

CHAPTER 2

Rural Revitalization

Tapping into New Opportunities

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KEY FINDINGS

- Rural revitalization requires a transformative approach that considers all aspects of making rural areas a good place to live and work for present and future generations.
- *Rurbanomics* is a development approach premised on the potential of symbiotic rural and urban systems to transform rural areas. Rural-urban links can spur growth and diversification in the agriculture and nonagriculture sectors, increase incomes, support value chain development, and improve well-being.
- Revitalizing the world's rural areas through a *rurbanomics* approach holds the key to achieving the Sustainable Development Goals, ensuring that everyone can contribute to and benefit from economic growth and development.

KEY RECOMMENDATIONS

- Adopt *rurbanomics* as an approach for strengthening rural-urban linkages to promote rural transformation. Strengthening rural-urban linkages, from farms to small towns to megacities, can benefit rural labor, production, distribution, markets, services, consumption, and environmental sustainability.
- Transform agrifood systems to benefit rural areas. Investments—in agricultural research and development, postharvest rural activities, and climate-smart and nutrition-sensitive innovations—have the potential to transform key components of the agrifood system, improve diets, strengthen rural economies, and improve rural livelihoods.
- Scale up rural nonfarm economic opportunities and build capacity for employment. Developing markets and creating clusters and special economic zones in rural areas can leverage economies of scale and increase nonfarm employment. Improving primary and secondary education and vocational training can support a productive rural labor force.



- Improve living conditions in rural areas. Stronger social safety nets, better access to basic services, and a healthier environment can expand opportunities for better livelihoods, protect the most vulnerable, and make rural areas attractive places to live and work.
- Reform rural governance to improve accountability and outcomes. Rural revitalization requires a public sector that is transparent, capable, and responsive to rural needs. Devolution to the local level has potential to support people-oriented governance when local governments have adequate capacity, can raise their own revenues, and mechanisms are in place that ensure accountability.

In a world where most poor people continue to live, work, learn, access services, and create communities in rural areas, rural revitalization holds the key to accelerating progress on the Sustainable Development Goals (SDGs). Today, rural populations account for 45.3 percent of the world's total population and at least 70 percent of the world's extremely poor.¹ These rural populations remain the world's most vulnerable and marginalized—and the rural context makes this persistent poverty nearly inevitable. Rural communities suffer from rapid population growth rates, inadequate job and enterprise creation, poor infrastructure, scarce financial services, and limited access to social services, and they bear the brunt of climate change impacts. Without innovative and holistic rural revitalization approaches that leverage new opportunities and address growing challenges, achieving food security for all by 2030 will be difficult—perhaps even impossible.

Revitalizing rural areas can tap into the potential of growing urban demand and a neglected rural labor force to stimulate broad-based economic growth in both rural and urban areas, and create a driving force for reducing poverty, ending hunger and malnutrition, and

improving livelihoods. While addressing the growing challenges of urban food security and nutrition is vital, it is also essential and complementary to reshape agrifood systems to make them healthy, safe, and sustainable and to support rural revitalization. Public policies and investment to support increased agricultural productivity, diversification of agricultural production, and development of agrifood value chains can create better rural jobs and improve nutrition and well-being. For example, research from India and China has found that government investments in agricultural research, rural education, and rural roads are extremely effective in reducing poverty.² In Nepal, increased road density and quality have been shown to lead to improvements in nutrition outcomes for children.³ Rural revitalization can also create decent living and working spaces for rural populations. Investment in high-quality educational and social services can make rural areas powerhouses for economic growth and better living spaces. Revitalizing rural areas can also provide solutions to rising rural-to-urban migration, increasingly congested cities, a rapidly growing population of unemployed youth, and worsening environmental degradation.

THE TIME IS RIGHT

Rural revitalization is a forward-looking strategy that leverages new economic opportunities and addresses growing challenges. While the 1970s and 1980s saw multisectoral rural reforms in Asia, such as South Korea's New Village initiative (Box 1), and in the 1990s the World Bank promoted community-driven rural development, the potential of rural areas has been neglected over the last decades. Now the time has come for rural "revitalization"—to make rural areas more productive, sustainable, healthy, and attractive places to live.

New market opportunities created by growing urban areas and new technologies make this the ideal moment to launch global, regional, and national rural revitalization strategies. Urbanization is proceeding rapidly—over half the world's population already lives in cities, and by 2050 two-thirds are expected to be urban residents—changing the outlook for rural development.⁴ Together urbanization and population growth have created a booming demand for food and for more diversity of food. This growing demand is

elevating the importance of agricultural growth and diversification and spurring the development of agrifood systems—from food production and processing to transportation to marketing to consumption. Rural revitalization is a complementary endeavor to urbanization—it can benefit both rural and urban areas. Increased agricultural productivity, greater diversity of production, and functioning rural markets linked to urban centers can feed the rural poor—most of whom are net food buyers—through increasing incomes, as well as feeding growing urban populations. These developments can make rural areas hubs of innovation. Advances in information and communication technologies (ICTs), for example, are opening up opportunities to access distant services, and new technologies for harnessing renewable resources, such as wind, solar, and biomass energy, are making electricity more affordable and accessible. These technological advances can create more attractive jobs and slow the tide of youth migration to urban areas.

Rural revitalization is also crucial for protecting both rural and urban environments. As the latest special report from the Intergovernmental Panel on Climate Change on the impact of climate change somberly notes, the time to reverse course and conserve our natural resources is now. The role of agriculture in deforestation, land degradation, and greenhouse gas emissions can no longer be ignored. Farming accounts for 70 percent of tropical deforestation; it also accounts for about a quarter of global greenhouse gas emissions. A "business as usual" scenario, which includes cascading impacts of growing demand for food on land, water, and air, will only worsen these impacts and make rural livelihoods riskier and less attractive. Rural revitalization can attack these maladies from various angles.

Rural revitalization must go beyond agriculture and agrifood systems. To achieve its broad goals of better rural lives, revitalization needs to simultaneously strengthen rural-urban linkages and leverage these links to create nonfarm rural jobs, improve rural governance, and ensure universal access to basic services and infrastructure such as water, sanitation, roads, healthcare, education, and a healthy environment. *Rurbanomics* offers an approach to development that focuses on promoting strong rural-urban linkages to help rural communities benefit from new markets and services.

BOX 1 South Korea's New Village Movement

From 1971 to 1979, South Korea implemented Saemaul Undong (New Village Movement), a community-based integrated rural development program that brought rural development to the forefront of the national political agenda. The program aimed to close the growing income and living-quality gaps between rural and rapidly developing urban areas. This program first focused on village-level self-help projects, then quickly expanded into a full array of investments in irrigation, agricultural inputs (especially hybrid seeds linked to the Green Revolution), electrification, transportation, and agricultural rice supports. Mothers' Clubs helped women initiate income-generating projects and participate in decisionmaking.

As a result of these and other efforts, farm household income increased fivefold from 1970 to 1979, reaching parity with urban households. But for all its achievements, Saemaul Undong did not successfully integrate rural and urban development at the local level, and so rural depopulation continued to worsen in subsequent decades. The lessons from this model could inform countries whose national leadership is committed to linking national programs with local mobilization.

See S.-Y. Park, "Saemaul Undong for the 21st Century," *Journal of International Development Cooperation* 2 (2008); M. Douglass, *The Saemaul Undong: South Korea's Rural Development Miracle in Historical Perspective*, Asia Research Institute Working Paper Series No. 197 (Singapore: Asia Research Institute, 2013); E. R. Reed, "Is Saemaul Undong a Model for Developing Countries Today?" (paper prepared for International Symposium in Commemoration of the 40th Anniversary of Saemaul Undong, Korea Saemaul Undong Center, Seongnam, Korea, 2010).

RURBANOMICS: TAPPING INTO NEW OPPORTUNITIES FOR RURAL REVITALIZATION

Rurbanomics is a comprehensive approach to fostering healthy and productive rural, peri-urban, and urban spaces that prioritizes linkages across rural and urban economies. It is built on the recognition that both urbanization and rural transformation are necessary to achieve inclusive and sustainable development. It frames rural economies as equal partners with urban economies, recognizing the potential of symbiotic rural-urban systems to transform rural areas. The *rurbanomics* approach emphasizes the vitality of rural economies not only as drivers of food security and rural well-being, but also as springboards for national, regional, and global value chains and as providers of quality environmental services for a sustainable world.

In this regard, *rurbanomics* focuses development policies on (1) ensuring greater attention to rural needs; (2) developing local assets and facilitating their integration into a nationally diversified and sustainable economic base; (3) leveraging local opportunities based on emerging national and global changes; and (4) empowering local communities and governments.⁵

Recognizing that compartmentalized approaches are often ineffective, *rurbanomics* offers a multisectoral, cooperative, and networked vision of rural development. The value of rural assets, capacity, and potential for economic growth argues for strategic investments in rural areas and rural-urban partnerships to promote rural transformation.

To make rural revitalization a reality, *rurbanomics* explores how rural-urban linkages can empower rural populations to achieve inclusive and sustainable development. The interdependence of rural and urban economies can be used to accelerate the process of structural economic transformation—that is, a gradual economic shift from reliance on agriculture toward growth of the manufacturing and services sectors, which offer more productive employment and better incomes. Improving agricultural productivity is undeniably crucial to the growth of rural and national economies, and there is ample evidence that enhanced agricultural productivity is an important means of expanding off-farm agriculture-based activities.⁶ Promoting this transformation requires creating markets where they are missing or weak, supporting economies of scale, and expanding and deepening rural banking, insurance, and financial systems.⁷ Rural-urban links should not only be strengthened

between strictly rural areas and megacities, but should also encompass small rural cities and towns that can form a key bridge from agricultural areas to markets and nonfarm jobs for rural producers. In fact, most urban dwellers reside in cities and towns of fewer than 500,000 people that, like nearby rural areas, are also in need of employment opportunities and social services.⁸ Expansion of manufacturing and services sectors can benefit both rural and urban laborers and consumers across the rural-urban spectrum.

With strong rural-urban links, changing diets among urban populations provide an opportunity for rural transformation. Production of more nutritious and healthy foods to meet urban demand—such as high-value horticultural products and animal-sourced foods—can support value addition in the agrifood chain, including development of processing, transport, storage, wholesaling, and retail operations. Value chains can leverage the latest science and technology innovations to help revitalize rural economies and align them with future demand. Equally important, greater diversity of agricultural production and higher rural incomes can improve rural diets and food security, and these nutrition-sensitive value chains can provide small-scale farmers, youth, and women with better livelihood options that can have positive spillover effects on education, health, and incomes.

Above all, such a rural-urban relationship should foster innovation, research, and development in agrifood systems that will make rural settlements more attractive to all rural dwellers, but particularly youth. Engaging youth in productive rural activities will increase rural incomes and welfare and reduce out-migration. Creating these opportunities will require investments that increase agricultural productivity and will require addressing vulnerability to weather-related shocks, limited farmer capacities, distorted incentives, poorly functioning markets for inputs and outputs, and weak institutional capacities to manage the risk of food insecurity. Rural revitalization will also need to provide support to extremely marginalized and vulnerable groups (including children, women, and the elderly).⁹

Expanding the nonfarm sector is equally critical. If rural revitalization is to take root, rural livelihoods, which account for 38 percent of employment in low- and middle-income countries, must diversify. Farming households will need to either move up, in terms of raising productivity and profitability, or move out of

agriculture altogether to nonfarm jobs that often have greater potential to move people out of poverty.¹⁰ Not all urban growth creates such jobs—in Africa, in particular, urban growth is leading to rapid growth in services rather than manufacturing, which offers greater income potential.¹¹ Yet a boom in the nonfarm sector is already transforming rural opportunities in many places. In Pakistan, for example, one-half of new nonfarm jobs created between 2005 and 2014 were rural.¹² This shift has many potential benefits. Nonagricultural sectors are likely to have higher labor productivity and can engage the rural labor force, particularly rural youth. Research in Ghana has shown that households headed by rural youth are more likely to transition away from agriculture as a primary source of livelihood, and with promising results: these same households have lower poverty rates than their peers.¹³ The nonfarm sector can also contribute to closing the gender wage gap: a study in Myanmar’s dry zone, for example, found less gender disparity in nonfarm wages than in on-farm wages.¹⁴ Nonfarm employment can also affect education positively: for example, in rural Ghana, mothers’ nonfarm entrepreneurship was estimated to increase their children’s rates of secondary school enrollment by more than 25 percent.¹⁵

Rurbanomics also frames rural economies as providers of quality ecosystems, such as fertile land, clean water, and low carbon emissions. Clean water and sanitation, for example, can be provided through “clustering”—that is, the practice of grouping rural enterprises by geography or sector to achieve economies of scale. In rural Senegal, water management was transferred to communities, in the form of clusters of villages operating and maintaining shared motorized wells, which served to meet the minimum water consumption needs of rural residents.¹⁶ *Rurbanomics* can also help address environmental health along agrifood value chains by transforming food production and distribution channels and influencing consumer habits. Climate-smart and sustainability considerations can be included in all areas of the food system, from using drought-resistant seeds, diversifying crops, and adopting techniques that raise agricultural productivity and reduce deforestation, to partnering with urban centers to reduce the carbon footprint of food transportation and consumer waste.

TOWARD A HOLISTIC APPROACH TO RURAL REVITALIZATION

Turning rural communities into growth poles that can drive rural revitalization requires holistic and integrated approaches. Some initiatives that could spur rural revitalization and foster rural-urban links are described below.

INVESTING IN RURAL ECONOMIES: Strengthening and diversifying rural economies should be rooted in agriculture and beyond—and are necessary steps toward revitalizing rural spaces. The quality of life of rural residents depends on good governance, including adequate provision of public goods and infrastructure and strong investment in education, health, and social protection. Increased investment in roads, electricity, and communications in rural areas will better connect these areas to market opportunities and basic services. Linking rural and urban areas through good roads to transport not only high-value, perishable foods but also goods manufactured in rural areas is one example. These links can stimulate rural enterprises, whether related to agriculture or not, and thus increase household income, reduce poverty, and improve access to other services such as education and health. In Bangladesh, for example, improved rural roads reduced extreme poverty by 3 to 6 percent and

boosted secondary-school enrollment for both boys and girls.¹⁷ These services could also be coupled with income-generation activities. For example, setting up energy systems and associated infrastructure can equip rural zones with power for a range of economic activities; the cost of operating the systems can be paid for from the resulting profits.¹⁸

Necessary initiatives to propel rural economies include enhancing agricultural productivity (such as irrigation, improved seedlings, fertilizers, and postharvest management) and increasing agricultural diversity as well as developing village enterprises. While agricultural productivity sparks the growth of nonagricultural rural activities, additional investments in innovation, incubation centers, industrial parks, and special economic zones can help boost rural enterprise development. Incubation centers can provide shared infrastructure and training to start-up enterprises (and in the process, ensure that these enterprises follow best practices in terms of sustainability and production). Integrated industrial parks with modern infrastructure and services can attract private investment into rural areas. Special economic zones can spur whole industries by creating economic incentives, from duty-free imports and exports to tax breaks. The Chinese example of Township and Village Enterprises has shown the potential of promoting rural growth poles and corridors (Box 2).

BOX 2 China's dynamic rural revitalization efforts: a *rurbanomics* approach

China's overall economic reform started in rural areas. Agriculture grew at more than 7 percent per year from 1978 to 1984, lifting millions of people out of poverty and hunger. China's Township and Village Enterprises (TVE) helped to move 223 million people out of farming to nonfarming activities between 1978 and 2006, at which point the initiative had grown to 23 million enterprises, provided 119 million jobs, and produced 40 percent of China's exports. The reform was complemented by social safety nets and rural health services. Despite this giant stride in creating rural nonfarm jobs, rural infrastructure and public services were insufficient, and the rural-urban income gap widened. In addition, the rural environment was severely degraded.

To address this growing gap, China's annual Policy Document No. 1, released in February 2018, announced a new strategy for rural revitalization. The multidimensional strategy seeks to modernize China's rural areas and farm sector by 2035 by enhancing infrastructure, technology innovations, supply-side structural reform in agriculture, rural public services, and rural governance reforms. If fulfilled, the plan would signal a turning point for the 43 million poor rural Chinese and could also slow or reverse rural out-migration. A key reform for revitalization will be integration of agriculture and rural development strategies, policies, and investments, as seen in the reorganization of the Ministry of Agriculture as the Ministry of Agriculture and Rural Affairs.

See T. Saich, *Governance and Politics of China* (New York: Palgrave, 2001); J. C. Hernández, "Xi Jinping Vows No Poverty in China by 2020: That Could Be Hard," *New York Times*, October 31, 2017.

INVESTING IN ICTS: Investments in ICTs offer a promising means to address unequal access to market information and enable rural and urban markets to work synergistically. The possibilities are endless, from transmitting information on agricultural extension and market prices via cell phones to mobile banking.¹⁹ Complementary investments in input markets and financial services will be required to ensure that markets function efficiently and equitably. Promoting small and medium rural enterprises that use new technologies could have a differential impact on youth, given their capacity to use ICTs.

INVESTING IN EDUCATION: Education is critical to providing rural people with knowledge and skills to improve their livelihoods. Investments include, first and foremost, improving primary and secondary education. Better education systems have a strong positive impact on many indicators of human development, including income, labor productivity, nutrition, health status, and family planning. Maternal education, for example, is a strong predictor of child stunting.²⁰ Literacy is a basic necessity for day-to-day functions and for using new technologies, such as reading an SMS on the day's market prices. The highest-yielding investments in education include increasing preschool enrollment (US\$33 benefit for every dollar spent) and primary school enrollment (US\$7 benefit) in Africa south of the Sahara, raising student test scores (US\$4 benefit), and ensuring secondary school completion (US\$4 benefit).²¹

Conventional educational systems, however, are insufficient to support *rurbanomics* and advance rural transformation. Rural entrepreneurs, particularly

in Africa south of the Sahara, tend to engage in easy-to-enter activities such as sales and trade rather than professional services.²² Start-up costs are one factor in their decision, but education also represents a major barrier to accessing other industries. Using education to catalyze rural revitalization calls for vocational and professional training initiatives, as well as entrepreneurial development tailored to local short- and long-term economic opportunities. Enhancing rural education systems and matching training to local needs and opportunities can ensure that educated youth do not leave for the city and can propel growth poles and corridors across rural areas.

SUPPORTING RURAL HEALTH: Investments in health services can serve as a linchpin to improving labor productivity, nutrition, and quality of life for generations to come. Rural residents currently have a lower life expectancy and poorer health status than their urban peers.²³ Creating rural health education systems that can train health professionals appropriately for rural practice has great potential. Training nurses to carry out procedures traditionally reserved for physicians, for example, may help communities where nurses are the only health professionals available.²⁴ Other promising models for improving rural health-care include telemedicine and training community health volunteers on a large scale. For example, the community-based management of acute malnutrition approach, carried out in more than 60 countries, achieved a 90 percent recovery rate among patients.²⁵ The Safe Motherhood Programme offers a successful model for promoting rural maternal health in Africa (Box 3). In addition, direct nutrition interventions (such

BOX 3 The Safe Motherhood Programme in Nigeria

The Safe Motherhood Programme, also called the Abiye Project, in Nigeria's Ondo State shows that investment in rural health systems can save lives of pregnant mothers and their children. The Abiye Project gave each pregnant woman a mobile phone for toll-free, 24-hour access to her physician, and stationed tricycle ambulances in communities to provide first aid to expectant mothers. Before the program began in 2009, fewer than 100 pregnant women registered annually for public antenatal clinics. The number rose to 346 in 2009, 2,791 in 2010, and stood at 2,427 in 2012, with no lives lost. Given this success, the program was replicated by all local governments in Ondo State in 2013.

See A. Odusola, *Accelerating Progress on Maternal Health in Africa: Lessons from Emerging Policy and Institutional Innovations*, UNDP Working Paper No. 11 (New York: UNDP, 2013).

as promotion of breastfeeding or fortification) and indirect interventions (such as water and sanitation) for rural revitalization can drive advances in increasing dietary diversity, eliminating childhood stunting, and reducing poverty.

FOSTERING SUSTAINABILITY AND A HEALTHY ENVIRONMENT:

Rural areas can contribute to rural and urban environmental quality through sustainable practices such as conservation agriculture (for example, integrating trees into annual cropping systems) and rainwater harvesting, or innovations like payment for ecosystem services, which provide community members with incentives to manage ecosystem resources and protect biodiversity.²⁶ Improvements in resource tenure systems and removal of distortionary subsidies can create better incentives for sustainable resource use. Adopting community-based management systems for water and forests can also offer opportunities for shared prosperity, environmental sustainability, and social cohesion. The Community-Based Integrated Natural Resources Management Project in Lake Tana, Ethiopia, is a good example.²⁷ The project encouraged rural people to invest in land improvement, stimulated off-farm employment opportunities, and empowered women and the rural poor; results included more than 32,000 hectares of degraded land restored for agriculture, forestry, and fisheries.²⁸

ENCOURAGING DEVOLUTION AND PEOPLE-ORIENTED

GOVERNANCE: Devolution of governance is vital to taking development to the people. A decentralized system of governance that is participatory, transparent, and accountable and balances fiscal powers with assigned functions is better positioned to respond to local contexts, needs, and aspirations. An integrated local governance system has many functions: it should facilitate democratic accountability; strengthen rule of law, ownership, and security to encourage private sector and community investment; build administrative capacity for policy management and service delivery; enhance fiscal resources; and support collection and availability of information to promote sustainable rural revitalization.²⁹ Evidence from Guatemala has shown that community participation in the design and implementation of rural services can have a positive impact on the level of accountability and

responsiveness of local governments' provision of services, especially in municipalities with competitive elections.³⁰ However, when local governments do not have buy-in from the community, sufficient ability to raise their own funds, adequate capacity, or incentives for good performance—such as competitive elections—they may not provide the services needed for rural revitalization.

Governments also have responsibility for ensuring the well-being of marginalized populations. This means using well-researched program designs for addressing gender inequality, as well as providing safety nets (also known as social protection) to the vulnerable and extremely poor. Some of the most successful social protection interventions in the world have been undertaken in rural areas. For example, Mexico's Programa de Educación, Salud y Alimentación (PROGRESA), later renamed Prospera, focused exclusively on rural households at its onset and eventually scaled up to cover one-quarter of the country's population. It had a significant impact on children's growth and intake of micronutrients like iron, zinc, and vitamin A.³¹ Other instruments, such as rural insurance schemes and rural pension schemes, have yielded positive results in a number of countries.

The initiatives described here highlight the role of government in making large-scale investments in areas where private actors and markets do not find it profitable to engage. Such actions require sufficient governance capacity in rural areas as well as effective coordination with national-level entities. Good governance is a prerequisite to rural revitalization, in the sense that functioning and responsive local governments act in the interest of the people and provide high-quality services. But good governance can also be a result of rural revitalization. As rural areas are reinvigorated, they will draw populations back in, leading to higher rural densities and greater political clout. A more even geographical distribution of more educated and wealthier people can empower local stakeholders to hold governments accountable and ensure sufficiently funded rural budgets. In a virtuous circle, good governance can, in turn, continue to make rural development "responsive and more relevant to local needs, aspirations, and lives."³²

AN ACTION AGENDA FOR RURAL REVITALIZATION

To meet the needs of the poorest and most vulnerable by 2030, rural revitalization must begin now. Different regions will have different needs. In Africa, the focus will need to be on agricultural and rural development; in South Asia, diversifying the rural economy to expand rural employment and stem migration is likely to be a priority; and in China, improving the rural environment and living conditions to attract young people back to the countryside will be critical. A set of evidence-based and entirely achievable policies, programs, and research actions can advance rural revitalization in all these regions:

- **ADOPT RURBANOMICS AS AN APPROACH FOR STRENGTHENING RURAL-URBAN LINKAGES.** Building and strengthening a symbiotic relationship between rural and urban centers is key for improving agrifood system production, distribution, markets, services, and consumption and creating opportunities for rural labor. *Rurbanomics* offers an approach for engaging rural and urban areas—not only megacities but also small towns and cities—in development of nutrition-sensitive, environmentally sustainable, rural-urban value chains and the necessary infrastructure, markets, and skills. Effective integration of rural and urban economies, livelihoods, and services can benefit communities across the rural-urban spectrum.
- **TRANSFORM AGRIFOOD SYSTEMS TO BENEFIT RURAL AREAS.** Agriculture remains an engine of growth for many developing countries and the best means of accelerating expansion of off-farm agrifood activities, such as food processing and transport, that add value and generate income for rural residents. Agriculture must be seen as a business enterprise and as part of the agrifood value chain that feeds rural and urban areas. This requires diversifying and modernizing agriculture, including inputs, adoption of climate-smart agriculture, postharvest management, and financial support for nutrition-sensitive and sustainable food production. Public sector investments are needed in agricultural research, especially research focused on sustainable agriculture and agricultural technologies, and development of infrastructure to support agrifood systems. Governments should also support agriterritorial development tools, such as special economic zones, and agribusiness incubators for nascent businesses that can boost agriculture and associated activities in the agrifood system.³³
- **SCALE UP RURAL NONFARM OPPORTUNITIES AND BUILD CAPACITY FOR EMPLOYMENT TO IMPROVE INCOMES AND LIVELIHOODS.** Investing in the nonfarm economy to develop markets and financial services where they are missing or weak can help individuals expand their businesses, provide greater returns to labor, and expand wage-earning opportunities, particularly for poor, female- and youth-headed households. Development of the nonfarm economy can also increase the availability of services in rural areas and deepen connections with urban areas.³⁴ Creation of “clusters,” growth poles, corridors, and special economic zones in rural areas can leverage economies of scale to bridge market gaps. Investing in educational and vocational training with an eye to future trends and emerging industries in rural areas can create a productive rural labor force for generations to come. Research is needed to fill key knowledge gaps related to rural-urban value chains and the challenges facing the heterogeneous landscape of rural nonfarm activities.
- **IMPROVE LIVING CONDITIONS IN RURAL AREAS WITH STRONG SOCIAL SAFETY NETS, BETTER ACCESS TO BASIC SERVICES, AND A HEALTHIER ENVIRONMENT.** Rural revitalization requires improvement in rural living conditions; revitalization must go beyond markets to provide the basic services needed for better lives, particularly for the poorest and most vulnerable populations, and ensure a healthy environment. Multiple models exist of how to successfully provide water, sanitation, education, healthcare, and social safety nets in rural areas. Likewise, evidence on models for improving rural productivity while protecting or improving the use of natural resources is growing. Strengthening the links between rural and urban areas can facilitate the provision of basic services in rural areas and contribute to increased support for healthy environments and sustainable provision of environmental services, but sufficient protections and safeguards need to be put in place to guard against unsustainable demand.

■ **REFORM RURAL GOVERNANCE TO IMPROVE ACCOUNTABILITY AND OUTCOMES.** Good rural governance is essential to ensure that the public sector, from local to national, is responsive to rural needs and can be held accountable for delivering policies, investments, and services that support better rural lives. Delivery of infrastructure, services, and an enabling environment for development of rural-urban linkages and greater rural opportunities depends on well-provisioned rural budgets, governance capacities, and transparency. Devolution of governance to the local level—when governments can raise adequate financial resources, have adequate capacity, and can be held accountable by constituents—can be an effective mechanism for ensuring people-oriented governance that will drive rural revitalization.

AN IMMENSE UNTAPPED OPPORTUNITY

The deadline for achieving the SDGs is looming. We have just over a decade to transform the day-to-day reality of billions of poor food- and nutrition-insecure people and protect the natural resources and landscapes upon which the planet depends. The most realistic way to achieve such a dramatic transformation is to target change to the world's rural areas. Revitalizing rural areas is a necessary strategy for inclusive and sustainable development and for ensuring that remote and hard-to-reach communities are not left behind.

Rurbanomics offers an approach for fostering rural revitalization and achieving many of the SDGs through symbiotic relationships between rural and urban labor forces, production, distribution, and consumption. Emerging lessons from countries like Brazil, China, India, and South Africa have shown that putting *rurbanomics* to work requires that policies and programs must be accompanied by investments in better governance, institutions, social participation, policy processes, and engagement of the private sector. Strong coordination—“whole-of-government” (central, state, and local) approaches that encompass multiple sectors (agriculture, infrastructure, education, and health) and have the support of a range of partners (state, market, and civil society)—will be critical for transforming rural-urban systems.

Rural revitalization represents an immense opportunity to build vibrant rural areas that can attract and retain employed, educated, and healthy rural residents. The time is opportune—the continued wave of urbanization in most countries has increased the urgency of closing both socioeconomic and quality-of-life gaps between urban and rural areas, while simultaneously tackling growing challenges such as climate change, natural resource scarcity, and youth unemployment. Addressing these challenges now is far more cost-effective than attempting to mitigate their effects in the future. But more importantly, rural revitalization fulfills a compact to begin to rectify global inequality and afford the world's most vulnerable people a chance to live healthy, fulfilling lives.