

Inclusive Growth Through Agriculture And Rural Development: Implications For Rural Areas Of Mwanza

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Abstract: The aim of this study was to describe the importance of agriculture and rural development in Mwanza. A descriptive approach was used to emphasise the relevance of agriculture and rural development. Secondary information was used to explain how to promote rural economy to support rural population who are the recipients. The findings suggest that the role of agriculture and rural development is to reduce poverty and boosting shared prosperity. This because the majority of the poor live in rural areas where most of them earn their living from farming. Enhancing agricultural productivity is thus essential to achieving inclusive growth and eradicate poverty. Increased production in agriculture is also the driving force behind structural transformation. The study concludes that rural development allows for the improvement of rural communities' quality of life and prevents depopulation of regions affected by rural exodus.

Keywords: Agricultural and rural development, implications, inclusive growth, poverty reduction, rural areas, Mwanza.

I. INTRODUCTION

As agriculture accounts for a large share of employment, export earnings and even GDP in Tanzania, the sector is seen as a main vehicle in any national economic strategy to combat poverty and enhanced agricultural productivity is crucial to realize this objective. Despite this, there are no comprehensive studies of agricultural production and productivity using farm-level data in Tanzania (Leyaro and Morrissey, 2013). Despite apparent commitment to policies and strategies to transform the country agricultural sector, the performance in output and productivity has remained unchanged. Policies and plans, such as 'agriculture is the mainstay of the economy' and agriculture first, have had little impact on reforms that have improved livelihoods while millions in the agriculture sector have remained in poverty. Tanzania is endowed with considerable fertile agricultural land and inland fresh water resources that can be utilized for irrigation, but much of the land is underutilized and what is utilised often exhibits very low productivity (Leyaro and Morrissey, 2013). In this sense Tanzania has yet to achieve the traditional 'structural transformation' whereby increasing agricultural production provides a platform

for manufacturing and economic growth. Balanced growth is achieved if agriculture becomes increasingly commercialized while the manufacturing sector grows. Understanding the factors that can expand production and enhance agricultural productivity in Tanzania is critical for ensuring 'structural transformation' and economic growth, boosting development and reducing poverty, given that the majority of the poor are in rural areas (Leyaro and Morrissey, 2013).

About 80 per cent of Tanzanians depend on agriculture for their livelihood, since the sector accounts for about 50 per cent of GDP and 75 per cent of export earnings. Consequently, the National Development Vision 2025, the main national development strategy in Tanzania, places considerable emphasis on the sector and envisages that by 2025 the economy will have been transformed from a low productivity agricultural economy to a semi-industrialized one led by modernized and highly productive agricultural activities that are integrated with industrial and service activities in urban and rural areas (Leyaro and Morrissey, 2013). The sector has been seen as the main vehicle for national economic strategy to combat poverty, hence, enhanced agricultural productivity is crucial to realize the objectives, and the policy statements that

have identified the issues and proposed a strategy. Agriculture is also considered as an integral part of Poverty Reduction Strategy, thus its growth is essential if Tanzania is to achieve sustained economic development.

Tanzanian agriculture showed some growth, especially in food production by contributing to both increased income, welfare of rural households, and to poverty reduction (World Bank 1994). However, this growth was not sustained beyond 1994 when the removal of all subsidies for agriculture was associated with a decline in production as the large increase in fertilizer prices reduced the use and hence yields, especially for maize and wheat (Skarstein, 2005). Maize and paddy production showed to be more sensitive to drought, which can reduce paddy production by up to half (Isinika et al. 2005). Although the levels of maize and paddy production did increase during the 1990s, low real prices and limited marketing opportunities led to much of the production was for household own consumption. Tanzania had strong economic performance over 2000-04 and although agriculture had lower growth rates than industry or services it made a larger contribution to GDP growth (World Bank 2006). Strong agricultural growth contributes to industrialization process in South Korea, Taipei, China, where urban and rural per capita incomes have grown at comparable levels. People's Republic of China and India's vast rural populations have benefited from production expansion and rising productivity. But in these latter economies, regional and sector disparities are widening on account of rural growth significantly lagging behind fast-growing urban areas (Butzer et al. 2003). The aim of this paper was to describe the potential for agriculture and rural development as being critical force for inclusive growth and sustained poverty reduction strategy by reviewing experiences with agriculture and rural development in economic transformation in Tanzania. Also it highlights major policy challenges for accelerating agriculture and rural development for inclusive growth in the country.

A. THE PROBLEM

Tanzania's developing areas have witnessed less impact of economic growth on poverty reduction. The incomes and quality of life for many people have not changed enough and poverty levels are increasing rather than falling. However, the results vary with rural growth lagging behind urban growth as the case in many African countries. About two thirds of the population in developing areas of African live in rural areas (ADB 2004). The difference between urban and rural growth and poverty outcomes is socially and politically untenable, as witnessed in most African countries. Arguably, rural poverty problems in many cases may become urban poverty problems through increased pressure on cities to absorb rural migrants wanting work, homes, and other social related services. Given the above background, the main aim of this paper was to outlines the potential for agriculture and rural development as critical force for inclusive growth to sustain poverty reduction in Tanzania with agriculture in economic transformation and review. It highlights major policy challenges that need to be implemented for accelerating agriculture and rural development for inclusive growth in the country.

Agricultural and rural development were mainly considered as the undersupply of affordable food and raw materials, as the two are engine to support the industrialization for rapid growth. The strategy greatly influenced the design and choice of public policies. Agricultural commodities and land should not be heavily taxed as high tax will force the transfer of resources out of rural areas. Farm input subsidies would encourage production of food crops but may lead to wastage of resource, and often would benefit those with good knowledge of farming. Such policy would lead to lower agriculture's terms of trade, distort market signals, and undermine agricultural growth (Krueger, 1992). Price and trade policy reforms through the 1990s offered a significant window of opportunity for improving incentives and developing agriculture and rural development. But serious institutional and infrastructure constraints will continue to persist. Unless these constraints are addressed and the agriculture and rural development developed, rapid poverty reduction cannot be attained (Bolt, 2004).

Agriculture and rural development are at the Core of Inclusive Growth because a large number of the population in Tanzania's rural areas depends on agriculture for a living. Rural productivity, employment, and income growth are critical drivers for lifting the national economy. There is significant potential and opportunity for agriculture and the rural economy to grow in a healthy reinforcing environment. The rural-based cycle starts with productivity increases driven by yield-improving technologies that allow surplus production of, at first, food. The surplus is sold to local rural markets as the immediate outlet (Krueger, 1992). The extra income is spent on local products, generating further rural employment and income increases. As incomes rise, middle-income group demand rises for higher-value farm and commodities and nonfarm goods and services. Growing nonfarm goods and services then attract labour with higher wages in tightening labour markets, encouraging farmers to raise productivity with labour-saving technology (Bolt, 2004). Increasingly, surplus production of basic and higher-value commodities find markets beyond the area, including accessible export markets, further stimulating productivity. So, through production, employment and consumption linkages, agriculture and the rural economy reinforce each other, leading to economywide growth in employment, incomes, and poverty reduction (Mellor, 1995). Roughly half of rural incomes are spent on locally produced, labour-intensive, nontradable goods and services. Around 40 percent of the income rise from agricultural productivity increases are spent on locally produced, labour-intensive nonfarm goods and services. Employment created from rural nonfarm goods and service production is estimated to be twice that from farm productivity increases, with a 10 percent rise from nonfarm production creating 15 percent rise in jobs (Mellor, 1999). Overall, a virtuous agricultural growth cycle, as described, provides a strong base to support economic transformation for inclusive growth. Economic transformation is inevitable, but this does not mean that rural productivity and incomes have to be left behind as the nonagriculture economy grows. A stagnant rural economy and agriculture sector can exert a heavy toll to smooth transformation, witnessing massive migration of unemployed poor to urban areas.

II. REVIEW OF RELATED STUDIES

World Bank (2022) expresses that the role of agriculture and rural development is to ending poverty and boosting shared prosperity. Three-quarters of the poor live in rural areas and most earn their living from farming. Enhancing agricultural productivity is thus essential to achieving poverty reduction. Productivity growth in agriculture is also the driving force behind structural transformation (World Bank, 2022). Jica (1999) posits that in many developing countries, people who are engaged in agriculture account for more than half of their entire populations and many of them remain in grinding poverty. In addition, the agricultural sector plays a vital role in the national economies of developing countries. Because of these reasons, cooperation in agricultural and rural development is important in enabling developing countries to tackle the key issues of food security, poverty reduction and economic development. Stable production and supply of food provides stable supplies of food people need (food security) as a prerequisite for bringing about economic and political stability. In many developing countries, frequent food shortages are impairing the health of a portion of their populations and creating hunger. The exodus of refugees into neighboring countries is disrupting order in the international society, forming the background of regional conflicts. For food-importing countries, the stable production and supply of food are extremely serious economic issues also in efforts to prevent a foreign currency drain (Jica, 1999).

According to the World Bank (2022), the role of agriculture and rural development is to ending poverty and boosting shared prosperity. Three-quarters of the poor live in rural areas and most earn their living from farming. Enhancing agricultural productivity is thus essential to achieving poverty reduction. Productivity growth in agriculture is also the driving force behind structural transformation. Following NTU (2021), rural development allows for the improvement of rural communities' quality of life and prevents depopulation of regions affected by rural exodus. Economic stability achieved through actions within the rural areas and driven by agriculture is fundamental for the growth of a nation. Developing countries are increasingly confronted to the following challenges related to agriculture and rural development:

- ✓ Reducing poverty through rural development strategies and supporting the main driving forces for economic growth and social development in rural areas.
- ✓ Enhancing food security.
- ✓ Enhancing agricultural productivity and farmer's incomes.
- ✓ Developing infrastructure and access to water.
- ✓ Improving sustainable access to unconnected areas and markets.
- ✓ Implementing efficient agrarian reforms.
- ✓ Establishing early warning systems for monitoring food supply and weather insurance schemes for farmers.
- ✓ Diversifying agricultural production systems.
- ✓ Promoting sustainable agriculture, and
- ✓ Reducing the environmental impact of agricultural production.

Enhancing food security is an important economic approach to increase the living standards of the people and job creation. The current food security challenge is not only confined to Tanzania, but to most African countries. As such they consists of the following two dimensions: (1) tries to maintain and increase Tanzania's ability to meet its national food requirements, and (2) seeks to eliminate inequalities and poverty amongst households that is made apparent by inadequate and unstable food production, lack of purchasing power, poor nutritional status and weak institutional support networks and disaster management systems (Mansuri and Rao, 2004). Food security is seen as a Constitutional Right for every Tanzanian and guarantees each citizens the right to have access to sufficient food and water, and that "the state must by legislation and other measures, within its available resources, avail to progressive realisation of the right to sufficient food." Despite national food security, many Tanzanian households experience continued food insecurity, malnutrition and unemployment (Mellor, 1995). In response, Tanzania should implement an Integrated Food Security Strategy to ensure that food assists the country in order to:

- ✓ gain access to agricultural productive resources;
- ✓ gain access to income and job opportunities to enhance their power to purchase food;
- ✓ that people are empowered to eat nutritious and safe food;
- ✓ have access to state provided relief measures that may be short to medium-term and on a sustained basis, depending on the nature of given interventions; and
- ✓ have a continuous monitoring and evaluation of food security and nutrition status in the country through a formulated strategy of food insecurity.

Tanzania's food security is susceptible to drought, therefore, the Agricultural Drought Management Plan outlines a vision and strategic objectives pertaining to drought risk management, the implementation guidelines of the plan as well as the challenges faced within the new dispensation and new approach to drought risk management. In addition, drought management will be enhanced through the implementation of water storage, water transfer and hydropower infrastructure required for agriculture, agro-processing, tourism and forestry projects. Government has a leading role in promoting the development and maintenance of successful, profitable and sustainable irrigation farming. Irrigated agriculture contributes over 30% of the gross value of the country's crop production. It is essential for the country's fruit industry, which is amongst the most important export commodities, with about 90% of the country's fruit and wine being produced under irrigation (Deininger et al, 2003).

Kunkel, (2013), said that the projected impacts of climate change, i.e. increasing occurrence and magnitude of natural disasters such as drought, floods, poses serious constraints and challenges for Sustainable Agriculture and Rural Development. A recent study undertaken for maize indicates that some of the marginal western areas may become unsuitable for production under current management strategies while some of the eastern production areas may remain unchanged or increase production levels. Specialty crops grown in specific environmentally

favourable areas may also be at risk as both rainfall and temperature effects may cause changes in areas suitable for specialized production.

According to ADB and World Bank (2004), changes in agricultural management practices, such as a change in planting dates, row spacing, planting density and cultivar choice, and other measures, would be implemented to counteract the effects of limited moisture. Irrigation is currently used to supplement low levels of precipitation but this could become very expensive and less effective, giving conditions of increasing aridity. This would require a phasing out of irrigation farming and a relocation of the production areas eastwards, if practicable. To reduce the risk of famine, marginal production areas could be kept economically viable by, for example, decreasing input costs or planting drought resistant crops, such as sorghum or millet. Management practices that reduce dependence on irrigation would reduce water consumption without reducing crop yields, and would allow for greater resiliency in adapting to future climate changes (ADB and World Bank, 2004). The reduced use of some pesticides could directly reduce greenhouse gas emissions and also reduce water pollution, thus contributing to both adaptation and mitigation. Agricultural management practices that recognise drought as part of a highly variable climate, rather than a natural disaster, should be encouraged. Farmers should be provided with information on climatic conditions, and incentives should be given to those farmers who adopt sound practices for drought management, and therefore do not rely on drought relief funds. Land use planning can be used to identify trends in land use that would be advantageous in the event of climate change. Suitable measures could be incorporated in national agricultural policy (ADB and World Bank (2004).

Following Deininger et al. (2003), rural underemployment, urban rural growth and income differences, and overburdened cities refocus the challenge to accelerate rural growth and achieve overall inclusive growth. Past policy lessons highlight the importance of the right incentives and well-functioning markets to increase productivity, employment, incomes, and demand. That is, an environment for rapid rural response. The enabling environment includes incentives for farm and rural enterprises to raise farm and enterprise productivity; public and private institutions that ensure factor and product markets to work; and infrastructure connectivity to expand markets. The policy agenda for improving incentives, institutions, and infrastructure is significant and country specific. Key components are highlighted as follows:

(i) Most of the country's productive land should be brought into production, so land productivity improvement is key to further agricultural growth. Poorly working land markets can skew distribution, limit access by more efficient producers, and lower productivity.

(ii) Poorly defined land rights, insecure tenure, above market-rate rents, and biased tenancy arrangement are key disincentives to productivity and investment. More than 40 percent of the rural people in Asia live under informal tenure systems and insecure land rights. Clear land rights can double investment in land. Unclear user rights for land and common

property resources such as water and rangelands can lead to resource degradation. (iii) Policy and institutional reform efforts range from clarifying land rights definition and improved ownership equality, to better land management and administration. But limited institution capacity, corruption, and slow titling processes delay potential productivity gains and urgently needed loss avoidance on deteriorating lands. Good practices have been developed but need to be replicated or adapted to the local context (Deininger et al. 2003). (iv) Closely related to the land policy environment are labour market concerns. Tenancy arrangements such as sharecropping in South and Southeast Asia increase with land ownership inequality. While providing some assurance to tenants, high owner crop shares can lower productivity and lead to labour bondage. Labour market flexibility becomes more important for wage employment and the nonfarm rural economy. Labour market regulation can improve worker insurance and prevent exploitation, but excessive regulation can prevent mobility to more productive enterprises. In addition to formal regulations, the rural economy may also be confronted with many informal barriers to employment. Efforts are under way to balance labour rights and increase productivity, but are often politically charged and subject to slow bureaucratic or corrupt labour inspection practices (Deininger et al. 2003).

III. METHODOLOGY

This study is a result of the analysis of information collected through a number of ways. Considering the fact that there can be number of sources to gather information, the methodology adopted in this study represents relatively a cost effective approach. The first step involved a thorough review of related literatures such as published and unpublished reports, agriculture and rural development, articles, policy documents, as well as reports of programs and related studies locally and internationally. In this way the primary phase of study made effective use of information already available while conceptualizing this assessment, thus being able to focus on how to fill only the key information gaps. The study methodology was carefully designed to maximize the use of qualitative information available (Barker, 1998). Research methodology used tries to answer the research question through the collection and presentation of evidence. Qualitative research method was used in this study to describe the importance of agriculture and rural development for inclusive growth. As such, qualitative research methodology is extensively used in the fields of humanities and social sciences such as in the subjects of sociology, anthropology, history, and economics. Information used is qualitative secondary from publishable works. In terms of the design, the study research design was aimed at providing an appropriate framework for a study. A very significant decision in research design process is the choice to be made regarding research approach since it determines how relevant information for a study will be obtained, however, the research design process involves many interrelated decisions, therefore, the study used a qualitative design.

IV. DISCUSSION

Access to finance is important for both farm and nonfarm production given agriculture's seasonality and diversification trend. Rural financial markets are critical in rural economy development, they support financial intermediation and risk management. The provision of small-scale farmer credit at subsidized rates through public sector institutions has proved to be unsuccessful. Recent innovations in advancing rural finance should be based on rural outreach, sustainability, and risk management. The challenges of public policy are mainly to promote innovation in product and service mechanisms to reduce borrowing risks and costs. If the land and other markets do not work well and the transaction costs of borrowing are high, financial services tend to favour farmers owning larger land areas. Clearly, land policy improvements have a significant bearing on rural financial sector reform (Deininger et al. 2003). Provision of services provision such as irrigation, agricultural research, and extension should be aimed at providing the producer access to yield-increasing technology, production know-how, and information on market conditions (ADB, 2000). Top-down approaches to service delivery, bias toward better-off producers, and lack of central level accountability can often lead to decentralization and greater local service provision. The use of nongovernment and community-based alternatives are good options, but successes are context-specific. Rethinking about expenditure allocations in agriculture is an urgent issue for both governments and donors. Clear expenditure priorities should be the basis for improving budget allocations while service efficiency improvements are needed to reduce wastage and improve impact (Mansuri and Rao, 2004).

Market expansion should encourage access to markets and lowering the costs of doing business. At the same time, physical access to input and product markets needs infrastructure connectivity. In Tanzania agribusinesses rank land access, power access, transport, and telecommunications as the main obstacles to setting up production and gaining access to markets (ADB and World Bank, 2004). Policy and regulatory uncertainty, corruption in routine activities such as licensing and tax paying, excessive labour regulation, uncertain legal systems, and time-consuming bureaucratic red tape raise costs and become significant barriers to entry. In view of the deeply entrenched vested interests, policy reforms in these cases call for extraordinary levels of political commitment (ADB, 2004). Continued check, realignment and provision of missing public services is very important. All these assist in providing a conducive environment for increasing agricultural productivity and high economic returns. One important issue in sustaining food production is to improve the living conditions of rural communities by assisting especially small farmers in enhancing agricultural productivity and their incomes and to provide access to land (ADB, 2004).

The Farmer Support Programme should continue to provides support in order to promote economic and market development as well as to sustain adequate on-farm incomes which promotes stability, competitiveness, growth and transformation in the agricultural sector. This initiative should be augmented with the Comprehensive Agricultural Support

Programme which is a conditional grant raised by Central Government to supplement the Regional funding to ensure accelerated delivery of support services to farming communities. Overall, the Agricultural Support Programme should focus on the following six main issues, which are the key pillars: On and Off Farm Infrastructure, Training and Capacity Building, Technical Advisory and Assistance, Marketing and Business Development, Information and Knowledge Management, and Financing Mechanisms (ADB, 2004)

A. OPPORTUNITIES

Tanzania's agricultural sector is a major employer in the country, yet its contributions to National Gross Domestic Product (GDP) need to be increased. A decreasing contribution of agriculture to GDP has been attributed to the persisting dry conditions, high costs that affect both the commercial and small-scale farmers and ongoing land conversion from agricultural to other uses. The provision of rural infrastructure has, in theory, enabled small-scale farmers to have better access to markets. In practice, however, limited access to markets especially in terms of marketing-mechanisms and funding for small scale farmers continue to limit economic growth. The private sector is not actively or formally engaged in Sustainable Agriculture and Rural Development (SARD) which prevents significant economic returns from that sector (World Bank, 2006). In order to implement effective public-private partnerships, for a need to be established so as to create an enabling environment for private sector involvement. As with food security, climate change presents a significant future challenge to maintaining agricultural production (World Bank, 1994).

B. REDUCING POVERTY THROUGH RURAL DEVELOPMENT

Experience suggests that approximately three quarters of all migration to urban areas during the past decade was movement from rural into urban areas as is the case with most African countries (NTU, 2021). The consequence of this is an increase in urban poverty as cities are unable to cope with the influx of poor people seeking better economic opportunities. The NTU (2021) has suggested that promoting agricultural and rural development is crucial to pro-poor growth in developing countries. This forms a macro-economic policy to a more local market-based solution would create an environment rural development, which strives for both poverty eradication and self sufficient development for rural communities (World Bank, 1994). Most rural development programmes should aim to ensure income generation, implement additional objectives such as waste management and training, erecting useful community infrastructure or protection of water resources. These programmes have therefore shifted from poverty reduction to poverty relief and they aim at promoting self reliance and to eradicate poverty (Mansuri and Rao, (2004).

C. REDUCING THE ENVIRONMENTAL IMPACT OF AGRICULTURAL PRODUCTION

This a result of land degradation, water scarcity and pest control which are the most significant environmental issues facing agriculture in Africa. The Sustainable Resources Management and Use Programme should develop, implement and monitor relevant policies on managing and using land and water resources in agriculture. This information can be used at a regional level to plan ground water development for stock watering purposes and irrigation (Averyt et al., 2007). Land degradation is costing more money each year in wasted production, treatment of degraded land, nutrient loss, research and costs related to the silting up of waterways. Also there is a central concern to National Land Care Programme in the country to implement projects that place people at “the starting point, the centre and the end of each development intervention, constructing appropriate interventions or technology around their mode of production, cultural patterns, needs and potential”. On this basis, Landcare is a community based and government supported approach to the sustainable management and use of agricultural natural resources. The overall goal of Landcare should be to optimize productivity and the sustainability of natural resources so as to result in greater productivity, food security, job creation and a better quality of life (UN, 2002).

a. APPROACH TO LAND CARE

The suggested approach to land care should be community-based natural resource management in which stakeholders from different backgrounds, share common problems and seek for solutions. This is a grass roots approach that drives the Landcare programme that been a major reason for its success (UN, 2018). The approach to land care should include the following:

- ✓ Partnerships between the public, community and private sector;
- ✓ Local Action through local economic development and employment creation in which local Landcare groups have access to technical information and advice;
- ✓ Food Security including include greater productivity, food security and poverty relief;
- ✓ Integrated & Innovative Approaches to natural resource management in which the causes of environmental and resource degradation are addressed rather than the symptoms.
- ✓ Redress through assisting resource-poor communities from rural areas and addressing the needs of former disadvantaged groups.

b. THE FOCUSED INVESTMENT IN THIS APPROACH SHOULD INCLUDE

- ✓ Water care theme specially targets needing regions because of water shortages and the importance of water for irrigation. This theme is aimed at establishing a framework for managing land and preventing the silting of irrigation dams. Watercare also works in partnership

with the community to develop action plans for managing and restoring irrigation schemes (Rosegrant, 2020). Water plays an important role in ensuring equitable, sustainable and productive rural economies. In addition to being an essential element for agricultural production, nutrition and human health, water enables job opportunities in numerous key sectors across the rural economy (UN, 2018).

- ✓ Veld care requires the promotion of best grazing systems and erosion prevention practices to improve production. This theme aims to develop and maintain agricultural activities in accordance with the principles of ecologically sustainable development. It also ensures that economic and social development opportunities are realized by improving grazing areas and maintaining viable grazing areas throughout rural communities (UN, 2002).
- ✓ (c) Soil care encourages rural farmers in in most regions in order to build innovative structures to combat soil erosion. This includes reducing the depletion of soil fertility and soil acidity. Soilcare, approche helps the introduction of sustainable agricultural production systems, such as diversification, management of inputs, and conservation tillage (UN. 2002).
- ✓ Junior care is the focus on our children who will be able to reap the benefits of our Land care efforts. This implies that their involvement will result in an investment for the future. The objectives of Junior Landcare are to empower previously disadvantaged youth with regard to training in facilitation and leadership skills. Junior care addresses the needs of youth in an integrated and interdisciplinary way (UN, 2002; OECD, 2012).

V. CONCLUSION

The role of agriculture and rural development is to ending poverty and boosting shared prosperity (World Bank, 2022). This because three-quarters of the poor live in rural areas and most earn their living from farming. Enhancing agricultural productivity is thus essential to achieving poverty reduction. Productivity growth in agriculture is also the driving force behind structural transformation. Following NTU (2021), rural development allows for the improvement of rural communities' quality of life and prevents depopulation of regions affected by rural exodus. In many developing countries, frequent food shortages are impairing the health of a portion of their populations and creating hunger. The exodus of refugees into neighboring countries is disrupting order in the international society, forming the background of regional conflicts. For food-importing countries, the stable production and supply of food are extremely serious economic issues also in efforts to prevent a foreign currency drain (Jica, 1999).

From a viewpoint of this study, there is a compelling evidence that agriculture and rural development have the potential for regenerating the rural economy by accelerating agriculture and rural economy for inclusive growth in the country. Actively tapping agricultural and rural-based opportunities is a critical component of an inclusive growth strategy. Yield-improving technology, and expanding into high-value commodities and nonfarm goods and services

value addition, are key to meeting much-expected opportunities for employment and income growth in the country among rural population. Along with the price policy changes there substantial policy agenda for further improving incentives, institutions, and infrastructure (Bolt, 2004). By viewing individual reforms as part of a whole, a more realistic assessment can be made of the adjustment process and needs for financing. This includes financing needs for rural infrastructure development and rural public service provision. Accelerating and sustaining the region's impressive overall growth depends on accelerating agriculture and rural development efforts for inclusive growth.

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