

Review

Strategies for Reducing Rural Poverty in Developing Countries

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Abstract: Rural poverty in developing countries comes in various forms. Food insecurity, discrimination, human rights violations, inadequate health care, and social protection are just some of the manifestations of poverty that affect the rural population. However, the most severe form of poverty is the lack of access to food for the most vulnerable segments of the population. Several strategic approaches to rural poverty reduction have been developed at the international level and have been implemented specifically in developing countries. These strategies focus on agriculture as the dominant economic activity in rural areas. In addition, the strategies aim to strengthen local rural communities while adhering to the principles of environmental, economic, and social sustainability.

Keywords: strategies; poverty; poverty reduction; rural areas; developing countries.

1. Introduction

Rural areas in developing countries face numerous challenges, the greatest of which is extreme poverty, which manifests itself in food shortages. The economic underdevelopment of this group of countries leads to a lack of agricultural development, which in turn results in poverty in rural areas. This creates a vicious cycle from which the rural population finds it difficult to escape [1]. Rural poverty in developing countries occurs in various forms. The challenges for the development of rural areas arise from cultural, geographical, environmental, socio-economic, and other factors. A 2019 publication released by the International Center for Inclusive Development identifies several significant challenges facing rural areas that contribute to poverty. These challenges include the unfavorable position of women, children, and the elderly; inadequate access to land; inadequate social protection for rural populations, human rights violations, and the unfavorable position of migrants [2].

The importance of the problem of rural poverty and the search for appropriate mechanisms to reduce this negative phenomenon is highlighted by the development strategies adopted at the international level, which give priority to poverty reduction. One such document is the United Nations Agenda 2030, which prioritized poverty eradication among its seventeen development goals [3]. Eradicating hunger, achieving food security, and improving food quality are priorities of the United Nations Sustainable Development Goals [4].

The aim of the paper is to show the factors and manifestations of rural poverty in developing countries. In addition, the paper discussed the positive aspects and limitations of the various development strategies used to reduce poverty in the rural areas of Third World countries.

2. Factors of rural poverty

Poverty can come in a variety of forms. According to the International Monetary Fund, factors that contribute to poverty include:

- Wars and political instability
- Corruption
- Discrimination for various reasons
- Unsecured property rights to land
- High population growth rate.

Worldwide, about 80% of poverty is found in rural areas [5]. Most poor people live in sub-Saharan Africa, where the poverty rate is about 40%. After Africa, Latin America and South Asia also have significant rural poverty problems.

Insufficient participation of rural people in policy development creates a gap between rural and urban areas and increases the risk of poverty and deprivation in rural areas by up to three times. Children, women, rural youth, farmers, indigenous peoples, and landless workers are in the worst position.

In developing countries, one of the causes (and consequences) of poverty is the lack of access to education for many rural dwellers. Not only are children denied the right to education, but they are often used as laborers in agriculture. As a result of these circumstances, rural youth have significantly lower literacy rates compared to urban youth in developing countries, especially among women. According to the International Center for Inclusive Growth, more than half of the rural female population in most developing countries is illiterate or has only basic literacy skills.

The causes or factors of rural poverty can be divided into three groups:

- Economic causes
- Social causes
- Environmental causes.

From an economic perspective, poverty is due to low productivity, lack of diversification in the rural economy, and limited market access. From a social perspective, various forms of exclusion of certain groups in rural communities contribute to poverty. For example, women are excluded from decision-making and development activities due to gender inequality in most developing countries. In addition, the female population generally does not have ownership rights to land, which further exacerbates their disadvantage and contributes to poverty. In terms of the environment, biodiversity loss and natural resource degradation primarily affect the rural poor. This population is largely dependent on natural resources, as their livelihoods depend on agriculture, forestry, and fishing.

3. Manifestation of poverty in rural areas

The challenges for the development of rural areas vary depending on the region and country. The characteristics and specificities of rural areas result from cultural, geographical, environmental, socioeconomic, and other factors. Despite the differences and regional characteristics, the following manifestations of poverty are common in all rural areas worldwide [2]:

1. Disadvantaged position of women
2. Limited access to land
3. Limitations in the social protection of the rural population
4. Limitations in respect of human rights
5. Disadvantaged position of migrants.

Despite numerous commitments and work assignments on farms, women in rural areas often have no ownership rights to land and thus no decision-making power. In most developing countries, gender equality is not included in legislative, legal, or development documents, either at the local, regional, or national levels [7].

Promoting gender equality and empowering women is critical to sustainable rural development and poverty alleviation. The elimination of all forms of discrimination against women and girls is one of the fundamental human rights, without which one cannot speak of the development of human society and, consequently, of rural areas.

Since most of the rural population practices agriculture as their only source of income, access to land is considered a fundamental factor in their livelihood. The difficulties in accessing land arise from various forms of exclusion and discrimination [8]:

- Socio-economic exclusion
- Gender-based exclusion
- Age-based exclusion
- Ethnic exclusion.

Access to land for rural populations is often limited by the nature of their poverty, i.e., lack of funds to buy land. Rural people do not have sufficient access to credit as a source of financing, nor do they have sufficient personal funds to invest in land acquisition. In the past, it was primarily men who had the right to own land, and some changes are occurring in this area in some developing countries, particularly in Latin America. However, although women have formally been given the right to acquire and own land, in practice this right is still only sporadically applied [9, 10].

The social protection of the rural population is significantly lower than that of the urban population. These differences are particularly pronounced in less developing countries. According to 2017 data, only 45% of the world's population is effectively covered by at least one social benefit, while the majority, i.e., the remaining 55% of the population, is unprotected [11]. In the most vulnerable rural areas of Latin America and sub-Saharan Africa, only 22% of the population is covered by social protection measures. To improve access to social protection services for the rural poor in developing countries, rural development policies must focus on designing more effective social protection programs. One recommendation is to expand the legal framework of social protection to make it accessible to the most vulnerable groups of the rural population [12].

Rural poverty, caused by dependence on agriculture and denial of land tenure rights, creates populations deprived of, among other things, the legal right to social protection and the protection of their human rights. The causes and consequences of rural poverty create a vicious circle that requires comprehensive measures to support rural populations through rural development policies [13]. Data from the Food and Agriculture Organization of the United Nations show that an unacceptably high percentage of the world's population faces hunger, including various forms of malnutrition such as malnutrition, obesity, and developmental delays [14]. This segment of the world's population, most of whom live in rural areas, are denied basic human rights, such as the right to adequate food, the right to health care, and the right to education.

Due to unfavorable living conditions and the search for a livelihood, many people around the world are leaving rural areas and settling in cities. These may be internal to international population migrations. Although leaving the countryside can provide rural populations with diversified sources of income and a better quality of life, there are fewer and fewer rural-to-urban migrations that lead to secure employment. Instead, migrants often face insecure jobs characterized by violence and disregard for basic human rights [15]. Rural development policies should aim to improve conditions for the population migrating from rural areas in search of better living conditions and more secure incomes. In this regard, rural development policy, in combination with other sectoral policies, should support the reduction of transaction costs for remittances, the reduction of barriers to migration and employment, and the protection of migrants' rights and dignity [16].

4. Strategic approaches to reducing rural poverty

A poverty reduction strategy can be defined as a comprehensive plan of activities aimed at reducing the major forms of poverty by creating material and other conditions and providing opportunities for all individuals to provide for themselves and their families [17]. Focusing on creating sustainable growth and development of rural areas should be the basis of poverty reduction strategies, assuming that the basic development priority is to improve the quality of life of the rural population in the long term [18].

In practice, especially in developing countries, several strategic approaches have been developed to reduce poverty in rural areas. Each strategy has its characteristics, but they have in

common that they are based on agriculture as the basic economic activity of the rural population. The main approaches or strategies to reduce rural poverty include [2]:

1. Poverty reduction through the development of an inclusive value chain
2. Reducing rural poverty through income diversification
3. Combining social assistance with economic inclusion measures
4. Local and territorial development
5. Participatory community development
6. Multisectoral strategy for rural poverty reduction.

All of these approaches aim to address the multidimensional aspects of rural poverty. However, since the majority of rural residents rely on agriculture as their main source of income, the strategies focus on improving conditions for agricultural activities and modernizing the sector of the economy.

4.1. Reduction of rural poverty by developing an inclusive value chain

This rural poverty reduction strategy includes interventions at creating stronger and more efficient linkages between businesses and poor rural households. Unlike development approaches that focus narrowly on improving productivity or better natural resource management, this approach encourages development organizations to work with multiple stakeholders (Table 1) to understand value chain performance through positive impacts on economic growth, agricultural productivity, job creation, and poverty reduction [19].

Table 1. Effects of the strategy for the development of the value chain.

The positive impact of applying an integrative value chain development strategy	
Agricultural producers	Processors and wholesalers
Income growth	More secure supply of raw materials
More secure market connections	Improvement in product quality
More secure access to production inputs	Reduction in transaction costs

Millions of people in low-income developing countries, a significant proportion of whom are women, are involved in agricultural value chains as producers, processors, retailers, workers, and consumers. Therefore, improving the performance of agricultural value chains benefits a large proportion of the rural population [20].

4.2. Income diversification as a strategy to reduce rural poverty

Diversification is defined as the process by which rural households build increasingly diverse sources of livelihoods using available resources and assets to meet their basic needs, improve their standard of living, and manage risks more efficiently [21]. Diversification is about abandoning the model of a monofunctional rural economy and creating conditions in which rural people engage in activities related to and/or dependent on agriculture in addition to food production [22]. This offers the possibility of reducing rural poverty through more stable income.

Table 2. Impact of diversification of rural economy on sustainable development of rural communities.

Dimensions of rural development		
Ecological	Economic	Social
Rational use of natural resources	Increase in employment and competitiveness of agricultural enterprises	Improvement of the position of marginalized social groups
Preservation of rural ambient	Increasing the stability of household income	Improvement of demographic structure (age and education)
Quality improvement of natural resources	More rational use of available production resources	Reduction of regional disparities in the level of development of rural areas

Experience shows that diversification of economic activities has a positive impact on achieving sustainable development in rural areas, in all three dimensions of development: environmental, economic, and social (Table 2). The impact on economic sustainability is achieved through the pursuit of activities within farm households that are a kind of upgrade of primary agricultural production. This primarily involves the processing of primary agricultural products in smaller processing plants. In addition, the placement of food products in the service sector, i.e., rural tourism, can contribute significantly to the income stability of farm households and thus reduce poverty [23].

4.3. Combining social benefits with economic inclusion interventions

Social assistance programs represent measures to support rural populations to reduce poverty and are implemented as part of rural development policies. In developing countries, various forms of social transfers are used to provide adequate nutrition and living conditions to the most vulnerable groups of the rural population. Social transfer schemes include school meals and nutrition programs, conditional or unconditional cash transfers, food vouchers, subsidized food and fuel prices for the poorest segments of the population, and tax exemptions [24].

The concept of economic inclusion refers to a process consisting of mechanisms that increase the capacity of poor or marginalized individuals in poor households to generate income while resolving social, environmental, and production constraints sustainably to ensure some level and stability of income constraints, supporting the accumulation of productive and human capital, and enabling a more efficient allocation of available resources.

4.4. Local and territorial development

Local development is achieved through the process of diversification and improvement of economic and social activities at the local level in a given geographical area through the mobilization and coordination of its material and immaterial resources [25]. On the other hand, territorial development implies a system of activities that recognized the complexity of economic, political, social, and environmental interactions in a given territory. Territorial development activities usually contribute to empowering local actors in finding sustainable solutions for the use of natural resources and economic activities, thus reducing poverty.

The specificity of the strategy, which combines territorial and local economic development, is reflected in its holistic approach, i.e., starting from the premise that natural resources such as land, water, air, and genetic diversity are considered in their mutual interaction as well as concerning people and their economic activities [26]. Considering the advantages of this strategy, the recognition and analysis of the needs and interests of all stakeholders in a given area are emphasized. The balance between the interests of each stakeholder, sovereignty, and social cohesion is not easy and depends entirely on local conditions and specificities. For this reason, the approach to territorial development must be flexible and adaptable to the local context.

4.5. Participatory community development

Participatory community development is a process of setting priorities and developing rural development policies at the local community level. For such an approach to achieve the defined goals, which include poverty reduction, certain conditions must be met. First and foremost, active engagement of all community members and the development of critical awareness among the population is required. The participation of marginalized population groups such as women, children, the elderly, and the illiterate in decision-making processes is particularly important.

4.6. Multisectoral strategy

Although rural development is based on improving agriculture as an economic activity that employs most of the rural population, the best effects in the domain of economic empowerment and poverty reduction are achieved through a multisectoral approach to development. Depending on the specific development needs and priorities of each country and/or region, the key components of a multisectoral strategy are referred to as basic investment, social support, productive inclusion, and value chain development [27].

To reduce rural poverty, the components of the multisectoral strategy must be well coordinated. Therefore, their project should be implemented simultaneously, in the same targeted areas, and in line with other reforms to promote inclusive growth.

5. Conclusions

Poverty, as a phenomenon, occurs in various forms. Although there is no precise definition of poverty, it can be generally said that poverty is equated with a situation in which a person does not have sufficient resources to meet the basic needs of life. In general, poverty is more widespread and extreme in rural areas than in urban areas in all parts of the world. Looking at individual world regions or groups of countries, data from relevant organizations such as FAO show that rural poverty is highest in developing countries. In terms of the percentage of rural poor, sub-Saharan Africa, South Asia and Latin America lead the way.

In these regions, other factors trigger poverty besides general economic underdevelopment. These primarily include political instability and wars, corruption, discrimination, and unresolved property rights. As a result of these factors, rural poverty manifests in many forms.

These strategic approaches focus on reducing rural poverty and use a variety of mechanisms to achieve this goal. However, all development approaches share two common characteristics. First, they aim to strengthen local rural communities and use their capacities and potential as efficiently as possible. Since most of the rural population is engaged in agriculture as their main occupation, the strategies are based on technological improvement, i.e., agricultural modernization. This strategic orientation is considered logical and justified because only communities that can produce the required number of agricultural products themselves can ensure food security and break the vicious circle of poverty.

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