart from ensuring livable incomes, we must ensure that farming has a future. In Senegal, when I talk to farmers who are making a decent living, they do not wish their children to go into farming as they do not see a future in the rural areas and no future in farming. Thus, we need to work on developing a future for rural areas. Secondly, if governments have a role to play, local governments need space to act. Decentralization and devolved governance are key in this process. Thirdly, when we are implementing integrated territorial development approach, we need to be participatory. This what Dr. Shah was mentioning in his keynote address. We aim to include all stakeholders—the farmers, civil society, churches, local and national government, and make sure that we all agree on what the future could be. This forms the basis for working together. Finally, it is important to be impact oriented. It is just not about ticking the box. We need to look at outcomes and impact. We need to analyze all the interconnections with other sectors, initiatives, and actors—all these must come together. This approach is about multisectoral, participatory, multi-stakeholder, multi-governance levels. We have applied this approach in several



**Mobile internet to help reduce poverty.** The improvement of internet and mobile phone services, once further upgraded to high speeds and accommodating bandwidths, can easily bring high-quality services from urban areas to rural areas.

African countries but unfortunately studies are in French language. We are now working in Botswana and soon will have results documented in English.

**David Dawe, Food and Agriculture Organization of the United Nations:** The key question we need to ask ourselves is how to convince the people who are not in this room. We need to think about how to convince others. We must think of hooks to augment our arguments. One is that inequality in society is now becoming a major issue such as the rural–urban divide, especially in Asia. Howarth Bouis talked yesterday about a competitiveness angle, which is another hook we can use. If we do not get our diets right so that our children are eating more nutritious foods from a very young age, which are rich in protein, micronutrients, and fibers. For example, it may become an issue of national competitiveness. People’s brains will not develop fully. In today’s age, it is not physical strength or human labor that really matters, it is the mental capacity that is the human capital that determines national competitiveness.

We need to think of these angles and use them to sell the importance of rural development and food security to outsiders. We need to go beyond agriculture in rural areas. Once we secure funding for rural development what is it spent on? Martien van Nieuwkoop (World Bank) mentioned that the money is spent not well. One issue I would like to raise that Prof. Shah mentioned earlier is the use of inputs in farming. It is well-known that use of fertilizer, pesticides, water—all have negative externalities and impacts on things that are outside the food they produce. In economics, the standard policy prescription is to tax the use of that input. Instead, we subsidize them. This is a complete reversal of what we should be doing.

We need to ensure that any extra funding coming in for rural development and food security is not spent on input subsidies. Fifty–sixty years ago, it may have been a good idea to teach farmers about an input (fertilizer) that they were unfamiliar with. I do not think zero fertilizer is the solution. There is some optimal level of fertilizer that should be used. Nowadays, farmers are well past that stage. They know very well how

to use fertilizers and we do not need to encourage increased use of fertilizers, which results in more negative environmental impact.

These are difficult issues politically and we need to [use] political economy. In Indonesia, they raised fuel prices and ended up giving cash transfers to poor people to compensate for price increases. We need to learn from experience. It is not easy to remove these subsidies, but it is possible. Education, healthcare, water, and sanitation costs more per person of investment in rural areas than in urban areas. There may be a case to prioritize use of scarce financial resources. We should spend on nutrition. We need more funding on basic agricultural research, on fruits and vegetables, on aquaculture, and other animal protein source products. This research will help farmers to become productive. As consumers are also looking for products that are affordable, research will help identify ways to increase productivity, and hopefully not at the expense of the environment. We need increased spending on agricultural research and development on food that provide better nutrition. Staple cereals remain important but those are not enough. Diets are moving in other directions. In many countries, prices of fruits and vegetables have risen more rapidly than the prices of cereals. This makes it harder for poor people to afford these foods. There are also implications for value chains. A lot of these nutritious foods are perishable, and we need cold chains so as not to lose the nutritional content in the process of getting it from farms to consumers. We also need to impart better business skills to farmers, which will help them to create more value added to have good returns. Business skills will also be valuable for farmers pursuing off-farm occupations or income generation options. This is inevitable. It has happened in every country that has ever become wealthy in the history of mankind.

**Saulye Janimkhan, Vice-Minister of Food, Agriculture, and Light Industry,**

**Mongolia:** The Government of Mongolia is paying keen attention to this forum. This forum is essential as it promotes rural development in developing countries and effective implementation of food security policy.

The population of Mongolia is approximately 3 million. Its land area of 1.5 million square kilometers (km<sup>2</sup>) is one of the least densely populated countries of the world. Mongolia is administratively divided into 21 provinces containing 330 administrative sub-units known as soums. Sustainable rural development has been one of the priority focus areas of Mongolian government policy. The following are the main challenges and constraints that the Government of Mongolia faces in the context of rural development:

- i. The economy of around 85% of the old sub-provinces is vulnerable as people only depend on livestock and farming.
- ii. Due to lack of infrastructure in rural areas, agricultural commodities are not easily available in the market.
- iii. Mongolia has harsh weather conditions and its impact on the agriculture sector is enormous. The extreme weather conditions affect the competitiveness of the agricultural sector in the country.



In 2018, Mongolia had around 110 million ha of rangeland according to the national statistics, with 66 million heads of livestock. In recent years, the number of livestock have been increasing and about 25 million heads of livestock exceed the pastoral carrying capacity. There are about 170,000 households and average age has increased. Productivity needs to increase and breeds need to be improved to increase the number of animals for herders, as herder income increases. Some of the policies the Government of Mongolia is implementing focus on developing the rural areas.

The agriculture sector plays an important role in rural areas by minimizing the density of population living in cities. The Government of Mongolia is implementing the National Industrialization Program 2100 as well as the Meat and Dairy Campaign in order to develop local production, create jobs, increase the income of herders and farmers and ensure a local and sustainable development. The Government of Mongolia pays key attention to food security. In 2017, the Ministry of Health, together with the Center for Public Health conducted the 5th National Nutrition Survey of Mongolia. According to the survey, 90% of children under the age of 5 years, 95% of pregnant women, and 82% of men have vitamin D deficiency. Overweight and obesity of the population have been increasing risks to public health. Hence, the public should be aware of a healthy diet, including vitamins and minerals. More healthy food should be produced. Therefore, the Government of Mongolia is aiming to ensure food security and improved public health. The parliament has adopted the Food Fortification Law in 2018, which mandates iodization of salt and enrichment of flour and food items that are mostly consumed in Mongolia. Mongolia will gratefully cooperate with regional countries as well as international organizations to implement rural development and food security policies in the country.

**Cesar Jose da Cruz, Secretary General, Ministry of Agriculture and Fisheries,**

**Timor-Leste:** I will focus on climate change, under which droughts can occur in both high and low rainfall areas. Asia has been increasingly affected by unpredictable weather and drought has decreased availability of water. Prolonged dry seasons as well as floods impact heavily on food security. Drought is by far the more devastating, frequently caused by El Niño.

Consequently, the impacts of climate change and extreme weather events are likely to increase in frequency and intensity, which will impose a major threat to nutrition and food security and hamper gains made already. Seventy per cent of the population depends for their livelihoods and food security on farming and rural activities and these will be greatly affected. The adverse impacts seriously harm the country's development by impacting on infrastructure, ecosystems, and communities. The topographic and socioeconomic conditions have led to classification of large parts at risk to natural hazards, disasters, and social vulnerability.

The agriculture and forestry sectors have suffered disproportionately from droughts. At the same time, the sectors provide ample opportunity to promote resilience and sustainability and socioeconomic development of communities. The strategy of agriculture and food and nutrition security provides a framework for an integrated and action-oriented approach to reduce negative impacts of drought in the agriculture sector and increase resilience of rural communities toward proactive disaster risk

management. The goal of sustainable development is to strengthen communities to better cope with drought by installing early warning and response systems. Priority interventions have to be identified to institutionalize a systematic approach to drought risk monitoring; early warning and early action; and to enhance capacities at national, municipality, and local levels for timely and needs-based response and to ensure that drought risk reduction is a part of recovery, reconstruction, and rehabilitation efforts.

The objectives are reduced vulnerability and increased capacity of farmers to implement drought risk reduction good practices and strengthening of mechanisms to manage and reduce drought risk; and increase productivity as well as production intervention in priority activities and working mechanisms for enhanced risk reduction in agriculture, livestock, forestry, and fisheries at all levels—national, municipality, local, and development partners including private sector.

The Strategy for Agriculture and Food Nutrition and Security outlines key priorities, national policies, and regulatory framework and builds on good practices. There is an imbalance of urban–rural development. This negatively impacts national economic growth. We need to reduce the gender gap in rural and urban areas. Without positive interventions there will be no farmers, no food, and no future.

**Duc Chien Dang, Institute of Policy and Strategy for Agriculture and Rural Development, Viet Nam:** I will focus on three things: mobile internet, rural–urban migration, and rural development program in Viet Nam. The mobile internet will help reduce poverty. Muhammad Yunus, founder of Grameen Bank once mentioned “The quickest way to get out of poverty right now is to have one mobile telephone.”

Currently, 47% of world population uses mobile phones to access internet. In low- and middle-income countries, 57% people exclusively use mobile phones to connect to the internet. Mobile internet is growing and this could be one option that helps rural development. In low- and middle-income countries, mobile internet access in rural areas can provide services in the agriculture, health, and finance sectors, which can be support by the public and private sectors. However, there are some barriers preventing rural populations from using mobile internet—affordability, literacy, and digital skills of the farmer. These barriers could be overcome by enabling government policies so that mobile services can reach their full potential. Governments can also encourage developers of apps to provide farmers with useful apps that provide agriculture, market information, tele-education, and financial services. In Viet Nam a lot of mobile apps allow people to conduct financial transactions easily and speedily, which facilitates remittances from urban to rural areas.

The second issue is migration. One-third of international migrants are aged between 15–34 years. Around 40% of remittances are sent to rural areas. This underscores the fact that a major portion of migrants are from rural areas. Migrants not only remit funds back to their homeland. They also bring along knowledge and skills. But migration has both pros and cons. Because of out-migration, rural areas face challenges. Farm labor in rural areas is aging and younger people (aged 15–34) are migrating out to urban areas. Yet the young are the motivation, the engine of



development in rural areas. In Viet Nam, a study based on census results shows that between 2008–2014, labor movement out of primary production to downstream or nonfarm activities improved their livelihoods and wealth significantly

The recommendation could be that policies target rural smallholder business and start-up entrepreneurs to facilitate and accelerate establishment of their businesses and activities. Policy should also focus on diversification of off-farm activities. Investments in rural services and value chain must be accompanied by education, vocational training, and skills transfer. These policies are critical for rural development. Questions include: (i) is out-migration the root cause of decline of agriculture and development in rural areas, or is migration the motivating force accelerating rural development? (ii) Should we put in place policies to stop out-migration from rural areas or maintain the status quo (migrating to urban areas) that brings back remittances and investment to rural areas?

My last point is Viet Nam's National Targeted Programs for New Rural Development. Making rural areas livable and worth living for rural residents will reduce rural distress. This not only encompasses physical conditions but also cultural, social, and mental conditions. We need to create conditions that make people in rural areas feel proud about their place of residence. Viet Nam's New Rural Development Program deals with socioeconomic infrastructure like transportation, irrigation, electricity, school, cultural infrastructure, rural market, and post office. We also look at economic and production organizations like housing, income, poor households, labor structure, form of production organizations, education, health care, cultural organizations, environment, and sustainable production systems. The program (i) mobilizes participation at local levels; (ii) supports development of off-farm activities and diversification of income sources; and (iii) sustainable vision of development including economic, social, and environmental dimensions. The Government of Viet Nam is implementing a holistic and comprehensive rural development program.

**Forum Participant:** I come from a rural community in northern Philippines where my father was a smallholder farmer. I moved to the United Kingdom (UK) and studied in London courtesy of my mother. I know what it is like to be left behind in a rural community with no opportunities. The only opportunity my mother could offer was to leave. In the UK, I became an investment banker, a management consultant advising corporate firms on capital markets and hotel investment. Through my work I learned how the hospitality business and agriculture could have an impact on rural communities if their investments are utilized effectively and channeled properly. Two years ago, I returned and started working with social entrepreneurs and farmers to aggregate their produce and help them with access to markets and compete with big producers funded by multinational corporations. How do we support smallholder producers to access funds, market, and compete against bigger players? How do we channel funds to such rural institutions? Where are the multinational food producers in this discussion?

**Mihir Shah, Shiv Nadar University, India:** We need farmer-producer organizations so that farmers can benefit from participation in the market, which they have not achieved as much as they should. You raised the question of where the investment

will come from. In India we have a small farmer agribusiness consortium set up initially with capital by the Government of India, where equity was provided for these corporations to be set up. Without that initial support it is not going to fly. Private capital will not come in. It is too risky a venture but with this kind of public sector backing we, in India, are getting a number of success stories moving forward. Farmers must come together to benefit from participation in the market with value addition, moving up the value chain, and double-farmer incomes, which is now a national objective in India.

**Forum Participant:** My grandparents are also farmers. Sometimes, they are not paid well because of commercialization and pressure from buyers (intermediaries) to sell at low prices. It is not about increased competitiveness. We need to work in harmony. My question is, how can we benefit the farmers in rural areas?

**Mihir Shah, Shiv Nadar University, India:** Let me tell you my story. Thirty years ago, after completing my PhD I went and lived in a tribal village in central India where I worked with farmers, became a farmer myself, and that is where I learned how we could address the question that you are posing today. The first thing is to make farming sustainable. The costs of farming are too high. We realize we need to change the technology of agriculture. We also need to work in harmony with nature. There is ecological destruction of the catchment areas from we get our ecosystem services, unless we create a win-win for the farmers wherein they can receive payment for ecosystem services they are providing.

I was talking yesterday to some Filipino farmers like yourself and they were telling me that the indigenous peoples themselves are cutting down the forests. This is because they do not see value in the trees. Yet millions of dollars of value is hidden in the natural resources. The market does not put a value to them. We need to unlock that value and create that potential for livelihoods to be generated on the basis of what exists by sustaining what exists and not by destroying it—not by logging and burning. This is a planetary issue. We need to recognize in this time of climate change that we need to move toward more sustainable approaches. Otherwise neither the farmers nor the urban inhabitants will benefit.

**David Dawe, FAO:** There are many opportunities and we are only limited by our imagination. This is not to deny that there is distress in rural areas, but sometimes we are so caught up in the moment that we do not step back. Rural poverty rates in this part of the world have been declining almost everywhere. More people have been brought out of poverty in the last 40 years than at any time in human history. There is no denying that many people suffer but there is hope. A lot of people are doing better and have better lives than they have had before. This should not stop us from working hard to improve the plight of the people who are suffering now, but a lot of people are succeeding.

**Thierry Giordano, CIRAD:** We need to be optimistic and we will need food anyway. We have no choice but to produce. The question is how. In Europe, we are now discussing reform of the Common Agriculture Policy and a report released from a think tank in the French Prime Minister's Cabinet Office suggests taxing antibiotics,

inputs, fertilizers, and livestock and using the funds to cross-subsidize farms based on the numbers of jobs they create. I am not sure what sort of impact such a proposal can have but it is real change. I agree that we need to imagine new solutions. The market economy is here to stay but is dysfunctional. We need new regulations, but we need to be guided by a collective approach to new solutions and we have the capacity for that.

**Forum Participant:** I am contemplating on how we can deal with the plight of farmers and how it impacts migration to urban areas. It is a combination of everything. Governments must intervene. Farmers must help themselves. We as researchers in international institutions also must do our best, but there are some concrete solutions we can take. Policies could make farming attractive to farmers as migration is triggered when young farmers do not see a value in farming. Younger generations see more value in the cities than in the villages. The farmgate prices is a number one problem. We should give salaries to farmers during the days they are involved with farming, increase the efficiency of farming and make it ecologically sustainable. We also must ensure that farmers have access to universal health care and education.

**Forum Participant:** How will the integrated approach proposed by CIRAD be different in theory and practice from the poor performance of the Integrated Rural Development Program (IRDP) of the 1980s and 1990s?

**Thierry Giordano, CIRAD:** The CIRAD approach is based on a completely different mindset. It has nothing to do with what we used to do. The IRDP of the 1980s and 1990s was very top-down and it was expert-led. The CIRAD approach is bottom-up and people-centered. However, it has multilevel governance as well. We need to accompany the strategy of the farmers. We cannot get rid of what they are doing. Farmers have a strategy. They are trying to survive. We can help them. This is what we are trying to do. It is not about telling them what they should be doing. It is about helping them to do what they are doing better. That is a big difference from IRDP—it is bottom-up, multi-stakeholder, and multisectoral. We need to create jobs in the transforming agriculture and all the other spaces in the food system. If we can create local markets for local products of local people, we will then make a big difference.

**Montserrat López Jerez, University of St. Andrews, Scotland:** To follow up on what Thierry and Prof. Shah have mentioned, farmers live in a social and ecological environment, which is part of a national policy as well. Farmers are not a homogenous group and there are so many variations in growing even rice or coffee, or diversified crops that farmers will have different types of needs and solutions. What will be the most appropriate in the local context will certainly have to fit into the global economy (prices, shocks, and externalities). There is a trade-off and national policies usually do try and protect farmers. There is a difficult balance between letting the markets function yet protecting farmers from the worst type of externalities. Farmers will always have difficulties to compete.

This balance is a challenge for policy makers that has to be acknowledged. Evidence in history shows that protective policies will have to be part of the priorities of the countries otherwise nothing much will happen. Although we have seen a substantial

reduction in poverty, in Asia there is still a structural problem, especially in middle-income countries and emerging economies. Rural economies are not catching up as quickly as we have seen in other cases. Something needs to be addressed but as David Dawe pointed out, how do we get people outside this room to listen to us. The importance of identifying what the problem is should not be understated. Then solutions can come.

**Akmal Siddiq, ADB:** Our first expectation from this discussion is to determine whether the governments have rural development policies. To my knowledge, no government in our region has a comprehensive policy. Of course, many governments will say they have a rural development policy. We build roads, schools, and provide social services. We heard from Prof. Shah that we need to value natural resources. There are a few policies here and there but nothing comprehensive. The Government of the PRC is at the forefront with such policies. Farmers are paid for ecosystem services and there is a complex web of subsidies. We have created a complex economic ecosystem for farmers. There may be 10 different policies that affect farming but we only attention to one or two policies. That does not really help farmers' or private investment going into farming.

The second point is that farming is seasonal. Farmers are busy in the sowing season and at harvesting. If we estimate their level of employment, they usually have up to 50% of slack time. What we are telling governments is that rather than giving incentives to nonfarm investments around peri-urban areas, they should create opportunities—infrastructure, water supply, sanitation, roads, and telecommunication in the hinterland—so that some industries can move there where the labor is available, instead of trying to attract them closer to urban areas.

This is a new paradigm we want to put on the table. A comprehensive rural–urban policy that connects all these dots. In the last decade, the emergence of high-speed internet and telecoms have provided opportunity of tele-health and tele-education, which can easily bring high-quality services from urban areas to rural areas. A doctor does not have to go to the rural areas. He can be on the screen from his hospital in the city and talking to the paramedic in the village.

These are some of the policies we want to encourage. Rural areas have to become centers of economic activities, which has not been the case so far. The classic western model of development is to get everybody out of rural areas and take them to the cities. Now there are opportunities to slow down that process and maybe even reverse that process. That is our vision. I just want to put a framework on the table.



## Rural Development and Food Security Forum 2019 Proceedings

Smart rural development, effective agricultural policies, and efficient regulations are critical to ensure a sufficient, safe, nutritious, and affordable supply of food to Asia and the Pacific's growing population. Toward this end, the Asian Development Bank hosted the Rural Development and Food Security Forum 2019 to prompt governments in the region to provide the leadership and transformative change needed to generate rural prosperity and effective stewardship of land and water resources. Among the topics discussed were the farm income crisis, food insecurity and malnutrition, and rural distress and prosperity challenges. This report captures the stories and on-the-ground experiences of farmers, entrepreneurs and young agripreneurs to help prompt leaders to provide active leadership, effective resource stewardship, and promote transformative changes in rural development and food security.

### About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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