TOPIC GUIDE: Stepping out of agriculture



### Agriculture's relative decline



**Most SF today** will not be fulltime SF in 20/30/50 years





## **Benign Rural Transitions**



## **Enigma of the RNFE**

Small-scale: 1/5 jobs Services, not manufacturing Low tech Little capital

**But** RNFE can thrive, beat poverty China, India, Thailand, Taiwan, etc.

### **Policy for RNFE: big points**

#### Straightforward

- Enabling rural investment climate
- Rural public goods: roads/power; education/health

Tricky

Rural financial services

# Near-identical to Agricultural Development agenda! Trade-offs???

# Policy for RNFE: finessing

# *Beware* firm-specific actions: work up the hierarchy – sad history of rural ind estates, etc.



Povertyfocused?

- Low public cost?
- Must decentralise

- Training & education
- Anti-discrimination
- Mitigate rural market failures

## Migration from rural areas

### Much is seasonal, cyclical, maintains rural links

## Varied Motivations

- Economic, but household logic
- Social
- Capabilities & Aspirations: social networks

### Impacts of migration

### Generally positive

### Rural areas:

- Remittances, diverse uses
- Loss labour: buy in?

### Migrants:

- Sometimes: bad treatment, poor living conditions, discrimination
- Social sadness, sacrifice

## Policy

Most governments discourage migration

• Strain services in urban areas, slums

- Political discontent
- Restrictions on movement have little effect, but raise costs & dangers

Better: facilitate rural household choices

- Better info re distant opps
- Reduce costs of remittances
- Protect migrant rights in work & to public services
- (Develop rural financial services)

### Rural-urban links

# Urbanisation: back in fashion

 Agglomeration economies

Closer links: urban demand for

- Leisure
- Environmental services
- Land
- Comp with rural manufacturing

### Policy

Disappointments in planned urbanisation

- Growth poles
- Agropolitan centres

Secondary towns may create more jobs than metropoles

Invest in roads, people & the land rights of those in peri-urban areas

LED, RTD, industrial clusters + decentral.

### Social: who steps out?

Initial advantages in RNFE & migration: those with education, capital, social networks

# But poor can & do benefit:

- Directly, earnings from RNFE
- Indirectly, RNFE tightens rural labour market, higher wages,
- Safety net when shocks occur

#### Inequality effect ambiguous

## Women have

- fewer opps: tied to homes
- worse conditions and pay
- more vulnerability as migrants
- more work when men leave

# But RNFE & migration may still benefit women

### women & Stepping out: policies

### **Education for girls**

### Rights and protection as migrants

India examples:

• Ethical placement & registration

• Toilets!

- Street lighting & safety on buses
- Rehab for trafficked & abused

### Geographical disadvantage



Few options for remote regions lacking resources



WDR 2009: regional incomes diverge before they converge



Remote areas with some potential can progress when connected: NE Thailand

### Lessons: agricultural development

# Agricultural development not in conflict with RNFE

If farmers are leaving, then:

- Technology for part-time farmers
- Flexible and equitable tenure

### Lessons: Overall

Processes: multi-stranded, complicated, fluid, difficult to measure, highly contingent

Can't micro-manage: instead facilitate & enable, protect & compensate, individuals, households, firms

Govt: focus on fundamentals; but encourage others -- NGOs, local government, unions, co-ops, etc. -- to explore detail

Track better changes, e.g. rural wages

Gunna agenticating

### Urbanisation



