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Investing in agriculture key to ending extreme rural poverty in South Asia – UN



Many studies have shown that agricultural growth reduces poverty and hunger

19 April 2011 – South Asia continues to have the largest concentrations of poor rural populations despite the fact that the wider Asia-Pacific region has made major strides in combating poverty, a United Nations agency said today, stressing that agriculture is key to poverty alleviation.

The study by the UN International Fund for Agricultural Development (IFAD), entitled *Agriculture – Pathways to Prosperity in Asia and the Pacific*, shows that rural poverty rates have dropped only slightly in the last decade in South Asia, which now has the largest number of poor rural people – about half a billion – of any region in the world. Four-fifths of all extremely poor people in South Asia live in rural areas.

Overall, extreme poverty in rural areas of developing countries in the region dropped from 48 per cent to 34 per cent over the past decade. Commenting on the report, Thomas Elhaut, the Director of IFAD's Asia and the Pacific Division, noted that more than 350 million people in the Asia-Pacific region had lifted themselves out of poverty over the past 10 years.

“There remains an urgent need to invest more and better in agriculture and rural areas in developing countries, based on a new approach to smallholder agriculture that is both market-oriented and sustainable,” said Mr. Elhaut.

More than 680 million people in the Asia-Pacific region continue to live on less than \$1.25 a day, and 70 per cent are inhabitants of Bangladesh, India, Nepal or Pakistan, according to IFAD.

Across the region, 70 per cent of the poor live in rural areas and are generally landless, have large families, lack education and have limited access to markets, credit and technology.

Most have a high degree of vulnerability to shocks such as severe illnesses, natural disasters and sudden food price fluctuations. The region is also highly vulnerable to variations in energy prices due to its high dependence on fossil fuels.

IFAD stresses that agriculture contributes substantially to growth in gross domestic product (GDP) and poverty reduction.

The Asia-Pacific region needs large increases in overseas development assistance, agricultural spending and fertilizer use to achieve Millennium Development Goal 1 (MDG1), which aims to end extreme poverty and hunger by the target date of 2015. “So the prospects of achieving MDG1 are not so daunting,” said Mr. Elhaut.

The IFAD study outlines policy and investment strategies aimed at helping smallholder farmers and other rural people manage the risks they face, as well as enabling them to access emerging agricultural markets and opportunities in the non-farm economy and thus improve their chances of financial success.

“Each country must have policies in place to spur growth in the rural sector, enhance food security and overcome poverty,” Mr. Elhaut emphasized.

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