

Post-2015 and SDGs



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Highlights

- Poverty has declined worldwide, but progress has been uneven. Extreme poverty is mainly concentrated in rural areas.
- Rural development and agricultural productivity growth are crucial for poverty reduction.
- Deteriorating ecosystems, unsustainable natural resource management and climate change are disproportionately affecting the poor. Unless these trends are halted and reversed, the goal of eradicating poverty will remain elusive.
- Poverty cannot be eradicated without addressing the pervasive inequalities in incomes and economic opportunities between and within countries, between rural and urban areas, and between men and women. Reducing such inequalities will need to start with improving access for the poor to productive resources, basic services and social protection.

Poverty eradication

Overview

The Millennium Development Goal (MDG) target of halving extreme poverty by the end of 2015 has been met, as the proportion of people living on less than USD 1.25 (purchasing power parity) per day (the *extreme poverty* line for 2005) in developing regions fell by more than half from 1990 to 2010.

Progress has, however, been uneven, with a few Asian countries, primarily China, accounting for most of the decline. The rate of poverty reduction has been much slower in low-income countries, especially in sub-Saharan Africa where the absolute number of poor has continued to increase.

Eradicating poverty con to be a major challenge and thus will need to remain a central goal of the post-2015 development agenda:

- An estimated 1.2 billion people in developing countries still live in extreme poverty;
- Moderate poverty (those living on less than \$2 PPP per day) has declined at a much slower pace; while many may have escaped extreme poverty, the gains are easily reversible;
- Both extreme and moderate poverty remain primarily rural, with 75 percent of the world's poor living in rural areas and most dependent on agriculture;
- The poor have few decent work opportunities, as most live in areas where productivity is low, local economic activity is inadequately diversified, underemployment rates are high and jobs are insecure;
- Poverty pushes many children into the labour market. Almost 60 percent of child labour worldwide is found in agriculture, where children often

work in hazardous conditions, putting children's health, education and life chances at risk;

- Gender gaps are often more pronounced among the poor. For example, the gap in years of schooling between poor women and men is more than double that among the non-poor;
- Low-income people are at great risk of being food insecure and malnourished.

Key challenges

Typically, rural poverty reduction has been achieved in contexts of rapid economic growth. Economic growth is no panacea, however. Rural poverty has persisted where policies paid insufficient attention to improving agricultural productivity and rural infrastructure and failed to provide rural populations with access to social services and social protection or facilitate the development of rural producer and consumer organizations. Failing to improve access for disadvantaged groups, and particularly women, to productive resources and social services further perpetuates rural poverty.

Climate change and other environmental threats, rapid population growth and migration are putting disproportionate pressure on livelihoods in rural areas where poverty is already entrenched and people have the least resilience. Challenging as this may be, sound management of natural resources and ecosystems need to go hand in hand with efforts to reduce poverty.

What needs to be done?

Eradicating extreme poverty and substantially reducing moderate poverty by 2030 requires major shifts in policy priorities. To ensure that no one is denied universal human rights and basic economic opportunities, any new development agenda should focus on ensuring inclusive economic growth and reducing inequalities.

Employment opportunities need to be generated, consistent with the decent work agenda. As the vast majority of poor people live in impoverished rural areas, the main focus must be on building more productive, diversified and resilient local rural economies with stronger rural-urban economic linkages, and through the accelerated adoption of climate-smart and sustainable production methods. This will require a transformative agenda:

- The majority of the rural poor are smallholder farmers, who are responsible for most global food production. Helping them to improve farm productivity through better access to resources, technologies, markets and organizations will be critical for both poverty eradication and food security. Compared to general growth in low-income developing countries, agricultural growth's impact on poverty reduction could be as much as five times greater;
- Reducing poverty requires ecological and resource sustainability. Increased food production will exacerbate land degradation, greenhouse gas emissions and biodiversity loss unless production methods and consumption patterns become more sustainable. Smallholder farmers will need affordable access to technologies and infrastructure to sustainably transform food systems;
- Diversification of employment into non-agricultural activities will be essential to accelerate both rural and urban poverty reduction. Growth of non-farm activities is often driven by agricultural growth and can stimulate local employment creation;
- Closing the gender gaps in education and access to productive resources can substantially boost women's empowerment and incomes, particularly in agriculture and rural areas;
- Roads and electricity improve connectivity to markets, strengthen rural-urban linkages, increase agricultural and non-agricultural productivity and create employment;
- Better social protection can help the poor better manage risks, improve their livelihoods, and enhance the health and education of their children. It will thus not only help accelerate the eradication of poverty and hunger, but also reduce disparities in life chances;
- Early investments in education, health and nutrition in rural areas are essential. Many youth face bleak economic prospects whether they stay in the countryside or migrate to cities. Increasing gainful opportunities by enhancing the skills of rural youth, and upgrading and diversifying local economic activities is therefore essential for improving youth prospects;
- Addressing undernutrition will also contribute to poverty reduction by enhancing economic capacity, human capability and earnings potential, through better physical and cognitive development and sufficient dietary energy to be productive.