

Rural people and mobility

How to respond to opportunities in a changing world



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KEY MESSAGES

_ People's movement between rural and urban areas is necessary for stable and vibrant modern economies. Such mobility is to a large extent driven by the seasonal nature of the agricultural sector and by rural people's search for alternate income streams.

_ The transformation of agriculture and other related rural sectors supports the emergence of non-farm employment opportunities, many of which are linked to agriculture across agri-food value chains. For this reason, inclusive rural transformation – the benefits of which are shared by all sectors of society – is one of the essential conditions needed to generate opportunities to support the livelihoods of mobile people across the rural-urban continuum.

_ Government policies and investments by governments, donors, development actors and the private sector that enable rural people to benefit from mobility-based opportunities, especially in growing secondary towns, offer potentially rich returns for individual livelihoods and for the wider economy.

_ Entry points for governments and other development actors to support mobile rural people include improving connectivity across the rural-urban continuum, removing rules and regulations that impede mobility, implementing solutions for the transfer and use of remittances, and adopting territorial-oriented models of development.

The role of mobility in rural development has often not been well understood, clearly articulated or supported by evidence. Official data is rarely collected on seasonal work, mobility and informal employment, and the incomplete evidence that is available is rarely used in policy processes. Instead, it is often used to justify or harden existing anti-mobility policies.¹

The topic of human mobility is a vast one, encompassing a diverse array of categorizations (international, domestic; forced, voluntary; refugees, economic migrants), factors (poverty, opportunities, human-made and natural disasters, climate change), and outcomes (livelihood diversification, employment, urban sprawl, family separation, hazards and crime).

Debate generally focuses on mobility that involves the crossing of international borders, and less attention is devoted to internal mobility despite its greater prevalence and importance in the lives of poor rural people. Consider that the number of global internal migrants, conservatively estimated at 763 million people,² is several times higher than the corresponding figure of 258 million for international migrants,³ and that the bulk of internal remittances are thought to flow to rural areas.⁴

With this background in mind, this brief will focus on the role that mobility – both within countries and across international borders – has played and continues to play in the livelihood strategies of rural households. It will critically assess common preconceptions and misconceptions, and suggest some entry points for policy and investment.

While the focus of this brief will be on leveraging opportunities associated with mobility for rural people, it is acknowledged that situations where rural people are compelled to migrate in order to escape poverty are not acceptable, nor are realities where stark rural-urban inequalities act as drivers for migration away from rural areas. The incidence of adverse social impacts of migration (such as unemployment, poor working conditions, exploitation, crime, and the social and emotional impacts of parental absence) has been documented.⁵ These issues must be balanced against the potential benefits of mobility; IFAD is convinced that migration must be a choice and not a necessity.

EXAMINING EVIDENCE, REASSESSING MISCONCEPTIONS AND MYTHS

Myth 1: Overcrowding, slums, urban sprawl, strains on labour markets and service provision in cities are created or exacerbated by rural mobility, and can therefore be solved through enhanced efforts to persuade rural people to remain in rural areas or to limit their freedom of movement. This narrative tends to lead to policy recommendations to invest in developing better opportunities in rural communities or, more worryingly, to policies that discourage mobility and impact negatively on the livelihoods of poor migrants and other low-income groups.⁶

- **The evidence demonstrates:** Mobility has long been a key livelihood strategy for rural people, and importantly, it is not among the main drivers of urban population growth. This is especially true of nomadic pastoralist groups, or where mobility is a response by farming households to the seasonality and uncertainty associated with agriculture-based livelihoods. The assumption that, all being well, sedentary strategies are the norm is

¹ See, for example: Deshingkar, P., Sward, J., & Estruch-Puertas, E. 2012. Decent work country programmes and human mobility. Migrating out of Poverty Research Consortium. Working Paper 05. University of Sussex.

² UN-DESA Population Division. 2013. Cross-national comparisons of internal migration: An update on global patterns and trends. Population Division Technical Paper 2013/1. New York: United Nations Department of Economic and Social Affairs.

³ UN-DESA Population Division. 2017. International migration report 2017: Highlights. New York: United Nations Department of Economic and Social Affairs.

⁴ McKay, A., & Deshingkar, P. 2014. Internal remittances and poverty: Further evidence from Africa and Asia. Working Paper 12, Migrating out of Poverty Research Consortium. University of Sussex.

⁵ For example, see: Rieffel, L. 2018. Urban youth unemployment: A looming crisis? Brookings. <https://www.brookings.edu/blog/up-front/2018/05/02/urban-youth-unemployment-a-looming-crisis/>

⁶ When local governments respond to overcrowding fears by being less accommodating to low-income mobile populations, the results tend to be to force other low-income groups, as well as migrants into precarious living conditions. (Tacoli, C., McGranahan, G., & Satterthwaite, D. 2015. Urbanisation, rural-urban migration and urban poverty. IIED Working Paper. London: IIED.)



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not well supported in rural development literature.⁷ Furthermore, the transformation of rural areas – which enhances the access of rural people to financial resources and enables them to develop their skills – often *increases* incentives, capacities and opportunities for mobility. Rather than persuading rural people to remain in their rural communities, transformation also generally leads to the development of greater hard (physical) and soft (institutional) linkages with urban areas. Furthermore, narratives that link rural-urban migration and mobility to urban overcrowding are often exaggerated, failing to take into account that mobile rural people are moving out of – as well as into – urban areas as part of seasonal livelihood strategies,⁸ that much urban population growth is natural population growth,⁹ and that most urbanization is taking place in relatively small settlements of less than 500,000 people,¹⁰ with different country urban classifications often encompassing settlements that retain rural characteristics.¹¹

⁷ For example, see: (i) McDowell, C., & de Haan, A. 1997. Migration and sustainable livelihoods: A critical review of the literature. IDS Working Paper 65. Brighton, UK: IDS; (ii) IFAD and FAO. 2008. International Migration, Remittances and Rural Development. Rome: IFAD; (iii) Ratha, D. 2013. Leveraging Migration and Remittances for Development. UN Chronicle L: 3. New York: United Nations; and (iv) Suttie, D., & Vargas-Lundius, R. 2016. Migration and transformative pathways: A rural perspective. Rome: IFAD.

⁸ This is reflected in the fact that urban migration figures are higher than net migration figures. (Tacoli, C., McGranahan, G., & Satterthwaite, D. 2015. Urbanisation, rural-urban migration and urban poverty. IIED Working Paper. London: IIED.)

⁹ UN-Habitat. 2013. State of the world's cities 2012/2013: Prosperity of cities. New York: Routledge.

¹⁰ UN-DESA Population Division. 2014. World urbanization prospects: 2014 revision. New York: United Nations Department of Economic and Social Affairs.

¹¹ In several African countries, research has indicated that much of the so-called urbanization is taking place in settlements at the bottom of the urban hierarchy in terms of population, with these settlements retaining typically rural characteristics, such as reliance of local economies on agriculture and related activities. See: Potts, D. 2017. Urban data and definitions in sub-Saharan Africa: Mismatches between the pace of urbanization and employment and livelihood change. Urban Studies 55(5), pp. 965-986.

Myth 2: Given that structural transformation is associated with declining shares of agricultural employment, governments and development actors should focus on policies to facilitate the exodus from rural and agricultural sectors.

- **The evidence demonstrates:** Historically, in countries that have achieved large-scale reductions in poverty and hunger, structural transformation¹² and urbanization have almost always been accompanied by rising productivity and incomes of rural and agricultural populations. Therefore, the idea that sustainable transitions to urbanized societies can be accomplished without increasing productivity and incomes in rural and agricultural sectors is not supported by history – indeed, the economic development of today's urbanized countries was almost universally linked to an initial rise in productivity and incomes in agriculture.¹³ This linkage exists because agricultural growth has an impact not only directly on poverty reduction, but also indirectly on growth elsewhere in the economy. Higher farm income generates demand for agricultural inputs, capital and services; for commercial distribution and processing infrastructure and services; and for non-food consumable goods. And increased profits and productivity in agriculture release labour and capital that can be invested in other sectors.¹⁴ This implies that for any out-migration from rural and agricultural sectors to be sustainable, it must be built upon the foundation of transformation of these sectors.

Myth 3: Because labour productivity in agriculture is lower than in other sectors, people should be encouraged to migrate to other economic sectors.

- **The evidence demonstrates:** There are two problems with this rationale. First, as above, where agriculture has not transformed to higher productivity commercialization and incomes, the conditions to kick-start the development of non-farm sectors are simply not present. Initially, these conditions include greater investment and consumer spending among the on-farm population (the majority of people in countries at early stages of development and structural transformation) and consequently, the growth of effective demand for non-farm products and services – much of which is initially linked to food systems. Second, the agricultural labour productivity gap is frequently much smaller than is commonly supposed.¹⁵ It has been noted that once the effects of differences in human capital and income diversification across sectors are accounted for, the extent of these perceived gaps is significantly diminished. Even more significant, further recent analysis has shown that much of the remaining productivity gap (which is not explained by these factors) is a result of underemployment among agricultural workers, not, as has been commonly supposed, of intrinsic lower levels of productivity in agricultural work.¹⁶ The seasonal nature of agricultural work surely plays a key role in this underemployment. This suggests that finding ways to better utilize farm labour – for example through investing in small-scale irrigation systems and creating opportunities for diversification of farming into activities that may be carried out in traditional lean seasons, such as livestock subsectors – deserve more focus and cannot be of lower priority than fostering migration out of agricultural work. And this is purely from an efficiency perspective; when one considers

¹² This is broadly defined as increasing levels of employment generated in industrial and service sectors as economies develop and mature.

¹³ For example, see: HLPE. 2013. Investing in smallholder agriculture for food security. A report by the High-Level Panel of Experts on Food Security and Nutrition for the Committee on World Food Security. Rome: Committee on World Food Security.

¹⁴ For example, see: (i) Mellor, J.W. 1995. Agriculture on the road to industrialization. The John Hopkins University Press: Baltimore; (ii) Haggblade, S. 2005. The Rural Nonfarm Economy: Pathway Out of Poverty or Pathway In? Paper prepared for the Research Workshop "The future of small farms." Wye, Kent, 26-29 June, 2005. IFPRI, ODI, Imperial College.

¹⁵ Christiaensen, L. 2017. Agriculture in Africa - Telling myths from facts: A synthesis. Food Policy 67, pp. 1-11.

¹⁶ For differences in human capital and income diversification, see: Gollin, D., Lagakos, D., & Waugh, M. E. 2014. The Agricultural Productivity Gap. Quart. J. Econ. 129 (2), pp. 939-993; for taking underemployment into account, see: McCullough, E. B. 2017. Labour productivity and employment gaps in Sub-Saharan Africa. Food Policy 67, pp. 133-152; both cited in Christiaensen (2017).



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evidence demonstrating the advantages of agricultural-based growth in reducing poverty and hunger,¹⁷ the argument for agricultural diversification is even more compelling.

THE TRANSFORMATION OF AGRICULTURE AND RURAL AREAS IS KEY TO CATALYSE OPPORTUNITIES IN OTHER SECTORS AND SPACES

Two key points emerge from analysis of the evidence. First, the improvement of incomes and productivity within agriculture through links with non-farm employment generation (especially linked to agri-food systems) can enhance opportunities for labour mobility, particularly in countries that have not already experienced significant rural and structural transformation. Second, in turn, leveraging opportunities from mobility can contribute significantly to the transformation of agriculture and rural areas and the raising of rural incomes.

A situation where rural economies and agriculture have not transformed, or are transforming only slowly, is unlikely to be the precursor to the generation of employment opportunities needed to support mobile people. Lack of or slow transformation also contributes to stagnation of economy-wide structural transformation – as is the prevailing reality in most low-income economies today. It is therefore of concern that in many low-income countries – especially in sub-Saharan Africa but also much of South Asia – we are witnessing the phenomena of increasing mobility and migration without rural and structural transformation. This means the non-farm jobs to support mobile populations are simply not present in these contexts, undermining prospects for urbanization to contribute to building vibrant, stable societies.

¹⁷ Inter alia: FAO, IFAD and WFP. 2012. Contribution of agricultural growth to reduction of poverty, hunger and malnutrition. In: The report on food insecurity in the world 2012: Economic growth is necessary but not sufficient to accelerate reduction of hunger and malnutrition. Rome: FAO.

With this background in mind, a number of entry points emerge to promote mobility and improve opportunities and livelihoods for rural people.

POLICY ENTRY POINTS

1. Utilizing the key role of agriculture and food systems for employment generation across the rural-urban continuum

In many instances, especially in countries at relatively early stages of rural and structural transformation, a large share of the viable mobility-related off-farm opportunities will continue to be linked to agriculture. Indeed, as agriculture becomes more productive and profitable in these contexts, with enabling policies and investments in place, benefits are transmitted through agri-food value chains across the rural-urban continuum as follows:

- Backwards production linkages – when smallholders invest in their farms to raise agricultural output by greater use of locally manufactured inputs or locally provided services, such as fertilizer, machinery, credit and training.
- Forwards production linkages – increased commercialization of farm production creates demand for local processing and distribution services, such as storage, transport, packaging and restaurants.

Some of these activities will continue to be located in rural areas, while others may be farther afield, particularly in growing intermediate towns. These activities offer significant employment generation potential and are important for countries facing challenges associated with youth population bulges, the majority of which are the same ones that stand at relatively early stages of the rural and structural transformation processes.¹⁸ Enabling labour mobility – through commuting, seasonal or longer-term movements – will be an important element of strategies to leverage these food system opportunities, as will investments in agriculture and food systems to increase productivity and competitiveness throughout value chains.

Recommendations:

- Facilitate partnerships between stakeholders across the rural-urban continuum to coordinate and integrate agri-food value chain links – especially between on- and off-farm activities.
- Invest in infrastructure (e.g. transport) and institutional links (e.g. networks to link mobile people to information and services) to ease mobility of people, goods and services across rural and urban areas.
- Adopt holistic, territorial approaches to development¹⁹ that recognize and leverage interdependencies between rural and urban areas.
- Analyse the impact of gender on livelihood activities during transformations; ensure that measures are in place to link women with emerging opportunities.

2. Enhancing opportunities from mobility

In countries where rural and structural transformation has advanced and significant demand already exists for off-farm labour, especially for seasonal work, facilitating mobility and overcoming barriers to movement of labour deserves attention. This is particularly so considering the potential for mobility to enhance resilience and promote productivity-

¹⁸ “... [G]rowing local and regional demand for food in many parts of the developing world represents a unique untapped opportunity to advance towards the triple objectives of decent job creation for rural youth, food security, and sustainable production.” (OECD. 2018. The future of rural youth in developing countries: Tapping the potential of local value development centre studies. Paris: OECD Publishing.)

¹⁹ “Territorial development can be understood as the development of a territory (including both areas that are ‘more rural’ and those that are ‘more urban’ in a defined region) by addressing the development of multiple sectors, implemented by a range of stakeholders and structured by multilevel governance – or governance that involves coordination and collaboration between local, regional and national level authorities and stakeholders.” (Adapted from: Suttie, D., & Hussein, K. 2016. Territorial approaches, rural-urban linkages and inclusive rural transformation: Ensuring that rural people have a voice in national development in the context of the SDGs. Rome: IFAD.)

enhancing investments in rural areas. Indeed, seasonal mobility and migration have been shown to smooth incomes among smallholder households²⁰ and to provide capital to invest in agriculture,²¹ with the effects particularly strong among poorer rural households.²²

Recommendations:

- Prioritize the use of research and evidence to inform policies that respond to the challenges faced by vulnerable rural people pursuing mobility-related livelihoods.
- Enshrine the legal rights of migrants to access essential services relating to social protection, health, education and housing.
- Focus urban policies on developing secondary towns, where a large share of the projected urban growth is taking place;²³ recognize these centres as key areas for rural mobility.
- Prioritize programmes that match labour demand and supply, focusing on the relevance of seasonal work herein, with a focus for secondary towns at the rural-urban interface.
- Focus on initiatives to reduce the costs of sending remittances, while engaging with migrants and their families to promote more financial inclusion (see box).
- Support the organization of migrants into groups to ease access to services and to represent their interests in political discourses. Provide access to training that develops the capacities of mobile workers to articulate their needs, fostering their linkages with institutional structures that enable their political voice to be heard.

3. Leveraging technology to serve mobile rural people

As rural people become ever more mobile and as opportunities expand for them to work across different links in agri-food value chains (often requiring mobility), the need to adapt and expand the reach of relevant support services becomes greater. Fortunately, the proliferation of emerging technologies is offering new opportunities to do this. In particular, improved availability of and access to information and communication technologies (ICTs) provides opportunities for wider sharing of knowledge and information in terms of providing technical, market and service-related information to mobile people.

Recommendations:

- Leverage applications and tools such as mobile phones, social media, e-learning platforms, web portals and community radios to share a wide range of services to increasingly mobile rural people through appropriate investments, training and programmes.
- Promote the use of mobile money transfer tools to reduce costs associated with remittance transfers and contribute to enhancing financial inclusion among rural populations, strengthening access to savings and facilitating the productive investment of these income sources in agriculture and rural areas^{24, 25} (see box).

²⁰ Tacoli, C. 2011. Links between rural and urban development in Africa and Asia. Population distribution, urbanization, internal migration and development: An international perspective. pp. 110-122. New York: United Nations Department of Economic and Social Affairs.

²¹ United States Agency for International Development (USAID). 2015. Wage labour, agricultural-based economies, and pathways out of poverty: Taking stock of the evidence. Leveraging Economic Opportunities Report 15. Washington, D.C.: USAID.

²² McKay, A., & Deshingkar, P. 2014. Internal remittances and poverty: further evidence from Africa and Asia. Working Paper 12, Migrating out of Poverty Research Consortium. University of Sussex.

²³ Small towns of less than 500,000 inhabitants now represent the largest share of the global urban population, with the majority of the projected urban growth in the decades ahead to be absorbed by these centres. (UN-DESA Population Division. 2014. World Urbanization Prospects: 2014 Revision. New York: United Nations Department of Economic and Social Affairs.)

²⁴ In 2015, IFAD launched the International Day of Family Remittances (IDFR), celebrated yearly on 16 June. The Day was unanimously proclaimed by IFAD's 176 Member States with the purpose to raise global awareness of migrant workers' contributions to the well-being of their families and communities of origin through remittances, the key role they play in contributing to achieve the SDGs, and the importance of engaging the private sector in lowering transaction costs. In 2018, the Day was unanimously adopted by the UN General Assembly. For more information, go to: www.un.org/en/events/family-remittances-day/

²⁵ IFAD. 2017. Sending money home: Contributing to the SDGs one family at a time. Rome: IFAD.

IFAD's Financing Facility for Remittances: Lowering the cost and maximizing the impact of remittances for development

IFAD's Financing Facility for Remittances (FFR) is a multi-donor facility financing innovative projects to enhance the development impact of remittances and migrants' investment, and supporting capacity-building, advocacy and research in this field. Since 2006, the FFR has supported more than 60 projects in over 45 countries across the developing world that use innovative technologies to lower the transaction cost of remittances, promote access to financial services in remote areas and foster migrant investment and entrepreneurship. The FFR is also an important source of knowledge on remittances and migrants' investment.

Among other initiatives, the FFR has pioneered the creation of an enabling environment for the introduction of mobile remittance and banking services, reducing the costs, enhancing financial inclusion for unbanked and under-banked populations, and increasing the impact of migrant remittances to sustainable development. Some of the most recent examples include:

- Establishing "G-Cash" in the Philippines, a new remittance service system that transforms a mobile phone into a virtual wallet, enabling rural and urban remittance receivers to access their funds in ways that are more convenient and at a lower cost.
- Creating a low-cost, convenient and accessible mobile remittance channel across the Kenya-Uganda corridor promoting entrepreneurship for migrant family investment through Equitel, a cross-border mobile virtual network operator.
- Enhancing financial inclusion for migrant communities in Malaysia and better access to remittances for their families in Bangladesh and Pakistan through ValYou Mobile Wallet, by providing end-to-end digital mobile financial solutions to access international remittance services and other related products at lower costs and increased reliability.
- Expanding financial inclusion through remittances in rural areas of Uganda through post offices. The FFR-funded project provides post offices with modern digital and mobile technologies for remittance delivery and financial service transactions, and postal staff receive specialized training. By the end of the project, PostBank Uganda aims to serve 50,000 new remittance recipients, provide remittance delivery services to 20,000 refugees, and provide training in financial literacy to both groups.

For more information, go to: <https://www.ifad.org/web/guest/ffr>

- Noting that the proportion of women migrating is increasing in many contexts and that access to relevant training and services is generally skewed towards men,²⁶ ensure that flexible ICT-based modalities of service delivery offer innovative mechanisms to adapt service provision to women's economic and non-economic work schedules and needs.

CHANGING MINDSETS FOR A CHANGING WORLD

Given the realities facing rural people today, especially increasing dynamism and linkages across rural and urban areas, more focus is needed on policies, institutions and investments that respond to and enable mobility and migration. In no way is this contradictory to the continued importance of investing in the transformation of agriculture and rural areas. Indeed, rural and agricultural transformation are key elements to galvanize the broader economy-wide structural transformation process that is associated with expanding non-farm sectors in urban and rural areas and, therefore, with creating opportunities for mobile people. More integrated approaches to development are therefore needed, encompassing multi-stakeholder partnerships. Where appropriate, these should also include territorial models of development that move beyond a narrow space-based focus to realize better incomes both for those who wish to remain in rural areas and for those who choose to explore more mobile-based opportunities.



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²⁶ Colverson, K. E. 2015. Integrating gender into rural advisory services. Note 4. GFRAS Good Practice Notes for Extension and Advisory Services. Lindau, Switzerland: GFRAS.