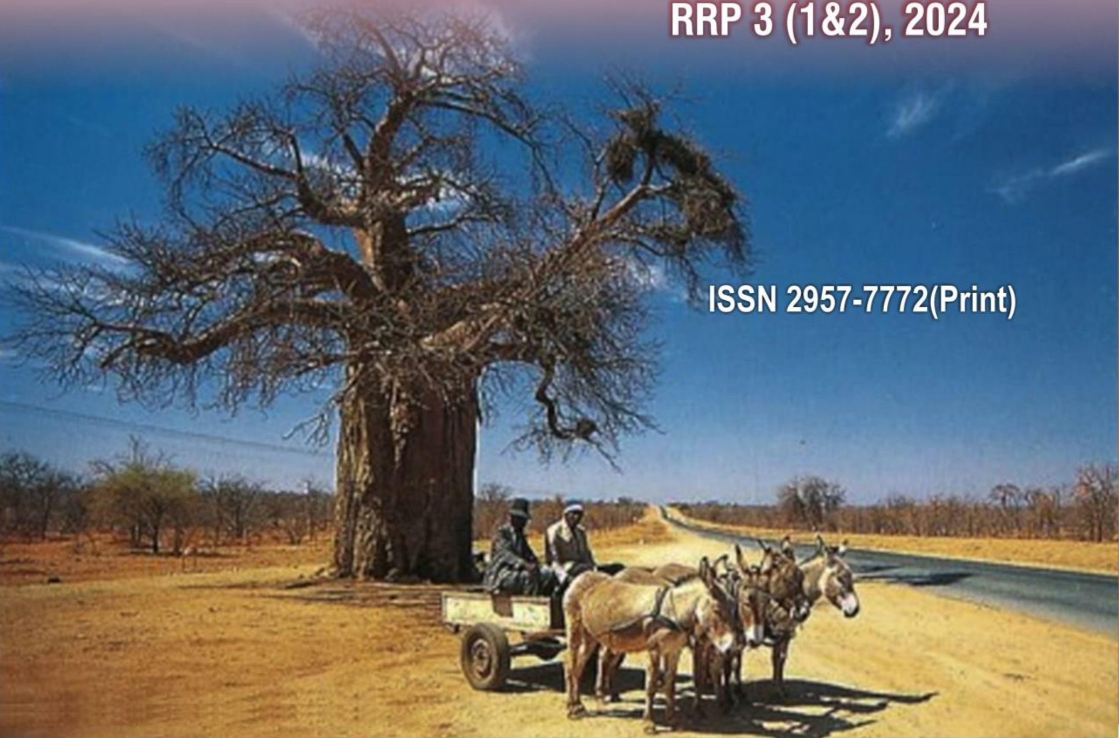
ZEGU
ZIMBABWE EZEKIEL GUTI UNIVERSITY
Committed to Excellence

REVIEW OF Rural Resilience Praxis

RRP 3 (1&2), 2024



ISSN 2957-7772(Print)

REVIEW OF

Rural Resilience Praxis

RRP 3(1&2), 2024

ISSN 2957-7772(Print)

Published by the Zimbabwe Ezekiel Guti University Press
Stand No. 1901 Barrassie Rd,
Off Shamva Road
Box 350
Bindura, Zimbabwe

Typeset by Divine Graphics
Printed by Divine Graphics

SUBSCRIPTION AND RATES
Zimbabwe Ezekiel Guti University Press Office
Stand No. 1901 Barrassie Rd,
Off Shamva Road
Box 350
Bindura, Zimbabwe
Telephone: ++263 8 677 006 136 | +263 779 279 912
E-mail: zegupress@zegu.ac.zw
http://www.zegu.ac.zw/press

About the Journal

JOURNAL PURPOSE

The purpose of the *Review of Rural Resilience Praxis is* to provide a forum for disaster risk mitigation, adaptation, and preparedness.

CONTRIBUTION AND READERSHIP

Sociologists, demographers, psychologists, development experts, planners, social workers, social engineers, economists, among others, whose focus is on rural resilience.

JOURNAL SPECIFICATIONS

Review of Rural Resilience Praxis

ISSN 2957-7772(Print)

SCOPE AND FOCUS

In as much as the urban economic trajectory is increasing by each day, the rural economy, especially in many developing countries, still comprises a great proportion of the extractive and accommodation industries. Retaining some spaces as rural areas remains critical given the integral role rural areas play in providing ecosystem services to both wildlife and humanity. In this light, rural resilience as practice beckons for critical studies especially in the face of the ever-threatening extreme weather events and climate change that then impact on the livelihoods and lifestyles of the rural communities. Review of Rural Resilience Praxis (RRRP) comes in as a platform for critical engagement by scholars, practitioners, and leaders as they seek to debate and proffer solutions to the rural sectors' sustainable growth trajectory, which is resilient to the vagaries of climate change. This journal is also aimed at championing the philosophy of the right to be rural. The issue of conviviality between the different constituencies of the sectors, compiled with the competing challenges of improving rural spaces while also making the conservation, and preservation debates matter is the hallmark of this platform of critical thinking and reflection. The journal is published bi-annually.

Guidelines for Authors for the Review of Rural Resilience Praxis

Articles must be original contributions, not previously published and should not be under consideration for publishing elsewhere.

Manuscript Submission: Articles submitted to the *Review of Rural Resilience Praxis* are reviewed using the double-blind peer review system. The author's name(s) must not be included in the main text or running heads and footers.

A total number of words: 5000-7000 words and set in 12-point font size width with 1.5 line spacing.
Language: British/UK English
Title: must capture the gist and scope of the article
Names of authors: beginning with the first name and ending with the surname
Affiliation of authors: must be footnoted, showing the department and institution or organisation.
Abstract: must be 200 words
Keywords: must be five or six containing words that are not in the title
Body: Where the authors are more than three use *et al.*
Italicise *et al., ibid.,* words that are not English, not names of people or organisations, etc. When you use several authors confirming the same point, state the point and bracket them in one bracket and in ascending order of dates and alphabetically separated by semi-colon e.g. (Falkenmark, 1989, 1990; Reddy, 2002; Dagdeviren and Robertson, 2011; Jacobsen *et al.,* 2012).

Referencing Style: Please follow the Harvard referencing style in that:
— In-text, citations should state the author, date and sometimes the page numbers.
— The reference list, entered alphabetically, must include all the works cited in the article.

In the reference list, use the following guidelines, religiously:

Source from a Journal

Anim, D.O and Ofori-Asenso, R (2020). Water Scarcity and COVID-19 in Sub-Saharan Africa. *The Journal of Infection*, *81*(2), 108-09.

Banana, E, Chitekwe-Biti, B and Walnycki, A (2015). Co-Producing Inclusive City-Wide Sanitation Strategies: Lessons from Chinhoyi, Zimbabwe. *Environment and Urbanisation*, *27*(1), 35-54.

Neal, M.J. (2020). COVID-19 and Water Resources Management: Reframing Our Priorities as a Water Sector. *Water International*, *45*(5), 435-440.

Source from an Online Link

Armitage, N, Fisher-Jeffes L, Carden K, Winter K *et al*. (2014). Water Research Commission: Water-sensitive Urban Design (WSUD) for South Africa: Framework and Guidelines. Available online: https://www.greencape.co.za/assets/Water-Sector-Desk-Content/WRC-Water-sensitive-urban-design-WSUD-for-South-Africa-framework-and-guidelines-2014.pdf. Accessed on 23 July 2020.

Source from a Published Book

Max-Neef, M. (1991). *Human Scale Development: Concepts, Applications and Further Reflections,* London: Apex Press.

Source from a Government Department (Reports or Plans)

National Water Commission (2004). Intergovernmental Agreement on a National Water Initiative. Commonwealth of Australia and the Governments of New South Wales, Victoria, Queensland, South Australia, the Australian Capital Territory and the Northern Territory. Available online: https://www.pc.gov.au/inquiries/completed/water-reform/national-water-initiative-agreement-2004.pdf. Accessed on 27 June 2020.

The source being an online Newspaper article

The Herald (2020). Harare City Could Have Used Lockdown to Clean Mbare Market. *The Herald*, 14 April 2020. Available online: https://www.herald.co.zw/harare-city-could-have-used-lockdown-to-clean-mbare-market/. Accessed on 24 June 2020.

Finance: The Footing for Rural Resilience in Africa

MOREBLESSING GEOGINAH MSUNDIRE[1], ROSELINE NCUBE KATSANDE[2] AND BEATRICE HICKONICKO[3]

Abstract

This article critically discusses rural finance as the basis for engendering rural resilience in Africa. This position emanates from the fact that African countries are amongst the most susceptible to the adverse effects of natural hazards, whilst also showing an increasing obligation to address disaster risk through diversification by encouraging rural financing initiatives. Rural financing as a mitigation strategy to the adverse effects of climate change is urgently needed if the continent is to protect the development gains demonstrated by an economic growth rate. In recent times, the scale and occurrence of disasters and crises have been on sharp rise. More than 60 percent of the African population relies on agriculture for food and income, and they are extremely affected by these crises. Methods engaged are secondary data analysis of existing literature related to the topic. Results from the research, *inter alia*, include the finding that globally, 1.7 billion adults still lack access to formal financial facilities, with a large fraction living in South Asia and Sub-Saharan Africa, respectively. The following recommendations flow from the research: there is need to redefine out-dated financial literacy, with important implications for nations considering financial development approach to refining households' long-run financial resilience. It is also important to warrant that these communities can be resilient to such shocks by providing cross-sectorial and innovative solutions. The solutions put forward must no longer be reactive but confront the root causes of instability.

***Keywords**: poverty, risk, household income, assets, economic growth, policy makers*

[1] Department of Development Planning and Management, Zimbabwe Ezekiel Guti University, Bindura, Zimbabwe
[2] Faculty of Social and Gender Transformative Sciences, Women's University of Africa, Harare, Zimbabwe
[3] Department of Urban and Rural Development, Great Zimbabwe, University, Masvingo, Zimbabwe

INTRODUCTION

Worldwide, financial inclusion has become an influential framework for building financial resilience by decreasing exposure to adverse climatic conditions and provide a shield against economic difficulties. In fact, most national financial inclusion approaches have expanded and now target to improve individuals’ livelihoods and construct more inclusive and financially resilient communities. According to the World Bank, about 1.7 billion adults still lack access to formal financial services. Most of these financially excepted individuals (representing over 75% of the adult population) live in the developing world, with a large percentage living in South Asia and Sub-Saharan Africa. Policy makers and other stakeholders claim that more inclusive financial systems empower individuals particularly the most vulnerable to save, borrow, develop properties, guard against risk, and therefore build resilience (Gash and Gray, 2016). Those populations are most susceptible include the poor, those living in rural areas, and women (Lyons, Kass-Hanna and Greenlee, 2020). Thus, resilience building has fast become a global concern directed at improving individuals’ capacity to manage threats, whether environmental, social, or economic (Jones and Tanner, 2017).

Jacobsen, Marshak and Griffith (2009) posit that financial resilience and vulnerability are two sides of the same coin. Building financial resilience begins by understanding the susceptibilities that result from exposure to risk and lack of access to suitable resources (Moore et al. 2019). Unanticipated tremors (such as the illness or death of a family member, career loss, natural catastrophe, crop failure, or livestock loss) can leave families less capacitated to overcome hardships. Ideally, households would use their reserves, borrow money, or depend on insurance pay-outs or transfers from family and friends. Nonetheless, low savings rates and failures in insurance and credit markets are main causes of insecurities and vulnerabilities in the face of exposure to climatic, resilience-related and economic risks.

To this end, access to resources such as well-designed and reasonable financial services is assumed to offer the resources to build resilience in the face of economic vulnerabilities. However, not all households have the same access to financial services. Economically vulnerable populations face numerous obstacles to financial inclusion and are most at risk, depending on coping mechanisms that frequently lead to long-lasting financial uncertainties and hostile developmental consequences (Gash and Gray 2016). These coping approaches often encompass decreases in food consumption, the sale of properties, and the build-up of incontrollable debt loads. Financial inclusion signifies a vital pathway for marginalised households to mitigate risks and increase their ability to manage and forge disaster adaptation strategies (Hussain *et al.*, 2019).

A wide variety of tools are being employed to improve the efficiency of national financial inclusion strategies so as to stimulate inclusive and participatory financial resilience. Existing approaches go beyond simply providing access to bank accounts, as they include fostering access to and usage of an all-inclusive set of financial services (such as payment and money transfer services, loans, insurance, and investment products). Financial literacy is acknowledged as an important apparatus for promoting the financial consciousness, knowledge, abilities, attitudes and behaviours essential for individuals to efficiently access and use these services. As a result, nearly all national strategies for financial inclusion contain financial literacy as a significant element. Digital financial services (DFS) have gained currency internationally and are now regarded as possibly the most capable mechanism to enable financial access and nurture universal financial inclusion (OECD/INFE 2018; Lyons, Kass-Hanna, and Greenlee 2020). With more than 67% of the global population having a mobile phone, many parts of the developing world have experienced rapid growth in DFS, most remarkably in South Asia and Sub-Saharan Africa due to the surge in access to and use of mobile phones. Countries in South Asia and Sub-Saharan Africa have made fast progress in advancing from outdated financial services (brick-and-mortar banks and automated teller machines, ATMs) to DFS (digital payment tools such as mobile money and digital wallets (Lyons, Kass-Hanna and Greenlee, 2020).

This digital financial revolution has permitted individuals around the world to use their mobile devices to access and conduct a wide assortment of DFS. The point that large sections of the world's unbanked inhabitants live in South Asia and Sub-Saharan Africa further escalates the potential for DFS to increase financial inclusion rates. Present and expected growth in DFS intensifies the need for more advanced financial literacy creativities that can adapt to the fast changing digital economy (OECD, 2017, 2018). There is a growing need to increase digital financial literacy, which is now considered as a mediator of the relationship between financial literacy and financial inclusion, and is presumed to increase the efficiency of both (Lyons, Kass-Hanna, and Greenlee 2020). For individuals to successfully participate in the digital economy, they need be equipped with competencies and skills which enable them to perform digital financial transactions and control digital devices such as mobile phones, smart phones, and tablets. Therefore, in the current digital world, financial transactions need to be enhanced and financial literacy has to be enhanced in rural areas for communities to be resilient to shocks.

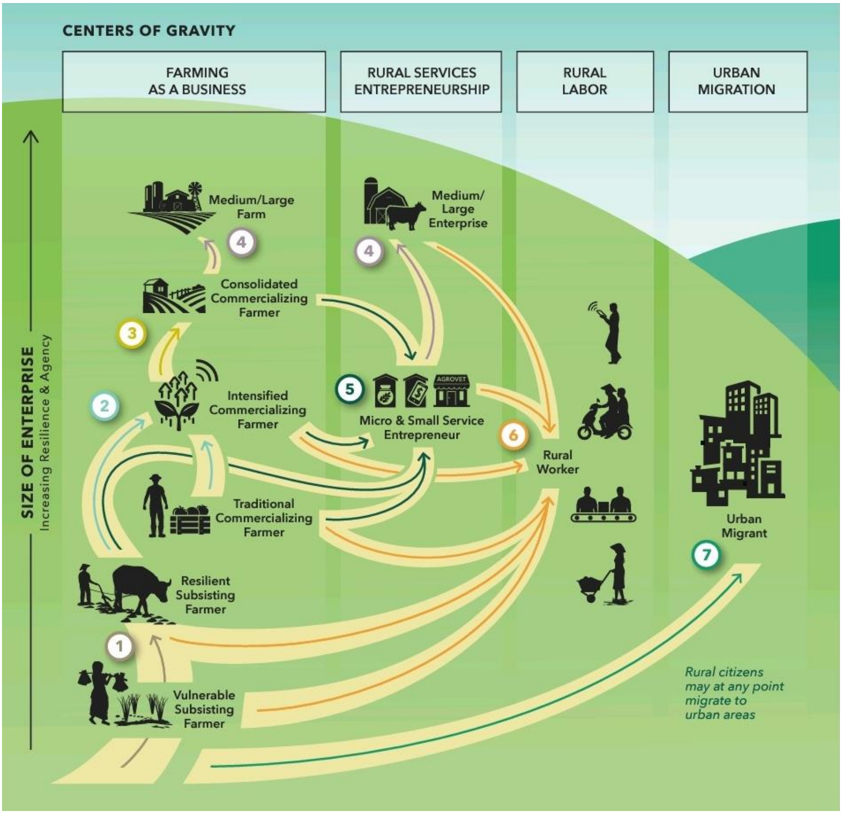
.

CONCEPTUAL FRAMEWORK

The conceptual framework underpinning this paper is based on the rural pathways model which will also be used to guide the analysis of the research data.

RURAL PATHWAYS MODEL

The rural pathways model transfers us from a stagnant understanding of rural households centred on their features at a particular moment, toward a dynamic view of how households and their needs might progress over time. This model lays out the diverse transition pathways rural households may take as they follow increased resilience and agency through numerous livelihoods strategies. These pathways confluence around four centres of gravity: farming as a business; rural services; rural labour; and urban migration. Over the sequence of a lifetime, a single household may move forward or backward along a pathway, change pathways completely, or consecutively follow various pathways. By mapping out the possible transition points for rural households, financial service providers will be able to construct a plan for engagement that provides the right services at the right time. The rural pathways model intends to capture probable development routes smallholder households may take as they pursue greater resilience and agency. When applied to a particular context, these pathways can offer micro- and macro-level intuitions into how smallholders' needs may change over time and how that will outline the rural economy (Steinbach *et al.*, 2017). The image below shows how rural households can diversify their income sources as means of building better financial outcomes and promoting resilience to external shocks.



Source: IIED 2017

LITERATURE REVIEW

The literature review or survey accomplishes numerous purposes in research. It shares outcomes of other studies that are closely related to the one being undertaken by the research. This segment of the paper offers literature in the scholarship canon on rural resilience strategies and inclusive financing models aimed at mitigating the adverse effects of shocks especially those related to the adverse effects of climate change, highlighting previous work that has been done in relation to the current study. This will help to fill out research gaps in the area of interest.

DEFINING RESILIENCE

Resilience is conceptualised as the ability of humans, societies, or systems that are threatened by disasters or crises to endure the damage or recover rapidly (FAO, 2023). Currently, 100 million people in Africa face severe hunger, and the continent's population is projected to increase from 1.2 billion to 2.5 billion in 2050, with the percentage of people depending on agriculture for food and income rising to 70 percent. Moreover, the continent faces increasing natural tragedies 2,000 since 1970 and it is home to prolonged and multi-faceted human-made calamities. The trend necessitates commitment to more significant focus and resources to forging resilience determinations that are effective in protecting the lives and livelihoods of millions. Smallholder farmers, pastoralists, and fishermen are the main change proxies in restoring and improving livelihoods and societies in rural areas dependent on agriculture as a source of sustenance. There must be influential action taken to provide capacity for them to intensify productivity and income through access to financial and technical support, skills training, and comprehensive and innovative business models. Building self-sufficient smallholder farmers, pastoralists, and fishermen strengthen the capacities of susceptible communities to rebound from crises and unlocks the innovative potential of communities to find resolutions to shocks and build a resilient society (FAO, 2023).

Well-crafted social protection programmes can build the resilient capabilities of the most vulnerable groups. FAO has established a strong expertise in implementing cash- cash-based programmes aimed at building agricultural livelihoods, particularly in fragile and prolonged disaster settings. When farmers, pastoralists and fishers can no longer buy food or much desired productive inputs because their possessions have been damaged or exhausted, FAO's cash-based transfers offer instant relief. They increase agricultural production, increase food security and nutrition, and decrease rural poverty. They support the change from humanitarian support to development. FAO's cash aid helps families meet their instant needs while re-establishing their food production. It is a vital safety net against shocks and pressures and, when joined with productive support and technical training, has the potential to build resilient livelihoods. It is particularly vital in rural areas, where families lack food and income to buy food due to extensive crop failure and livestock losses (FA0, 2023).

FINANCE

Finance is the raising and exhausting of funds by individual, cooperative initiatives, firms and governmental organisations for the day-to-day administration and management of their professional undertaking. As a discipline, finance is only a body of facts, principles and theories which deal with raising and using of capitals by individual, enterprises, businesses and governmental organisations for the day-to-day administration and management of their business activities. Finance is essential to businesses due to, it is always considered as the life blood of any association, it offers foundation for business planning, investment, diversification and cash flow statements, it offers the base for control and employee upkeep, and it provides basis for business progression and expansion, through reinvesting back profits. Finance can be categorized into two broad classifications, namely micro and macro finance. Macro finance relates to the financing choices and performs of the entire economy. Micro finance relays to financing decisions and practices of individual households, businesses and non-business organisations (Gregory, 2020)

DEFINITION OF RURAL FINANCE (RF)

Rural Finance is defined as the provision of financial services to a varied, rural, farming and non-farming population at all income stages through an assortment of formal, informal, and semiformal official arrangements and varied forms of products and services, such as savings, leasing, loans, insurance and remittances. Rural finance is a spatial idea, which incorporates the financial side of nearly all economic methods in rural areas. These include savings, financing and insurance of financial risks. It includes the provision of diverse financial services to households and enterprises in rural areas for both productive and consumptive purposes. Rural financial services comprise of loans, savings, payment and money transfer facilities, and risk management such as insurance, hedging and guarantees (Nagarajan & Meyer, 2006). Rural finance, as defined by the World Bank (2012), includes a variety of financial services such as savings, credit, payments and insurance to rural people, households, and enterprises, both farm and non- farm, on a sustainable basis. It contains financing for agriculture and agro processing/ agribusiness. However, rural finance includes agriculture finance, micro finance and is a subdivision of the bigger financial division.

KEY CHALLENGES

While all rural households, irrespective of income level, are usually exposed to a variety of types of shocks, poor rural households are often mostly susceptible if they live in peripheral and fragile ecosystems or practise rain fed agriculture. They also tend to be mostly vulnerable because they have a restricted asset base to fall back on when tremors strike, limited capability and apparatuses to manage risks, and weaker institutional, infrastructural and service linkages. Normally, households and individuals who suffer from numerous systems of marginalization centred on age, gender or ethnicity are the least resilient, causing, inter alia, more precarious tenure of productive possessions and more restricted access to financial risk management tools (UNSDSN, 2013).

Regardless of their nature of livelihoods, poor rural households confront a variation of coinciding shocks, which is a key fact to take into account when crafting plans to increase resilience. Personal and household-level risks are frequently substantial. For example, malnutrition and illness can have major impacts on the household economy through a direct and indirect influence on family labour. Other personal risks relate to exposure to violence, which is a risk predominantly high in fragile and conflict-affected nations, often particularly for women and girls. Poor governance may also be a basis of risk leading to unanticipated costs, such as bribes to evade harassment, transport produce and access simple government services, as well as to undependable provision or inconsistent quality of public services. Other sources of risk relate to ill-functioning markets and instability of the prices of inputs and food. Mainly in poor, food-deficit states, substantial seasonal price variations are a feature of rural life, and inter-annual price variations can also be severe, certainly, since rural producers are generally price-takers, they are extremely exposed to price associated shocks (UNSDSN,2013).

A main classification of risks relates to environmental factors. Across much of the industrialising world, the natural resource base in rural areas is being degraded, depleted or becoming scarcer owing to the adverse effects of the triple planetary crisis- pollution, climate change and the loss of critical ecosystems and endangered species. Meanwhile, population growth drives people into peripheral zones, where they are frequently forced to overuse the delicate resource base. This adds to deforestation, soil erosion, desertification, and increased water scarcity, reduced recharge of aquifers, and deteriorating fish and marine resources. Natural resource degradation in turn has an undesirable bearing on agricultural productivity and also leaves land and societies more susceptible to extreme weather patterns. Climate change has a multiplier consequence in hastening ecosystem degradation and making agricultural production riskier.

Poor rural families face both climate-related shocks such as floods, storms, droughts, hailstorms and climate-related stresses (e.g. loss and degradation of coastal ecosystems, glacial melt and sea-level rise). To cope with the effects of a capricious climate, they have always drawn on traditional information and historical interpretations, nonetheless, the speed and intensity of change is overtaking their ability to manage its effects, and past experience is no longer a dependable guide for the future. Given their exposure and susceptibility to shocks, the choices of poor rural households on how to apportion and use cash, land and labour normally mirror not only accessible opportunities, but also the need to reduce exposure or vulnerability to shocks. Whether or not successful, such approaches can undermine people's ability to move out of poverty by inhibiting or discouraging them from taking the risks involved in chasing new opportunities (IFAD, 2015).

For instance, lack of protected tenure rights may discourage investment to upsurge the productivity of a plot of land, or to change to new crops that have high but uneven market demand, or to new practices that produce positive returns only in time. This is a situation shared by large numbers of rural households: between 1 billion and 2 billion people worldwide live on and use land over which they have no legal ownership. Risks attached to lack of protected occupation are increasing in many regions, since many families and individuals, particularly rural women, are vulnerable to improper land acquisition and disintegration. Demand for land for agricultural production, mining, carbon sequestration and tourism is increasing, which is leading to rising competition in which poor households and individuals are repeatedly on the losing end vis-à-vis more influential actors. An additional factor of vulnerability is linked to weak governance of tenure structures and land dealings.

RESEARCH METHODOLOGY

The research methodology will highlight the data collection methods that were engaged to gather information on the topic. This research paper is descriptive and exploratory in nature; it discloses comprehensive, structured, accurate, and thorough report of everything explored. As this study is descriptive, qualitative enquiry is used in that all data are collected and grouped to be further examined. The analysis is based on a mixture of existing literature on rural financing and resilience. The research methodology draws upon an academic and grey literature review conducted as a primary stage of research. While not directed at providing a full methodical or complete review of existing literature on the topic, the method involved outlining clear search terms and a series of search approaches, followed by a review of the most related literature. Secondary data analysis was done through an internet-based search for documents and a desktop review of printed & online literatures were used to enable enquiry. The peer reviewed literature in the form of journal articles in English which were published between with the exclusion of grey literature including unpublished work, reports, and books, was examined. A mixture of the grouped articles which met a search criterion was combined with the patterns, themes and trends identified, followed by the thematic analysis. Thematic analysis (Clarke and Braun 2013) was desired because it is a simple, flexible and robust technique to group problems, perceptions and recommendations together.

RESULTS

This section discusses rural financing as a potential basis for building resilience in African communities. It discusses the importance of rural financing highlighting its effectiveness if properly applied.

The providing of financial services to rural smallholder households, including savings, credit, insurance and payments, remains among the most challenging encounters in finance and development. Regardless of growth in the extension of these services to rural areas, rural finance ecosystems in low- and middle-income nations remain disjointed due to high transaction costs linked with the irregular and scattered distribution of populations, inadequate infrastructures and unanticipated threats to agricultural productivity. As an outcome, small-scale actors and most marginalized groups such as women and youth continue largely excluded from access to finance and investment. Developing and scaling up inclusive financial solutions is important to improve the livelihoods and resilience of the most vulnerable persons, reduce imbalances and poverty, end food insecurity and malnutrition, and support the sustainable use of natural resources in order to build sustainable and inclusive agrifood systems that leave no one behind.

Even when societies living in rural areas do have an account, for example, with a bank or a mobile money service, usage normally remains very little as financial products and services remain to be principally intended for the needs of urban clienteles. Consequently, large numbers of people in rural areas remain effectively omitted from the financial services they need to upkeep their resilience and expand their livelihood prospects. While microfinance services have been successful in some areas and mobile money services have extended access to basic digital payments and transaction accounts, only 20% of rural inhabitants in developing countries saved with a formal financial institution while access to insurance and credit outside small working capital loans remains very restricted. Of the estimated USD240 billion demand of smallholder households for agricultural and non-agricultural finance, financial institutes are presently only providing around USD70 billion. This leaves around 70% of the worldwide request for smallholder finance unmet. The financial needs of women, young people, people with disabilities and other vulnerable groups are mostly poorly assisted by the existing rural financial systems, with products and services often too general and intended for the needs of urban, wealthier clients (Ibid, 2020).

THE IMPORTANCE OF FINANCIAL INCLUSION IN RURAL AREAS

Inclusive and participatory financial services have a critical part to play in supporting and refining rural livelihoods. This is particularly pertinent for those from vulnerable community groups who are more probable to be underprivileged and less likely to be financially resilient. Financial services are required to help people and households in rural areas and their communities living in or close to poverty to manage their cash, increase resilience and capitalize in livelihood opportunities. Improving rural financial inclusion is essential to support growths in agricultural productivity and raise agriculture-related profits, help the poor to diversify their source of livelihoods and develop non-agricultural revenues, improve nutrition and reduce starvation, build resilience to climate associated and other periodic tremors, and protect against the risks of falling into poverty snares. Smallholder households regularly supplement seasonal agricultural income with labour on other farms or in non-agricultural trades (e.g. non-farm microenterprises such as transportation or tailoring). They can also be the beneficiary of remittances and social protection payments.

Persons living in rural areas, mainly women, also dedicate much of their time to unpaid labour, on and off-farms and in the home. For rural financial services to fund enhanced rural results, it is imperative that policymakers treat the improvement of financial services in rural areas as a means to an end, not an end in itself. Financial inclusion should be seen as an enabler of positive real-world results. The numerous pathways through which financial inclusion can enhance rural livelihoods can be summarized as: farming as a business; rural services entrepreneurship (non-farming); rural labour; and migration to an urban area. In actuality, rural households often employ some combination of these pathways to earn their livelihoods, so it is crucial that a suitable variety of financial services are accessible to support their activities in and between these pathways.

RATIONALE AND JUSTIFICATION ON RURAL FINANCING AS BASIS FOR BUILDING RESILIENCE

The nexus between a comprehensive financial system, economic growth and development has been explored for a long time and several theoretical and empirical studies show a positive association. This is no different for developing the rural economy and establishing such development on decent work. Nevertheless, rural societies are highly underserved by financial facilities. People living in rural areas need access to financial services for a variety of productive (asset building, working capital) and protective (mitigating risk exposure, including health concerns) purposes: to securing stock, tools, farming inputs, to maintain infrastructure, to contract labour for planting/harvesting, to transport merchandises to markets; to make or receive payments; to manage peak season proceeds to cover expenditures in the low season, to invest in education/housing/ health, or to cope with crises. Customarily, formal financial institutions (such as commercial banks, rural or agricultural development banks) have shunned or failed to offer sustainable services in rural areas.

This exclusion confines rural communities from releasing their potential, this is so because:

- Operational costs in rural areas, particularly in isolated areas, are high due to low population density, shortage of infrastructure (communications, electricity, transport) and small average transaction totals. This makes financial services costly. Prohibitive operational costs also dishearten people from depositing reserves, thereby depriving households of a chance to build financial possessions.
- Levels of financial literacy are generally low in rural populations. This inhibits households and businesses similarly from building effective risk management approaches and, for instance, understanding how insurance works and why premiums need to be paid frequently without a timeline for pay-outs.
- Legal arrangements that do not guarantee saleable property rights add to weak collateral and contract implementation mechanisms that extra limit access to finance. As a result, products such as long-term financing scarcely reach rural areas.
- Consequently, informal or semi-formal financial organisations as well as other providers like traders or input suppliers, or delivery conduits like mobile phone companies have become main actors in financial services delivery. However, these informal providers frequently have weak institutional and administrative ability and provide only a narrow variety of financial services, often without by-law. Furthermore, functioning in seclusion from the financial system has let some of these providers' charge unreasonable and at times even usurious interest rates.
- Climate change is adversely affecting the rural economy most harshly. Rural communities cannot manage and adapt to growing occurrences of

drought, flooding or storms without access to insurance or emergency loans to cope with these unexpected shocks, or to long-term finance for venturing into less risk-exposed trades.

EXPANDING ACCESS BEYOND CREDIT FOR RURAL HOUSEHOLDS

In addition to finance, smallholder families need access to payments, insurance, and savings in order to transact more efficiently, cope with threats, and even cash flows. These products have started to infiltrate rural markets in recent years and signify an opportunity for financial service providers.

DIGITAL PAYMENTS

Over the past years, infiltration of digital payments has improved exponentially, appreciations to the extensive convenience and use of mobile technology, even in rural areas. The advance in digital payments is essential because this technology is a significant stride in increasing financial inclusion of rural households. Digitisation of payments increases accessibility and safety of monetary transactions. In addition, it can allow access to other financial products, such as savings and credit, by providing vital customer information to financial service providers. Of course, digitisation will only fortify financial inclusion if it is done in a gender-sensitive method. Women in low-and middle-income countries are less likely to possess a mobile phone a fraction that differs by region but has consistent consequences for inclusive growth of digital payment systems. Financial establishments targeting to increase their operational efficacy and reach more customers by implementing technological solutions tend to start by digitising payments. That being said, there's only so much that financial institutions can do to digitise their payment procedures if rural economies continue to be nearly entirely cash based. Agricultural SMEs may be able to help rural economies decrease cash dealings by digitising their own payments to their suppliers, therefore making digital transactions a more attractive and holistic preference for farmers. In countries where mobile money infiltration is low, social media may present alternative possibility of opportunity. For instance, Cassava Fintech International publicised the launch of Africa's first integrated social payments platform, Sasai, in corporation with mobile network operators. The application will combine instant messaging, social media, and mobile payments into one combined platform.

SAVINGS

The usage of savings accounts has also improved in rural areas, stimulated by an upsurge of digital wallets. For numerous rural households, these accounts mean more than saving money, they are an investment in better resilience against climate and market shocks and constitute safety nets in the wake of unexpected exigencies that have capacity to adversely impact on the sustainability of livelihoods in rural areas. Savings accounts smooth consumption and permit households to store money for farm inputs, as well as fixed household and non-agriculture expenditures (such as medical expenses). As the first phase in the financial inclusion journey, savings accounts allow financial institutions to better identify their customers and possibly extend loans to them in the future. Savings accounts are mainly essential for women, as being able to put away money can empower them to have better decision-making power at the household and community levels. Nonetheless, despite the benefits of savings and the increase in savings accounts in rural areas, actual saving behaviour mainly at formal financial establishments remains low. Even in South and Southeast Asia, where more than two-thirds of rural adults hold an account, less than a third of adults appear to actually save through either formal financial institutions or community savings clusters. This information suggests that many accounts are inactive or are being used mainly for transactions. For many rural households, saving spare money is simply not achievable, moreover, these households may distrust financial organisations.

INSURANCE

Regardless of the development of new models of agricultural insurance, mainly index-based products, the majority of smallholder farmers have restricted access to risk management alternatives. This is predominantly true in sub-Saharan Africa, where the lack of government grant means that insurance continues to be cost prohibitive for both farmers and financial service providers. Scaled growth of agricultural insurance could fund improved access to rural agricultural finance. In the nonexistence of warranty and official land rights, well-designed agricultural insurance deeds as a risk mitigation tool that can solve credit preferences. This increase in risk leads several farmers to be reluctant to make the investments required to enhance productivity and increase revenues. Insurance products must also be designed with the requirements of particular groups in mind, for example, studies show that women have less incentive to procure agricultural insurance merchandises that do not include coverage for other sources of risk, such as family wellbeing.

DEMONSTRATING THAT DISASTER RISK REDUCTION INVESTMENT PAYS IN AFRICA

An increasing number of studies are now existing in Africa showing that certain creativities not only donate to firming communities' resilience, they also make economic sense. For example, investments in undertakings such as terracing and construction of earth dams and embankments that allow households to increase and diversify agricultural activities in the Red Sea Hills of Sudan are also decreasing the beneficiary societies' susceptibility to droughts. The cost benefit analysis showed that these ventures were not only highly useful for ensuring diversified incomes for the contributing communities, they also shrink the cost of responding to future catastrophes.

In another case, the cost-benefit analysis of a drought risk decline and food security programme in a Malawian agricultural community shows that for every 1 USD invested the project undertakings provided 24 USD of net benefits in terms of household income and assets, education, health and reduced death rates (Tearfund, 2010). In addition to the net economic paybacks, decision makers need to take reason of a series of the other value added provided by investments that reduce risk to natural hazards and climate change effects, such as protection of lives and livelihoods, community unity and other social and economic benefits.

CONCLUSION AND RECOMMENDATIONS

There is confirmation that investment in disaster risk lessening pays in Africa, reducing both the short and longer-term influences of disasters on individual households, societies and the wider macro economy and hence strengthening resilience to climate change effects. Despite this fast-growing body of documented evidence, the level of public investment in disaster risk reduction in many nations remains inadequate. Determinations by national and local authorities to address risk to natural hazards in an all-inclusive manner and which actively involve pertinent government actors, civil society and private sector tend to demonstrate more effective in Africa just as in other regions. A valuable objective in this respect is for governments and donors to incorporate both disaster risk reduction and climate change adaptation concerns into appropriate public, private and household investment choices, based on values of cost-effectiveness and tolerable levels of risk to human life. This can build on current efforts introduced in the region. In order to accomplish this, cooperation between the disaster risk reduction and climate change adaptation societies should be improved and institutionalized. A strong emphasis must be placed on an improved understanding of what constitutes real development investments that decrease risk to natural hazards, as a necessary guide to decision-making on climate change adaptation funding. Resilience building is at the heart of determinations to attain zero hunger and poverty as well as the other intertwined global goals of the 2030 sustainable development agenda.

With nearly 60 percent of Africa's population living in rural areas and reliant on agriculture and natural resources for their revenue, food, fuel and well-being, a few concrete actions for building resilience must be immediately fast-tracked and advanced. These include working with farmers and their communities to decide sustainable action they want to take and providing the capacity, access to financial and technical support, skills and training and comprehensive and advanced business models to realize them. Enabling small holder farmers as transformation agents to re-establish and improve their livelihoods in the face of increasing weather extremes and conflict circumstances is fundamental to building resilience. We must continue to advocate and scale-up investment in effective resilience performs and inspire better partnership across the humanitarian-development relationship to meet the needs and actualities of the most vulnerable.

Action must be situation specific and concentrate on cash transfers, agricultural inputs, skills training, knowledge sharing, equal opportunities, inclusion, invention, early action, community productive resources, social protection and strong enterprises. They must integrate the needs of women, youths, and people with disabilities, indigenous peoples and other sidelined groups, guaranteeing we leave no one behind. Farmers and farming groups (including fishers, forest dwellers, pastoralists and agro-entrepreneurs) must be at the centre of transformation. They should be empowered as active and self-starting means to re-establish and sustainably manage their land, reinforce their institutional, technical and financial capabilities and support their current, traditional knowledge to permit them to build resilient farms, organisations, trades and communities. Working together to build resilient smallholder farmers will go a long way in helping vulnerable communities to rebound from disasters.

REFERENCES

Clarke, V. and Braun, V. (2013). Teaching Thematic Analysis: Overcoming Challenges and Developing Strategies for Effective Learning. *The Psychologist, 26*(2), 120-123.

Food and Agriculture Organisation of the United Nations (FAO). (2023) Unlocking Rural Finance for Inclusive Agrifood Systems Rome, Italy.

Gash, M. and Gray, B. (2016). The Role of Financial Services in Building Household Resilience in Burkina Faso. CGAP Clients at the Center. Washington, DC: CGAP. Available online: https://www.cgap.org/sites /default/files/researches/documents/Role-of-FS-Burkina-Faso.pdf. Accessed on: 24 February 2020.

Gregory, D. (2020). What is Finance? Jacksonville State University.

Hussain, A. H. M. B., Endut, N., Das, S., Thanvir, M., Chowdhury, A., Haque, N… and Ahmed, K. J. (2019). Does Financial Inclusion Increase Financial Resilience? Evidence from Bangladesh. *Development in Practice 29*(6): 798–807.

IFAD Post-2015 Policy Brief 1. (2015). Leveraging the Rural-Urban Nexus for Development.

Jacobsen, K., Marshak, A. and Griffith, M. (2009). Increasing the Financial Resilience of Disaster-affected Populations. Washington, DC: OFDA, USAID.

Jones, L. and Tanner, T. (2017). 'Subjective Resilience': Using Perceptions to Quantify Household Resilience to Climate Extremes and Disasters. *Regional Environmental Change, 17,* 229-243.

Lyons, A. C., J. Kass-Hanna. and Greenlee, A. (2020). Impacts of Financial and Digital Inclusion on Poverty in South Asia and Sub-Saharan Africa. ADBI Working Paper Series. Tokyo: Asian Development Bank Institute.

Moore, D., Niazi, Z., Rouse, R. and Kramer, B. (2019). Building Resilience through Financial Inclusion: A Review of Existing Evidence and Knowledge Gaps. Financial Inclusion Program, Innovations for Poverty Action.

Nagarajan, G. and Meyer, R. (2006). Finance for the Poor. *Focal Point for Microfinance, 7*(4), 1-8.

OECD INFE. (2018). Policy Guidance on Digitalization and Financial Literacy. Paris: OECD. Available online: http://www.oecd.org/finance/G20-OECD-INFE-Policy-Guidance-Digitalisation-Financial-Literacy-2018.pdf. Accessed on: 24 February 2020.

Organisation for Economic Co-operation and Development (OECD). (2017). G20/OECD INFE Report: Ensuring Financial Education and Consumer Protection for all in the Digital Age. Paris: OECD. Available online: http://www.oecd.org/daf/fin/financial-education/G20-OECD-INFE-Report-Financial-Education-Consumer-Protection-Digital-Age.pdf. Accessed on: 24 February 2020.

Steinbach, D., Kaur, N., Manuel, C. and Saigal, S. (2017). Building Resilience to Climate Change: MGNREGS, Drought and Flooding in Odisha. IIED, London: UK.

TearFund. (2010). Investing in Communities: The Benefits of Costs of Building Resilience for Food Security in Malawi.

World Bank. (2012). The Little Data Book on Financial Inclusion 2012.

Washington, D.C.; and Micro Insurance Network (2013). The Emergence and Development of Agricultural Micro insurance.