



Short Article

“Women First” to Reduce Poverty in Rural Asia

Women, especially rural women in developing countries, face wide and lasting negative discrimination, also known as the “gender gap” (UNFPA, 2005) or gender inequality (World Bank, 2001). Regarding the capacity to live an active life, they are disadvantaged for several reasons. In their youth, they receive less education, less health care and less skills; in their adult life they are disadvantaged through limited access to land, credit and information, and in the remuneration of their activities.

Yet, a look at recent trends and prospects for 2010 from an international database (FAOSTAT, 2005) for developing Asian countries (DAC) reveals a striking point: the number of women economically active in agriculture (WEAA) is increasing and growing faster than the number of males economically active in agriculture (MEAA). Since the account of women's role in agriculture is widely underestimated by statistical data (UNFPA, 2005), especially in developing countries, in itself this result is a major indicator.

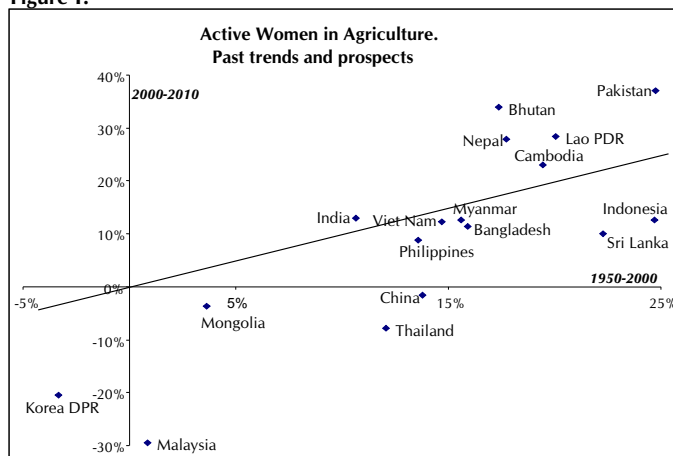
In fifty years, the share of WEAA has risen from 40 per cent to 45 per cent. At least 455 million women work in agriculture, 230 million more than 50 years ago in DAC. Projections (FAOSTAT, 2005) for 2010 indicate that an equivalent additional number of women and men will engage in agricultural activities. This means higher growth in the women's share of the Asian population economically active in agriculture.

In a sub sample of 17 South and East Asian countries, cross-country disparities are wide (see Figure 1). For the countries located above the diagonal (parity line), Bhutan, Lao People's Democratic Republic, Cambodia, Nepal, Pakistan and India, the WEAA growth rate per decade will be higher for 2000-2010 compared to the 1950-2000 period. The countries between the parity line and the X-axis: the Philippines, Viet Nam, Bangladesh, Sri Lanka, Indonesia and Myanmar; will see an inverse relationship but still with a positive growth rate for the period 2000-2010. In only four countries: Mongolia, China, Malaysia and Thailand, all below the X-axis; will the growth rate of WEAA be negative for the first time in their history.

When comparing the expected growth rate of WEAA and MEAA, a group of five countries (including Nepal and Sri Lanka) will still show a higher growth rate for WEAA than MEAA. In Pakistan, in particular, it is expected to be three times larger, and in Bangladesh and Indonesia MEAA growth will be negative while

WEAA growth will be positive. Another group of seven countries located slightly below the parity line shows more balance between WEAA and MEAA. However, in this group we find China and India respectively with positive and negative growth for both WEAA and MEAA growth rates. Given the size of the population of these countries and the wide internal and regional disparities, it is likely that in rural areas similar trends as for the sub sample are predominant. This would, however, require further investigation.

Figure 1.



Data thus seems to indicate that in the least developed countries (LDCs) of the sample and some others such as Indonesia, Pakistan, Sri Lanka and India, the number and share of WEAA is likely to increase both in absolute and relative values. Women will play an even more significant role. Due to the gender gap and inequalities this means that the challenge of poverty alleviation through agricultural development will become even more comprehensive. Pathways out of poverty will have to not only be technologically sound but also infrastructure based. Fighting the gender gap and gender inequalities is the emerging issue and the keystone for attaining the MDGs in rural areas.

Prospects for rural poverty alleviation depend on the capacity of Asian countries to place rural women at the forefront of development priorities. A new type of policy agenda also needs to be written ■

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(References available upon request)

Flash **BREAKING**

Doha Round: Hong Kong as the Last Resort

Four years after the Doha Round was launched and well past the deadline set for its completion, some problems related to agriculture, services, and trade facilitation are still daunting. Under pressure, the Director General of WTO Mr. Pascal Lamy, urged that the December Hong Kong Ministerial Meeting is not just another checkpoint in the negotiations, but also the last and best chance to move this Round to a successful conclusion by the end of 2006.

Lamy, Pascal, 2005. Hong Kong Ministerial is Last and Best Chance to Conclude the Round by Next Year, WTO NEWS: SPEECHES, <http://www.wto.org/english/news/>, (24 September 2005).

Poverty and Land Equity

Based on a study covering 180 farms from Cornwall to Cumbria in UK, it was found that organic farms are better for wildlife than those run conventionally. Organic farms were found to contain 85 per cent more plant species, 33 per cent more bats, 17 per cent more spiders and 5 per cent more birds.

Hussain, Intizar, 2005. Pro-poor Intervention Strategies in Irrigated Agriculture in Asia, International Water Management Institute and Asian Development Bank.

Welfare Degradation in 18 Countries

According to UNDP's 2005 Human Development Report, since 1990, 18 countries totaling 460 million people have moved backwards on the Human Development Index (HDI) a compendium of key indicators such as income, life expectancy and education. Of the 18 countries, 12 are in sub-Saharan Africa and the other six countries are all in the Commonwealth of Independent States, the nations of the former Soviet Union.

UNDP, 2005. Human Development Report 2005, United Nations, <http://www.undp.org/dpa/pressrelease/>, (7 September 2005).

Imbalance of Global Wealth

Despite unprecedented economic growth, especially in Asia, 20 per cent of the world's population controls 80 per cent of global wealth; inequalities in income and opportunity persist and in many cases have been getting worse in the last 20 to 25 years. Nearly a quarter of the world's workers do not earn enough to lift themselves and their families above the \$1-per-day poverty threshold and the increases in income disparity in industrialized, transitional and developing nations may be the most significant, yet general trends in the world.

The World Bank, 2005. Report on the World Social Situation 2005: The Inequality Predicament, UN Reports,

Varied Achievements of MDGs in Asian Countries

According to a new report from UNESCAP, UNDP and ADB, Asia and the Pacific is reported to be one of the world's most dynamic regions and many of its countries have made rapid progress towards many of the United Nations Millennium Development Goals (MDGs). However, none of the region's developing countries are on track to achieve all of the goals. The report argues that many countries should be able to achieve many of the goals if they invest sufficient resources and make appropriate institutional changes, in particular, reforming the way they deliver public services to reach their poorest and most marginalized citizens. "To achieve the MDGs, the key challenge is to tackle the region's growing disparities by extending the benefits of the region's economic success and prosperity to its 680 million poor and this is the real battle we will have to fight in Asia-Pacific" said Mr. Kim Hak-Su, Executive Secretary of UNESCAP ■

Based on UNESCAP, 2005. Millennium Development Goals in Reach in Asia, Says UN/ADB Report, Press Release No: G/20/2005, United Nations Information Services, (7 September 2005).

Alternative Approach for Aceh is a Must

According to Scott Guggenheim, a World Bank official, reconstruction and the aid cash pouring into Aceh province could put livelihoods at risk once the money dries up unless the economy is strengthened. The immediate need for short-term aid in the wake of the tsunami is quickly shifting to the need for help with reconstruction and long-term economic recovery. The province's unemployment rate is 27 per cent and economic stagnation will likely push 600,000 people below the poverty line within the next 6 to 18 months. World Bank data showed Aceh's annual inflation rate to be running at 17 per cent, compared to an average 7 per cent in other parts of Indonesia. Another risk to the economy is 'Dutch disease' (inflationary bubbles which suddenly collapse) caused by huge amounts of aid streaming into Aceh through non-governmental organizations. It is essential that the local government anticipates and takes this into consideration during the planning process of economic reconstruction. A crucial part of that process is preparing for the day when oil reserves run dry. Aceh is facing a huge decline in its major export -to the point that by 2011 Aceh will not have anymore oil. As oil and gas production has dominated Aceh's gross domestic product at 43 per cent, the province's growth prospects will heavily depend on resuscitating the non-oil and gas industry. Aceh's economic future lies in looking towards its northern neighbours such as Malaysia and Singapore for economic integration. The local government could build basic port facilities which would enable the Acehnese to export agricultural or fisheries products to regional countries and expand its non-oil industry. Still, the overarching concern is for the government to put in place a stable regulatory framework to boost investor confidence ■

Agriculture is back to the Policy Agenda

As seen in various policy formulations, agriculture is now back on the policy agenda for donors and poor countries alike. This is primarily because there is a new understanding that economic growth is the main vehicle for reducing poverty and that growth in the agricultural sector plays a major role in overall growth as well as in connecting the poor to growth. In order to realize this, there are at least four policy directions to be implemented, namely, (i) to focus priority on economic growth that reaches the poor; (ii) to invest in rural health and education to enhance both productivity and mobility; (iii) to make rural-to-urban migration easier when rural development is too expensive; and (iv) to push global trade reforms hard to make agriculture more profitable for developing countries. This will benefit both developed and developing countries in reducing poverty ■

Based on Timmer, P., 2005. Agriculture and Pro-poor Growth: an Asian Perspective, Centre for Global Development (CGDEV), USA, <http://www.eldis.org/cf/search/disp/>.

Healthy Investment Climate to Reduce Poverty

According to the World Bank's annual World Development Report for 2004, accelerating growth and reducing poverty require governments to ensure a healthy investment climate by limiting policy uncertainties, added costs, and barriers to competition that confront firms of all types. For example, China's investment climate reforms over the last two decades helped lift 400 million people out of poverty. China has demonstrated the significant impact of investment climate improvements on increasing growth and poverty reduction. China's growth is officially reported at an average of eight per cent per year for the past 20 years, and the share of its population below \$ 1 a day fell from 64 per cent in 1981 to 16 per cent in 2001. The report emphasizes that a country does not have to reform everything at once. Significant progress can be made by addressing important constraints that face firms, and by sustaining a process of ongoing improvements. Arbitrary regulation and uncertainty about the content and implementation of government policies are leading concerns of businesses in the region. Policy-related costs shouldered by firms can also be substantial, and make many potential investment opportunities unprofitable. The report found that improving policy predictability alone can increase the likelihood of new investment by more than 30 per cent ■

Based on Neal, Christopher, 2004. East Asia and Pacific: Increasing Competition Reduces Poverty - World Development Report 2004, World Bank, <http://web.worldbank.org/>, (8 September 2004).

Flash EVENTS



First International Conference on Technological Innovation, Cultural Aspects and Globalization

1 - 2 December, 2005
Paris, France

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Third International Conference on Innovative Applications of Information Technology for the Developing World (AACC 2005)

10 - 12 December, 2005
Kathmandu, Nepal

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International Conference on Productivity and Quality Research (ICPQR) 2005

12 - 15 December, 2005
New Delhi, India

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International Conference on Natural Farming and Farmers' Knowledge

14 - 16 December, 2005
Hisar, Haryana, India

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Book Review

Agricultural Incentives in India: Past Trends and Perspective Paths towards Sustainable Development

Dorin, Bruno and Jullien, Thomas (eds.), Manohar Publishers & Distributors and Centre de Sciences Humaines, New Delhi, 2004

This book, based on the papers presented at an Indo-French seminar provides a large panorama of the past trends and lessons ranging from nutritional and equity aspects of food security to issues arising out of recent developments in trade in agriculture.

The volume begins with a contribution on the unfinished agenda of food and nutrition security, especially at the micro-level, an issue that continues to contextualize any meaningful discussion on the state of Indian agriculture. It exposes the neo-liberal complacency and neglect flowing from the euphoria of macro-food adequacy.

Attention is drawn to the gross inequities revealed by micro-level food insecurity, which is invariably among agricultural labourers and artisans, subsistence farmers, and women and children within the household (Abusalah Shariff). Considering the fact that early childhood nutritional deficiencies set limits to the quality of health in adulthood, it is disquieting to imagine a bleak future from the fact that though India accounts for only about 20 per cent of the world's child population, it also accounts for 40 per cent of the malnourished children in the world.

Incentives

The thrust of the volume, however, is on the role of agricultural incentives, meaning subsidies, and four papers specifically address fertilizer, water and electricity subsidies. Fertilizer subsidies, which reached an unsustainable point of 3.2 per cent of agricultural GDP by 1990-91, came down to about 2.5 per cent by the end of the 1990s. Almost half of the subsidy in the last two decades was due to the retention price system (RPS) and a substantial part of the reach of the subsidy apparently favours the rich peasantry and rich regions.

Vaidyanathan addresses the issue of water charges and suggests a two-pronged strategy: involving the media to highlight the current mismanagement of irrigation, and utilizing farmers' awareness of improved water management to mobilize their support for better maintenance by O & M cost recovery.

Dorin and Jullien undertake the unenviable task of estimating not only the explicit central fertilizer subsidy, but also the implicit state subsidies to irrigation and electricity and come out with admirably impressive results. Their painstaking efforts result not only in the estimates of these subsidies for each state and for each crop, but also estimates each of these subsidies per cultivator and per hectare.

Findings

The findings show that these subsidies have been growing at an

unsustainable pace, especially since the middle of the 1980s and have often been cited as the cause of fiscal problems. Yet, they point out that the level of Indian farming subsidies is far below those in the US or the EU. Further, it is because of these subsidies that Indian households are now secure in rice, wheat and sugar since these foodstuffs are provided to them in sufficient quantity at a rather low price.

However, "the worrying aspect of these input subsidies does not really lie in their absolute amount, but in their unfair distribution: in 1995-96, per cultivator subsidies ranged from Rs 6,272 in Punjab, and Rs 5,009 in Haryana to Rs 470 in Orissa and Rs 585 in Bihar." (Dorin & Jullien). Bansil provides a global overview of agricultural subsidies and builds a case for discontinuing them once their initial purpose is over. But, he too concludes that in India, the time for ending critical subsidies is yet to come. In light of these contributions, there is little wonder that the deliberations of the seminar concluded that a mere fiscal approach to agricultural subsidies that go to one sector that is poorer than others would be a failure, and that the aim of any reform should not be to reduce subsidies but to better manage them for the greater benefit of farming communities with active involvement of the concerned communities.

WTO issues

There are two papers which bring in the French methodological flavour: one, in analyzing productivity gains by the Surplus Accounting Method (SAM) (Dorin, Pingault and Bousard) and the other on supply response using the Multilevel Analysis Tool for Agriculture (MATA)*. The other papers include a comprehensive paper on WTO issues relating to India's trade in agricultural commodities. And, Paroda's and Praduman Kumar's paper which goes beyond incentives and India, provides a comprehensive account of food demand and production in the South Asian region as a whole.

The book is an invaluable addition to the understanding of not only the role of incentives (subsidies) in the past and future of Indian agriculture, but also, as the authors rightly hope, it "will serve as a basic reference to policy-makers as well as academics" on the issues relating to the problems and prospects of Indian agriculture in general and subsidies in particular ■

*Note from **Flash**: The MATA model was developed by Dr. F. Gérard at UNESCAP-CAPSA (ex-CGPRT Centre) between 1994 and 1997, with the support of Prof. J-M Bousard and Dr. D. Deybe.

Reviewed by D. Narasimha Reddy, published in "The Hindu",